University Hospital Birmingham NHS
NHS Foundation Trust

University Hospital Birmingham NHS Foundation Trust

Annual Report 2004–5

Annual Report 2004/05

For the first three months of the last financial year (April – June 2004), University Hospital Birmingham operated as a non–Foundation NHS Trust (a separate document, with accounts, is available specifically for this period).

On 1 July 2004 the Trust achieved Foundation status, which brought with it not only a number of benefits and advantages for patients and the community and financial freedoms for the organisation, but also operating and functioning requirements that differ from that of a non-Foundation Trust.

For this reason, the annual accounts in the Financial Statements of this report are for nine months July 2004 to March 2005.

However, for readers to understand the context and appreciate the achievements of the last 12 months, the narrative report is written to cover the whole year in the life of University Hospital Birmingham NHS Foundation Trust.

University Hospital Birmingham NHS Foundation Trust

Annual Report and Accounts

Presented to Parliament pursuant to Schedule 1, paragraph 25(4) of the Health and Social Care (Community Health and Standards) Act 2003

Contents

1. Chairman's Statement

A landmark year
This has been an important year for University Hospital Birmingham. Becoming a Foundation Trust is significant for the additional benefits we can deliver for the population we serve.

The establishment of the Board of Governors means we have formalised an important relationship with our community stakeholders. We have benefited from the contribution of the Governors to our annual planning process for the first time. This has been helpful in determining our priorities. We have also begun to engage with members and seek their views.

Our governance arrangements as a Foundation Trust ensure visibility, transparency and openness in the conduct of business. I have every confidence that accountability to our local population will deliver real benefits for health and health care.

Outstanding Performance all round
This year, as recent years, has been impressive for University Hospital Birmingham, as we met all our key targets. We remain financially robust. We can always find ways to improve and we will. As Chairman of the Board of Directors and the Board of Governors, I am proud and pleased that University Hospital Birmingham remains at the top of its class. I look forward to the new performance ratings from the Healthcare Commission and am hopeful that we will retain our three stars this year.

Building for the Future - managing risks
Looking ahead, we are about to build Birmingham's first new acute hospital for almost 70 years. The last 12 months have been crucial in finalising the Full Business Case, bringing with us the support of local people, patients and our staff.

The £521 million project will deliver a 21st Century environment to support new models of care, transforming the way patients are treated in South Birmingham and the West Midlands. We may be four years from opening the doors, but the work is moving ahead with purpose and vigour. I am delighted that the people of South Birmingham and University Hospital Birmingham can look forward together to this new facility.

Such a large and complex organisation will face risks, not least in relation to our new hospital. Nevertheless, I believe that we have good management mechanisms in place and a solid assurance framework to deal with these risks. This is reflected in our Statement on Internal Control which can be found at the end of this document. We have undertaken a complete analysis of these corporate risks and have put in place steps to mitigate them.

Our future as a Foundation Trust is bright indeed. We are ever mindful of the constant changes that we must embrace in health care, but I believe we are uniquely placed to seize the opportunities they present. With a turnover forecast in the next 12 months of over £370million, caring for almost 600,000 people and employing over 6600 staff we take our responsibilities as a major player in the city of Birmingham and the NHS very seriously.

I should like to conclude by thanking everyone who has contributed to the success of the last year – our staff, our Governors, our members and the Board of Directors. I welcome the opportunities that Foundation status brings to this Trust to enable us to deliver even better patient services.

John Charlton
Chairman
June 2005

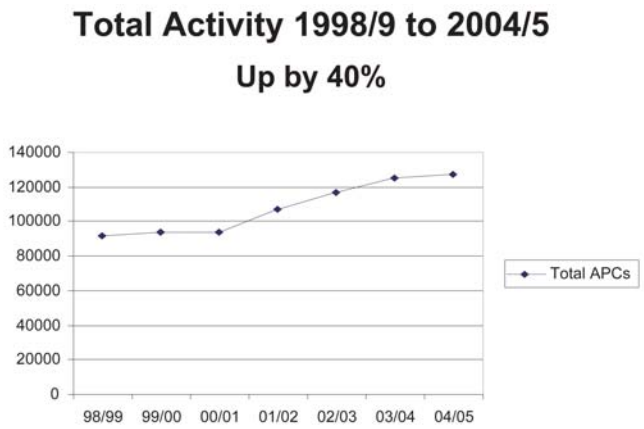
2. Chief Executive's Statement

As I enter my fifth financial year as Chief Executive, the first for UHB as a Foundation Trust, I thought it timely to look back on how our performance has developed over the years.

We can be proud of our achievements last year which have been built on foundations that were laid before the new Millennium. We are hopeful of retaining our three stars when the performance ratings are announced in July.

Some highlights:

- Since 1997, we have employed 1,400 extra staff
- Since 1998/99 we have cared for over 40% more patients
- Since 2001/02 we have reduced waiting lists by 36%



Last year alone, we treated over 590,000 inpatients, outpatients, A&E attenders and renal dialysis patients. This means that we cared for a record number of people and have seen our waiting lists fall to an all time low. In some specialities, like heart surgery, waiting times that were once two years, have reduced to no more than twelve weeks.

Over the years and across all our clinical specialties we have enhanced or extended facilities and cared for more patients. We are rightly proud that we have some of the shortest patient waiting times for consultation and admission in the UK but also acknowledge that more needs to be done in areas such as imaging to speed up diagnosis and treatment. We have made major investments in these areas this year and are confident that in the coming year waiting times will fall.

UHB has a patient population which is particularly vulnerable to health care acquired infections such as MRSA and the current rate of these infections is not acceptable. We have made significant investments in infection control this year and are making every effort to reduce these infections, a proportion of which are acquired in the community prior to admission.

The achievements of the Trust over the past year have only been possible through the hard work and dedication of our 6,600 staff and volunteers. It is heartening to know that our staff and patients continue to support us. In recent staff and patient surveys, 89% of staff said they were proud to work for University Hospital Birmingham while 9 out of 10 patients would recommend our services to family and friends.

Since coming to Birmingham in 1998, I have worked diligently to create world class healthcare facilities for the people of the West Midlands. Now, we begin building our new hospital during 2005. This is an historic moment for Birmingham as we begin to erect a landmark healthcare building to replace Selly Oak Hospital which was opened in 1897 and the Queen Elizabeth which opened in 1938.

I am proud to lead this Trust and to work with such skilled and dedicated staff who have done so much to improve services for patients. I would like to thank them for all their hard work over the past year.

Mark Britnell
Chief Executive
June 2005

3. Operating and Financial Review

3.1 Introduction

University Hospital Birmingham NHS Foundation Trust (UHB) runs two hospitals, the Queen Elizabeth and Selly Oak, which are located 1.5 miles apart in South Birmingham. More than 590,000 patients attended the hospitals for treatments last year – ranging from an outpatient appointment to a heart transplant. The annual budget in 2004/05 was £352 million, and by the year end more than 6,600 people were working for the Trust across more than 40 disciplines.

University Hospital Birmingham is the leading teaching hospital in the West Midlands with strong links to the University of Birmingham and for the last three consecutive years has achieved the maximum three stars for performance. It is anticipated that this status will be retained for 2004/05.

The Trust works in collaboration with its academic partners to promote multi-disciplinary research. There is strong emphasis on clinical and translational research particularly the areas of cancer, cardiovascular science, inflammation, infection and transplantation. The Trust is the major provider of NHS Research and Development in the West Midlands.

3.1.1 A Foundation Trust

On 30 June 2004, the Trust received authorisation to become one of the first NHS Foundation Trusts in England. University Hospital Birmingham has approximately 96,000 members and a Board of Governors which includes 24 members of the public, (local people, patients and staff), who have been elected as representatives. Sections 4, 5 and 6 provide more detail of the Boards of Directors, the Governors and the Foundation Membership.

3.1.2 A new hospital for Birmingham

The Birmingham New Hospitals Project (BNHP) will provide a facility which will support the transformation and modernisation of acute and mental health services in South Birmingham during the first part of this century. The £521 million project is being developed by UHB in partnership with Birmingham & Solihull Mental Health NHS Trust.

The Project, which is being funded through a Public Finance Initiative (PFI), is scheduled for financial close in 2005 and building will commence later in the year. As it will be the first new hospital to be built in Birmingham for 70 years, there is an unprecedented level of support for the project within the City. The new secondary and tertiary care hospital with over 1,200 beds will be built on the Queen Elizabeth hospital in Edgbaston. Further detail is provided in Section 3.4.

3.1.3 The Services provided

As a specialist teaching trust, UHB provides the full range of hospital services:

- District hospital services, catering for the vast majority of everyday acute health needs among the adult population of South and Central Birmingham
- Regional services, such as renal, cancer, neurosciences, burns and cardiac services for the population of the West Midlands
- Supra-regional services, including liver and heart transplant programmes, for patients throughout the UK

The Trust has four Clinical Divisions (and one Facilities Division) each led by a Divisional Director who is a clinician, supported by a Divisional Director of Operations accountable to the Chief Operating Officer.

The distribution of services between the two hospitals is as follows:

Queen Elizabeth Hospital	**Selly Oak Hospital**
General and Breast Surgery	Accident & Emergency
Neurosciences	Medical Assessment Unit
Cardiac Services	General Medicine and Elderly Care
Renal / Urology Services	Trauma
Liver	Vascular surgery
ENT & Maxillofacial Services	Burns and Plastics
Endocrinology	Stroke Services
GI Medicine and Surgery	Hearing Assessment & Rehabilitation Centre
Oncology	Rheumatology
QED (Quick and Early Diagnosis Unit)	Diabetes
Haematology	Critical Care
Respiratory Centre	Day Surgery Unit
Critical Care	Dermatology
	Ophthalmology

The Trust is host to The Royal Centre for Defence Medicine (RCDM) which provides dedicated training for defence personnel and is a focus for medical research. Whilst the RCDM is based at Selly Oak Hospital, defence personnel are fully integrated throughout both sites and treat both military and civilian patients. The Trust also holds the contract for providing medical services to military personnel evacuated from overseas via the "Aero med service".

The Trust also hosts the Wellcome Trust Clinical Research Facility at the Queen Elizabeth Hospital, which is Britain's largest biomedical charity. This development is a joint initiative between University Hospital Birmingham and University of Birmingham Medical School.

3.2 Strategic Aims

In 2003 the Trust developed its Corporate Strategy which was further refined during the production of the Service Development Strategy (SDS) submitted as part of the Trust's Foundation Trust application in 2004. The SDS set out the following strategic aims:

- Localise general services by providing care for chronic disease and elderly care in local settings in partnerships with primary care
- Drive specialist service development via research and development partnerships
- Improve access and facilities via capacity expansion and public/private joint ventures
- Train and develop future staff via community partnerships
- Enhance careers, establish new roles and retain staff by development programmes and national and international partnership programmes.
- Assure service quality by performance measurement, peer review and national and international benchmarking
- Improve patient focus at individual and collective levels

The Annual Plan for 2004/5 identified a number of work programmes through which these strategic aims would be delivered. These were:

Capacity and Delivery. Delivering services according to key performance indicators and to ensure delivery of NHS Plan activity targets. Increasing physical and staffing capacity where required to deliver improved access to care.

Involving Patients and the Community. Involving patients and community representatives in all areas of the Trust's decision making and future planning, including establishing the Trust as an NHS Foundation Trust.

Standards of Care. Improving core standards of patient care, including nursing care, infection control, patient safety and patient environments.

Workforce and Pay Modernisation. Modernising roles and careers in line with the transformation strategy and delivering new pay structures and contractual arrangements to support this.

Strategic partnerships. Working in close partnership with strategic partners, to deliver joint agendas which improve patient care and contribute to socio-economic development in South Birmingham.

Financial and Commercial Development. Maintaining the Trust's strong financial performance and developing new income streams.

New Hospital. Delivering the necessary in-year progress to ensure that the New Hospital Project reaches financial close and remains on programme to open in 2008/09.

Transformation. A structured whole system programme to transform service delivery across the Trust and local health economy.

Detailed objectives were set out within each of the programmes. At the end of 2004/5, 77% of these objectives had been fully met; another 22% partially met and less than 1% had not been met.

3.3. Operational Review

3.3.1 Operational activity

UHB has sustained strong performance and met all of its key performance targets and now awaits confirmation of its star rating for 2004/5.

- ✓ A maximum 6 months waiting time for inpatients at 31st March 2005
- ✓ A maximum waiting for first outpatient appointment of 13 weeks by 31st March 2005
- ✓ No 12 hour trolley waits
- ✓ 98% of patients seen, treated, admitted or discharged within 4 hours of arrival in A&E
- ✓ 100% of urgent GP referrals for suspected cancer seen within 2 weeks
- ✓ Good progress towards Choose and Book
- ✓ Acceptable score for hospital cleanliness
- ✓ A small financial surplus

More patients have been treated and both the numbers waiting and the time taken to receive treatment have reduced. Our activity in the last year is detailed in Table 1 below:

Figure 1 activity 2003/4 – 2004/5

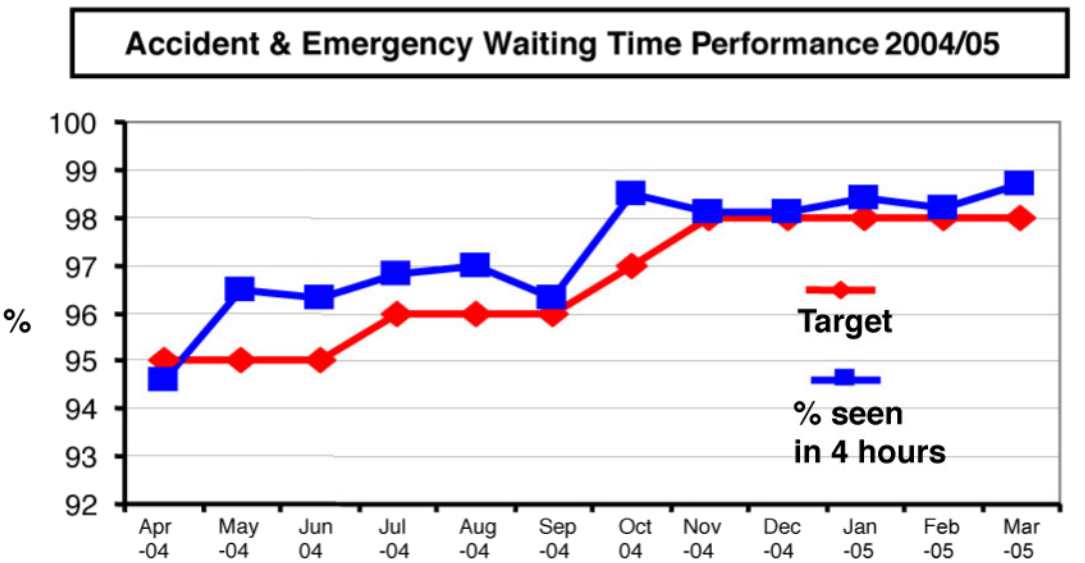
	2003/4	2004/5	% Increase
Inpatient Finished Consultant Episodes	66,637	68,031	2.1%
Day-cases (excluding renal dialysis regular day attenders)	31,389	29,939	-4.6%
Renal dialysis regular day attenders	26,381	29,278	10.9%
Outpatient attendances	374,628	384,158	2.5%
A&E Attendances	75,960	79,475	4.6%
Total treatments	574,995	590,881	2.7%

The apparent decrease in day case rates results from changes in the way activity is recorded in some procedures, such as hand surgery, changes at other hospitals in how they record activity which is undertaken by University Hospital Birmingham e.g. chemotherapy and shifts in some treatments to be more outreach based rather than admitting patients, as with diabetes.

3.3.2 Emergency care and A&E performance

The National Target for performance in Accident and Emergency required an average monthly performance of 98% of patients attending A&E to be seen, treated, discharged or admitted within 4 hours for the final quarter of the year. The Trust implemented a number of measures to improve performance both within the A&E department itself and in other departments such as imaging, bed management and the Medical Assessment Unit. The 98% target was met in October 2004 (2 months earlier than the national target) and the Trust sustained its performance for the remainder of the year. This performance was achieved against a rising number of A&E attendances (4.6%) and increased emergency admissions (3.8%).

Figure 2 A&E performance



The Trust put in place arrangements to meet the 3.8% increase in emergency admissions. These included a plan for flexibly opening 40 additional beds during January falling to 25 beds in February and returning to the baseline bed numbers in March. These plans worked very effectively enabling the Trust to cope with the increased number of patients over the winter. The opening of the additional capacity was made possible by the dedication and flexibility of the staff involved.

3.3.3 Service Reconfiguration and development

3.3.3.1 General Surgical Reconfiguration:
General surgical services were consolidated onto the Queen Elizabeth hospital allowing the Trust to improve its service delivery to this group of patients. This is an important step in transforming services and introducing new hospital models of care such as the establishment of the Surgical Assessment Unit.

3.3.3.2 Plastic Surgery
The Trust commissioned and built a £2m modular ward on the Selly Oak hospital as part of the D Block development. The process from commissioning to occupation took less than nine months and has significantly improved the ward accommodation available to plastic surgery. The location within D block allows plastic surgery to maximise the efficiency of the unit as it is near the Dedicated Day Case Unit and Day Case Theatres, Minor Operations Unit and the Short Stay ward. The increased flexibility provided has allowed plastic surgery to increase its throughput and efficiency so that it has not been necessary to use the private sector for any plastic activity since October 2004. Plastic Surgery waiting times have fallen from nine months to six months at the end of the year.

3.3.3.3 Burns
In May, the Trust applied to become one of seven National Burns Centres as part of the national burns review. University Hospital Birmingham is a strong contender as it already has a major burns unit. Plans for the further development of specialist burns services in Birmingham are being taken forward in partnership with the Children's Hospital.

3.3.3.4 Cardiac surgery and cardiology
The three month maximum wait for all heart patients awaiting angiography and revascularisation was met. The Trust also achieved a maximum three months wait for all patient categories in conventional cardiac surgery and Grown Up Congenital Heart (GUCH) surgery, even though this is not a national target.

3.3.3.5 Cancer
Cancer waiting times for urgent GP referrals remained at 100% compliance for all clinical specialties. Waiting time targets in Breast Care were maintained and urgent patients seen within two weeks, and 'non-urgent' patients waiting no more than six weeks for their first Outpatient appointment.

Average waiting times for radical radiotherapy improved to less than four weeks and palliative waiting times reduced further to less than two weeks in March 2005, the lowest point for five years. This will be further assisted by the commissioning of two additional linear accelerators in 2005, bringing the total to eight.

A new CT scanner and a further MRI scanner have been installed and will be operational in summer 2005. These will significantly increase capacity and reduce waiting times. To further improve diagnostic capability, a mobile PET scanner was introduced through a partnership with Alliance Healthcare, offering the only PET scanning facility outside London. A permanent scanner is due to be opened in the west wing of the Cancer Centre in the summer of 2005.

The Trust was designated as one of two regional cancer centres for Head and Neck cancers and the regional centre for prostate cancer.

Work has begun to prepare for the new cancer referral targets to be introduced from 1 December 2005. The first target relates to first treatments being delivered within 62 days for all urgent GP referrals. The second measures the delivery of treatment within 31 days of agreeing a treatment plan. These will be very difficult targets, particularly 62 days, since the first part of the patient journey could be in any surrounding Trust that refers patients to us for treatment.

3.3.3.6 Renal

UHB became one of two national sites for redesigning the renal patient pathway. The dialysis patient population for the Trust rose steadily during the year, and twilight shifts now operate in the acute dialysis unit six days per week.

In December 2004, nine additional dialysis stations were created at the Priory BMI Hospital in Edgbaston to meet the growing demand, where NHS patients are cared for by University Hospital Birmingham staff and the Priory provide facilities management.

Significant growth is forecast for inpatient & out patient dialysis and better synergy is needed between primary and secondary care. The Trust has developed an ambitious renal strategy to manage future demand across the local health economy.

3.3.3.7 Medical redesign / Stroke

A review of general medical wards at Selly Oak highlighted the need to revise the ward configuration to facilitate the new ways of working within General Medicine. The resulting reconfiguration established Ward S5 as a 34 bed respiratory ward and Ward S8 as a specialist stroke unit with 18 stroke beds and six elderly care beds. A stroke coordinator has also been appointed to focus on improving care for this group of patients.

3.3.3.8 Diabetes

During the year, University Hospital Birmingham and South Birmingham PCT proposed to jointly fund the appointment of a community consultant diabetologist to develop a seamless service spanning primary and secondary care. This will provide expert care closer to the patient in the community. The Trust also appointed a professor in diabetes enabling research agenda within the diabetes service to be developed.

3.3.3.9 Critical Care

The Wellcome Cardiac Critical Care Unit was integrated into the rest of the Trust's critical care service during 2004/05. This has enabled care practices and treatments to be standardised and has allowed much greater flexibility in managing the critical care service to meet the needs of patients.

3.4 Financial and Commercial Development

With a turnover in 2004/5 of £352 million, UHB is a large Foundation Trust. In order to be licensed as a Foundation Trust, the Trust had to demonstrate to the Department of Health and the Regulator that it had the necessary resources and capacity to succeed as a foundation hospital. To this end, the Trust achieved a near balanced position at year end, posting a small surplus of £29K on 31 March 2005.

As a Foundation Trust, UHB opted to fully implement Payment by Results rather than adopting a minimum income guarantee. UHB has contracts with over 60 PCTs and receives further income for specialist services from specialist consortia and national funding bodies such as NSCAG and the NHS transplant authority.

3.4.1 Income & Expenditure

The table below compares the original planned income and expenditure with the outturn position for a full 12 months (i.e. 3 months non - FT + 9 months FT).

Financially, the past year has seen the Trust face many challenges including the additional costs associated with pay modernisation. For example, the implementation of the consultant contract and costs associated with maintaining compliance with European Working Time Regulations for junior doctors created significant additional financial pressure during the year.

Similarly, certain high cost drugs, pathology and x-ray referrals from GPs, a continued rise in A&E attendance and emergency admissions collectively utilised all budget flexibility. In spite of this, it ended the year with a breakeven position, which means for the 10th successive year University Hospital Birmingham has operated prudently and delivered its financial objectives.

Figure 3 Summary income and expenditure – plan v. outturn

UHBFT Summarised Income and Expenditure (£M's)		
	Original SDS Plan 2004/05	**Outturn Position 2004/05**
Income	344.04	352.51
Expenditure	-324.54	-332.16
EBITDA	19.5	20.35
Depreciation	-12.6	-14.01
Dividend	-7.03	-7.03
Interest	0.37	0.72
Net I&E	0.24	0.03
EBITDA %age	5.7%	5.8%

** EBITDA (earnings before interest tax depreciation & amortization) commonly known as operating surplus*

Please note there has been no necessity to exercise the Prudential Borrowing Limit.

3.4.2 Supporting the modernisation of services

The Trust invested significantly during the year in acute medicine and A&E as planned in the service development strategy. Further investment of £347K was made to strengthen infection control which included additional medical and nursing consultants, cleaning staff and hygiene products.

3.4.3 Capital Expenditure

The year saw the delivery of some significant capital schemes to support the delivery of clinical services across both sites. In total the Trust spent £15.3 million on new facilities and equipment across its hospitals.

Projects at the Queen Elizabeth Hospital included the provision of a third catheter laboratory and the West End development (including housing for two new linear accelerators and the PET scanner) and work began on a new Leukaemia Centre partly financed by a capital grant from Advantage West Midlands.

At Selly Oak Hospital a further CT and MRI scanner have been commissioned to increase capacity in imaging and a 25 bed modular ward installed to give the hospital additional flexible bed capacity.

At the same time other schemes saw the transfer of Medical Records to Elliott Road with Sterile Fluids and Warehousing moving to Melchett Road to enable the New Hospital works to commence on site.

UHB is leading the Pan-Birmingham Decontamination Project. This is part of the first-wave of a National Programme reviewing Trusts' approach to the decontamination of surgical instruments. The Project Board is chaired by UHB CEO Mark Britnell with and the Project Director is employed by UHB.

The Pan-Birmingham Project is the largest in the country and will be dealing with over 10 million instruments per year. It consists of 8 Birmingham Trusts working together to develop a state of the art facility for the decontamination and reprocessing of surgical instruments. The project is currently subject to a European Procurement process.

UHB has also been implementing plans to improve their own decontamination facilities, this year focussing on Endoscopic Washer Disinfectors. This will provide facilities allowing the Trust improved computerised tracking and traceability features and will continue for the next two years.

The Trust's current capital expenditure plan of £24.8 million for the year 2005/06 does not necessitate the need to borrow against the Prudential Borrowing Limit during the year.

Of the £24.8 million capital programme the total planned expenditure on non protected assets is £9.8 million. When works at Morris House (£2.6 million) are complete, and include the Leukaemia Centre, this building will become protected.

3.4.4 Birmingham New Hospitals project

The project gathered momentum during the year, progressing in partnership with Consort Healthcare, the selected partner for the PFI development.

The year began with preparations for detailed planning of the procurement. Consort supplied a full set of detailed drawings (1:200) for the design for review by the Trust's Clinical Planning Team, who provide overall leadership of healthcare planning. They provided initial feedback to the Consort designers and confirmed that Oncology and Pharmacy will remain in their current locations in refurbished retained estate at the Queen Elizabeth Hospital.

The new hospital featured highly at a number of events throughout the year including the NHS Confederation Conference and the University Hospital Birmingham Healthcare Lecture at the Council House.

In September, the Trust held an open day for local residents to find out more about the development and how the Trust intends to mitigate any adverse impact during the construction period. Planning approval was granted in October for a series of early works to enable the main project to start on time. These included the provision of replacement car parks in advance of withdrawing existing facilities as well as the provision of temporary access for site infrastructure and service works.

A decision was taken to retain the Facilities Management Services for the New Hospital in house. Detailed work on the 'contract' for Soft FM services led to sub groups developing the details of service, which now forms part of the Transformation programme. Further detail is given in section 3.9.

Ongoing staff side consultation continued and regular staff briefings were held throughout the year. It was also decided to transfer Hard FM services six months before the first operational phase of the new hospital reaches practical completion. Considerable clinical input has been sought to ensure that the plans will not compromise clinical governance during the phased occupation of the new buildings.

3.4.4. 1 Timescales and Risk Management

The project is scheduled for completion by early 2010. The project remains on programme and is being proactively managed by an experienced project team in line with PRINCE2 principles.

The quality and effectiveness of the project management arrangements, including the management of project risks, has recently been reviewed by a Gateway Review Team from the Office of Government Commerce. The Gateway Team have issued a positive report to the Senior Responsible Owner, making several recommendations which need to be actioned before the next Gateway review in three years time.

3.4.5 Other services

3.4.5.1 Payroll

UHB now operates the largest payroll bureau in the NHS and increased the number of clients during the year to 30. This represents 110,000 members of staff in the NHS. New offices in Oxford, Stoke and Coventry were opened during the year and all the staff transferred are now employed by the Trust, bringing University Hospital Birmingham's payroll team to over 130 staff. In support of this business the Trust began to implement the new NHS Electronic Staff Record in the last quarter of the year and to pilot various electronic solutions to data capture.

3.4.5.2 Patient Information & Communication System (PICS)

PICS has been developed and implemented by a team based within the Trust's IT department. This proven technology demonstrates that electronic prescribing systems work across the many different departments within a modern teaching hospital. The Trust is now currently exploring opportunities to market the system to the wider UK public and private healthcare sectors.

3.4.5.3 Joint ventures

The Trust is seeking a strategic partner to develop options for the provision of HR/Payroll services. An OJEU notice was issued in March 2005 inviting prospective bidders to come forward.

The Trust currently hosts the West Midlands intellectual property hub whose role is to assist NHS bodies to identify, protect and exploit innovations. Members will shortly be considering the creation of a non-profit CLG (company limited by guarantee) in a move away from its current unincorporated association status.

The Trust has also signed an agreement with Dr Foster to undertake joint development and marketing of a system to deliver real time clinical information, to improve the transparency of clinical performance.

3.4.5.4 Education, Research & Development Funding

The Trust has significant income streams outside of direct patient care funding. For example, income agreed with the Department of Health to recognise the infrastructure and direct costs incurred in training medical undergraduates from the University of Birmingham was £13,244,965 in 2004/05.

Similarly, a dedicated revenue stream is received from the West Midlands Deanery to meet the basic salary costs for post-graduate doctors in training. The planned sums totalled £10,533,262.

A third significant 'levy fund income' recognises research and development activities within the Trust. This provided £5,251,418 in 2004/05, over 10% of which is in recognition of the Wellcome Clinical Research Facility. Finally, the NMET (non medical education & training) levy was set at £1,413,647 at the beginning of the year.

3.4.6 University Hospital Birmingham Charities

The teaching hospitals of Birmingham, originally amalgamated as the United Birmingham Hospitals, had substantial charitable funds at their disposal that were managed by the Special Trustees of the Former United Birmingham Hospitals Trust Funds.

This vehicle eventually became too unwieldy to meet the challenges of future healthcare provision. A decision was made to split the funds, and the new Section 11 body came into existence on 1 April 2001 under Statutory Instrument 2001 no. 288.

Three charities were transferred from the Special Trustees for the former United Birmingham Hospitals and are now registered under the 'umbrella' charity University Hospital Birmingham Charities with the registered number 1093989.

Within the umbrella fund there are some 450 individual designated funds with money donated for a particular purpose. All the funds are administered by the UHB Charities, which is an independent body from UHB.

3.4.7 Intellectual capital

The Trust continues to make excellent progress in hosting the Intellectual Property Hub in the West Midlands (Midtech) and to work with member Trusts and new clients to undertake innovation audits, identifying and patenting innovations where identified. It recently hosted an innovation competition in the West Midlands.

3.4.8 Private patient income

Private patient income was £2.4m which is within the target limit of 1.25%.

3.4.9 Value for Money

A formal cost improvement programme was approved for 2004/05 which set targets and action plans for all divisions and departments. The cost improvement programme was monitored monthly and achieved savings of 2%, of which 1% were cash-releasing.

Due to increased demand, significant volumes of plastic surgery had previously been undertaken in the private sector. The project plan to repatriate this work was completed resulting in a reduction in expenditure on plastics of over £1m (46% reduction in cost per case).

As a result of re-tendering and negotiating significant savings were delivered in car parking, non emergency patient transport and medical gases.
Theatres implemented the first year of a two year workforce plan designed to reduce expenditure on agency staff and overtime which is planned to deliver £700k over two years.

3.4.10 Land Values

We are carrying all land at the District Valuer's recent valuation. The Selly Oak Hospital land is owned freehold and Queen Elizabeth Hospital is on a long term lease from Birmingham City Council due to expire 29th September 2932.

3.4.11 Accounting Policies

There were no changes to accounting policies that affect the 2004/05 financial results.

3.5. Managing relevant risks and key constraints

3.5.1 Risk

The Board of Directors further developed the corporate risk register. Risks were categorised into one of eight domains. These are:

1. New Hospital project
2. HR and Organisational Development
3. Financial risks
4. Relationships and regulation
5. ICT and EPR
6. Reputation
7. Patient experience and service quality
8. Terms of authorisation

This ensures that the Board is clearly sighted on the key corporate risks, the controls in place to manage the risk and the assurance framework which confirms that the risks are being managed. The risks are prioritised according to potential impact and likelihood of occurrence which ensures that the most significant risks receive the greatest attention from the Board.

At the start of the new financial year, the Risk, Compliance and Assurance Committee was established, chaired by a Non – Executive Director with a legal affairs background.

It is charged with uniting, evaluating and monitoring clinical and business risk streams within UHB. The management arrangements deliberately separate clinical governance from financial risk but we will need to create a unitary assessment of risk to ensure that the Board is sighted on key corporate risks. The Risk, Compliance & Assurance Committee will track this process which will combine various elements of clinical and business risk.

The membership will comprise four Non Executive Directors, the Chairman, the Chief Executive, the Deputy Chief Executive and the Director of Policy, Planning and Performance Management.

3.5.2 Constraints

Significant constraints on the Trust are those which would be recognised in most NHS Foundation Trusts. These include:

- General level of funding for healthcare
- Ability to recruit and retain an appropriately skilled and qualified workforce
- Ability to participate in Independent Sector Treatment Centre tendering

The Trust has had some success in dealing with the first two constraints. Income was £8m higher than predicted in the SDS (although this was offset by increased costs). The Trust has taken a number of steps to improve its long term ability to recruit and retain staff. These are described in section 3.8.

The inability to enter the independent sector treatment centre procurement process means that this route to dealing with a potential competitive threat is closed to the Trust.

There are a number of environmental constraints which have an impact on the Trust's ability to deliver the highest standards of patient care. These are:

3.5.2.1 Age

The Queen Elizabeth Hospital is nearly 70 years old and Selly Oak Hospital is over 100 years old. These old buildings are not conducive to 21st century healthcare and do not provide the modern facilities that the Trust would wish to provide for its patients. In particular there are insufficient single rooms to provide privacy and isolation for those patients who need it.

3.5.2.2 Split site working

Services are split across two hospital sites limiting the possibilities of improving healthcare by delivering services in an integrated way. Split site working hinders the natural relationships and synergies between specialties. It also builds in inefficiencies by time taken in travelling between sites.

3.5.2.3 Restriction of space

As the number of patients has increased and correspondingly number of staff to treat them, the pressure on clinical space has increased and the Trust now has no room for expansion within its existing buildings. This constrains the Trust from rapidly and flexibly responding to increased pressures as additional capacity has to be provided by buying it in (e.g. the modular ward) or by using external facilities (e.g. private sector). It also means that the there is no capacity for decanting to enable maintenance and upgrades to clinical facilities.

3.5.2.4 Infection control

Infection control is a high priority for the Trust. Section 3.6.1 sets out more detail on the Trust's strategy for infection control. The design and layout of the current trust estate makes effective infection control more difficult, with limited isolation facilities, corridors which pass through clinical areas and a shortage of storage facilities.

3.6 Clinical standards

3.6.1 Infection Control

Throughout the year, much attention was focussed on health care acquired infections and in particular MRSA. UHB has a particularly vulnerable population due to the types of patients and the treatments it offers and has higher than average rates of these infections. The unusual case mix for the Trust which includes a large proportion of high risk patients and small proportion of low risk patients (the lack of Paediatrics and Obstetrics / Gynaecology particularly) produces a lower performance when compared with other teaching hospitals.

The Trust had been showing a gradual improvement in its MRSA performance over the last 4 years.

Figure 4 MRSA bacteraemia figures for UHB

Period	No. of MRSA bacteraemias	MRSA bacteraemia rate (per 1000 bed days)
April 2001 – Sept 2001	100	0.58
Oct 2001 – March 2002	89	0.52
April 2002 – Sept 2002	86	0.49
Oct 2002 – March 2003	83	0.48
April 2003 – Sept 2003	67	0.38
Oct 2003 – March 2004	56	0.32
April 2004 – Sept 2004	65	0.37
Oct 2004 – March 2005	87	0.49

The last quarter of 2004/05 was particularly disappointing as there was an increase in the number of bacteraemias (53), reversing the previous downward trend. Of the 87 MRSA bacteraemias in the six months October 2004 – March 2005, 18 occurred in February and 23 in March 2005. These two months produced unusually high monthly numbers of bacteraemias, and they occurred at a time when there was severe pressure on bed occupancy, in part due to community and hospital outbreaks of viral gastroenteritis that affected all Birmingham's hospitals. Seven patients were admitted with MRSA bacteraemia from the community in February and March 2005; this is unusual.

This year has also seen a significant rise in the number of medical patients (as opposed to surgical patients) with MRSA. Of these patients who were admitted acutely, a significant

proportion (67%) of them were known to have been colonised (i.e. been a carrier of the bacterium) with MRSA prior to this admission.

This need for continued vigilance has been re-emphasised and further measures to combat infection have been introduced. The infection control strategy was relaunched and significant additional investment made in the following:

- An additional consultant microbiologist (infection control doctor)
- A nurse consultant in infection control
- Additional cleaners
- Copious supplies of hand gel and wipes
- A communication and publicity campaign "*Infection control is everybody's business".*
- "Light boxes" : these demonstrate the effectiveness of hand washing and are used in road shows in clinical areas by the infection control staff
- Education programmes
- More than 95% of cleaners attended an external infection control course

In addition, a visitor's information leaflet was developed indicating the role visitors could play in reducing infections. A new bed management policy was introduced to prioritise infection control (i.e. use of single rooms and isolation of patients). Further policies were revised and reissued on equipment decontamination and a dress code for staff. The Trust was an early adopter of the Health Protection Agency's campaign clean**your**hands (*sic)* which encourages people to observe the highest standards of hand hygiene. In annual objective setting, infection control has been included in the objectives of all consultants, senior nurses and managers.

This continued vigilance and active measures to reduce infection have continued into the new financial year and for the first two months, the results are more encouraging, continuing the downward trend. In April the numbers (subject to validation by the Regional Epidemiologist) of MRSA bacteraemia were 9 and in May they were 10.

3.6.2 Information Governance

During the year, the Trust established the Information Governance Working Group to improve Information Governance standards, address areas of weakness and monitor year on year improvement plans.

The plan for 2004/05 improved the Trust's compliance with Information Governance standards and progress was made in Data Protection, Health Records, Information Security, Human Resources and the Freedom of Information Act. This resulted in the Trust achieving an overall scoring for 2004/05 of 90% compared to 77% for 2003/04.

3.6.3 Risk

The Clinical Negligence Scheme for Trusts (CNST) is a risk pooling system which is designed to support the effective management of risks and fund the cost of any clinical negligence claims made against the Trust. There are three levels (Level 1 is the lowest and 3 the highest); the Trust maintained CNST level 2 this year.

3.6.4 Medical Records

The advent of the new hospital presented the Trust with an opportunity to bring all Medical Records services together on one site. This co-location provides opportunities for improving the efficiency and quality of the service.

3.7 Relationships with local commissioners

3.7.1 South Birmingham PCT

The Trust is the main provider of acute services for the South Birmingham population and therefore it has a particularly close and important relationship with South Birmingham Primary Care Trust.

A joint approach has been developed to improve emergency care services to the local population. Initiatives such as the rapid emergency access care team (REACT) have proved to be very effective in reducing hospital admissions. A joint initiative involving a Consultant Cardiologist to support improved heart failure services in local surgeries, including support for echocardiography has also been established. South Birmingham PCT and the Trust jointly funded the team of special community nurses to help develop diabetes care outside hospital.

The Trust has met targets set by local commissioners in terms of waiting times and volumes which are in many cases more challenging than national targets. The Trust and South Birmingham PCT hold formal quarterly performance review meetings at which targets, activity and finance are kept under review. There is also significant informal dialogue and more strategic meetings held with Commissioners.

3.7.2 Heart of Birmingham PCT

The Trust has embarked on a number of specific initiatives with its second largest commissioner. These include outreach renal services and outreach imaging services.

3.7.3 Birmingham and the Black Country SHA

The Trust has continued to work with the BBCSHA and PCTs in Birmingham to develop its plans for the new hospital. In March 2004 support was received from the SHA to submit the full business case for the new hospital. The business case contributed to the implementation of the SHA strategy - *A Wider View*.

3.8 Workforce

3.8.1 Pay modernisation

Pay modernisation formed a large part of the HR agenda this year through the introduction of a new Consultant Contract and the ongoing work to ensure Junior Doctors' working hours are compliant with the European Working Time Regulations.

In common with all other Trusts, University Hospital Birmingham began to implement Agenda for Change, the pay modernisation programme for all staff except doctors. This is a significant undertaking, requiring major input from staff, their representatives and managers. Agenda for Change offers a new way of looking at job roles in the organisation and will ensure fair pay, development of staff through the Knowledge and Skills Framework and the delivery of the services needed in the NHS. The Trust has established an *Agenda for Change* Project Board to oversee progress, led by the Deputy Chief Executive.

3.8.2 Improving Working Lives – Practice Plus

UHB is committed to improving the working lives of staff and ensuring they feel valued. Building on the Trust's "Practice" status achieved two years ago, last year UHB worked towards Practice Plus in order to be regarded as a local and national employer of choice, which will help the Trust to continue to recruit and retain the best staff in a highly competitive environment.

3.8.3 Communication and staff involvement

At the start of the year, a monthly Team Briefing was introduced which ensures the key messages of the month are cascaded through the organisation. News Focus, the monthly Trust newspaper for all staff, has been surveyed and whilst popular and well read, some

enhancements will be introduced, along with a focus group from a cross-section of staff to ensure it is kept relevant and topical.

UHB ran several successful staff conferences during the year for nurses, Clinical Support Workers, Allied Health Professionals, administration staff and Healthcare Scientists. Nurses Week was introduced as a week of celebration culminating in the annual Good Practice Conference.

Since the launch of the Partnership Agreement in September 2003, the Trust and its Staff Side partners have been identifying ways to improve working together for the benefit of the Trust, its patients and its employees.

As part of this work, the Trust supported a Development Programme for Trade Union representatives on such subjects as 'Money Flows in the Local Health Economy' and 'Delivering an Effective Role on the Board of Directors'. In February 2005 the Trust also conducted an in-depth review of the Partnership Agreement to ensure that it is delivering the anticipated benefits for both parties and is ready to develop further.

3.8.4 Equal Opportunities

The Trust is an equal opportunities employer and has policies and procedures in place to ensure equality of opportunity. This is vital to ensure staff feel valued in the workplace and are motivated to provide a high quality patient service. The Trust is also aware of its responsibility as a major employer to the local population and actively engages with the local community to better understand and promote diversity issues.

The Diversity Strategy considers all forms of diversity and the Trust has established an Equality and Diversity group, which reported to the Improving Working Lives Steering Group, to deliver the strategy.

UHB took a lead in delivering a Learning and Skills Council (LSC) -funded Black and Minority Staff Development Programme for healthcare. The Trust also successfully retained the Two Ticks Disability Symbol which is awarded by Job Centre Plus. This means that UHB is committed to employing disabled people and also strives to go above and beyond the five responsibilities which are established for this symbol. The Trust has trained the Recruitment Centre team in disability awareness to assist them in supporting disabled applicants and has also carried out disability awareness training sessions which were open to all staff.

3.8.5 Staff Survey

Between October and December 2004, 64% of a sample of 850 UHB staff completed the second national staff survey run by the Healthcare Commission. This response rate was a substantial improvement on last year. UHB scored well once more and staff results placed us in the top 20% of acute trusts nationally for staff appraisal, personal development planning and the quality of its senior management. Over 80% of respondents said that UHB is a great place to work.

The Trust also included local questions for tracking from previous surveys. It is pleasing to note that 86% of staff are proud to work for the Trust and 88% enjoy the work they do at UHB. Importantly, 84% see their long term future at UHB, stating they would like to stay with the Trust and work in the new hospital.

Figure 5 Staff Survey 2004

Figure 4.1: Graph showing percentage scores for University Hospital Birmingham NHS Foundation Trust compared with other acute trusts nationally

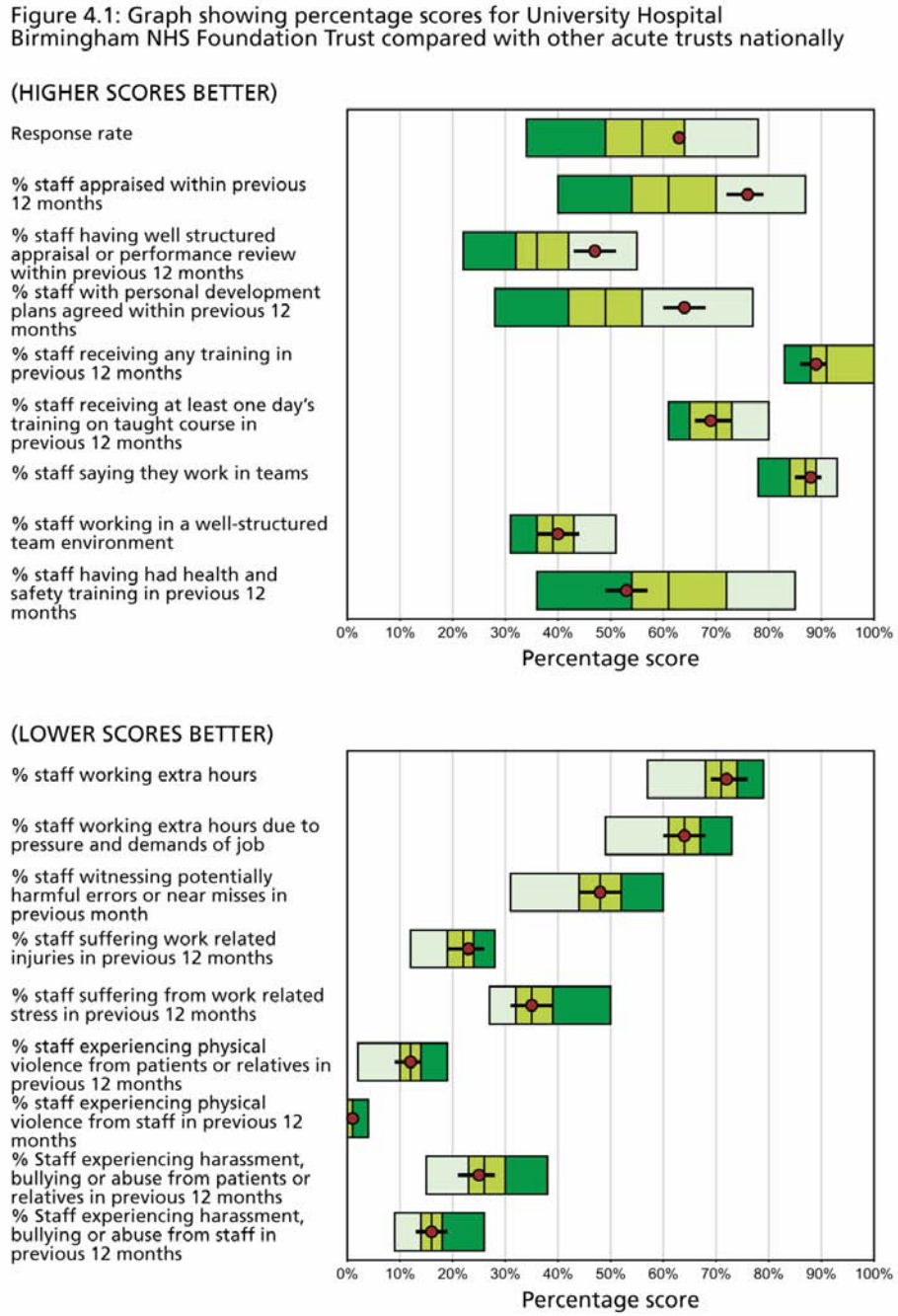
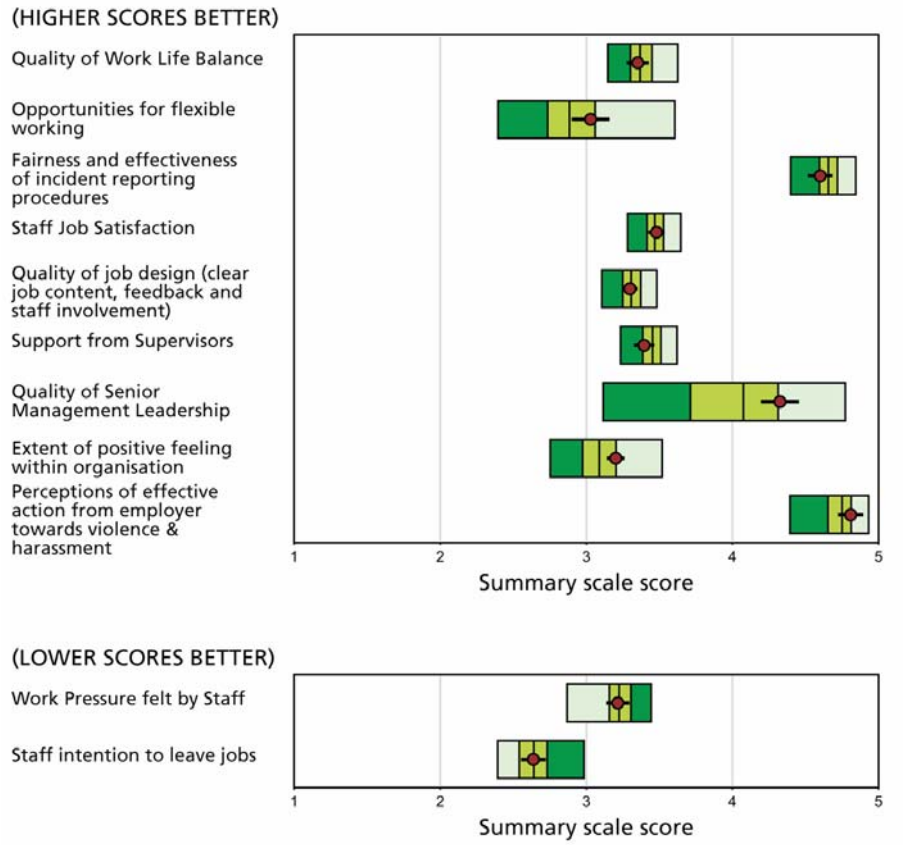


Figure 4.2: Graph showing scale summary scores for University Hospital Birmingham NHS Foundation Trust compared with other acute trusts nationally



3.8.7 Education, training and development

The Trust exceeded Strategic Health Authority targets for both Vocational Award Registrations and NHS Learning Account uptake in 2004/05 and further training opportunities were offered through external partners for staff to use Learning Accounts. In-house provision of core training programmes, e.g. Personal Development and Review, was extended. The Corporate Induction programme for all staff underwent further revision during the year and feedback from participants is now consistently good or excellent.

The Trust is a partner in the ACTIVATE Project. ACTIVATE was started to:

- address a potentially "business-critical" staff shortage, especially in support areas across the NHS partners
- make regeneration impacts through improving the employment prospects of disadvantaged communities
- demonstrate the ability of the NHS as a major employer to give leadership for training and diversity

The Trust has provided training for some 420 unemployed and disadvantaged people in the community over the past 18 months and UHB's Project won the Health Service Journal award for national recruitment and retention initiatives.

3.8.8 Health and Safety

The NHS Plus accredited Occupational Health & Safety Department has worked to ensure the health, safety and welfare of staff and patients and the Trust's continued compliance with health and safety legislation.

Occupational Health and Health and Safety data are now being supplied regularly to Divisions, highlighting potential health and safety issues and sickness absence trends.

New contracts have been established with Birmingham and Solihull Mental Health Trust and South Birmingham PCT Dentists. New Health and Safety Policies include Working with Tristel, a chemical disinfectant introduced to replace the previously used chemical Glutaraldehyde**.** The policies on Violence and Aggression and Working with Display Screen Equipment have been revised and agreed and the Trust successfully introduced a system of rehabilitation for staff who have experienced long term illness/injury.

3.9 Transforming ways of working

3.9.1 The Transformation programme

In order to develop a consistent and cohesive approach to transforming both clinical and support services, the Trust Board approved the Transformation Strategy in November 2004. The Transformation Strategy is underpinned by seven work streams which will deliver the main strands of the strategy. The work streams are:-

- Clinical Redesign.
- Workforce Development.
- Clinical Information.
- Patient and Public Involvement.
- New Hospital Physical Migration.
- Facilities Management
- Capacity and Service Planning

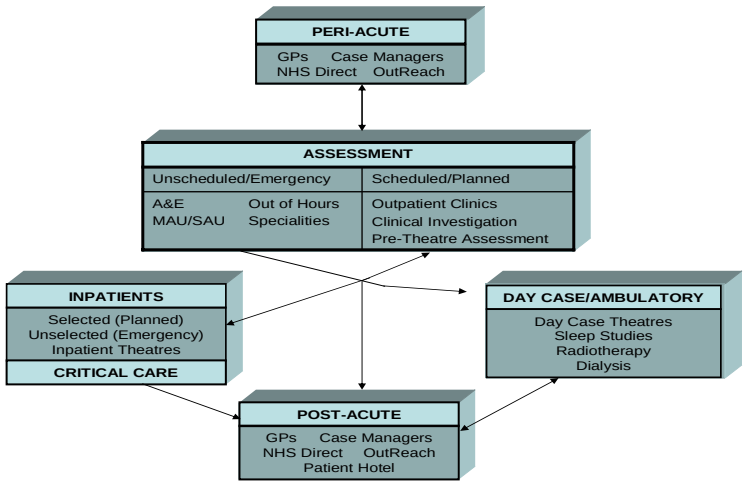
The Chief Operating Officer chairs the Steering Group to agree, monitor and facilitate the delivery of the seven work streams. A Director for Clinical Transformation and a Project Manager were also appointed to focus on the immense challenges and opportunities of this work.

A Transformation Risk Register is maintained and updated as part of this work and risk minimisation strategies proposed. It is anticipated that the programme will be of five years duration.

The agreed aims of the programme are:

- To provide a well-trained and motivated workforce which meets the organisational needs of the Trust and provides sufficient flexibility to allow the Trust to respond to changes in the future
- To ensure that the models of care will be the primary driver for operational delivery within the Trust
- To ensure that the quality of care received by patients will not be affected by the transition to the completion of the new hospital
- To improve the patients' perceived experience of the service
- To deliver "Soft FM services" which integrate seamlessly with the Trust operational services
- To adopt the change programme required to achieve a smooth transfer of services from current Trust buildings to the new Hospital / Retained Estate
- To introduce and use technological advances in the redesign of services

Figure 6 Models of care for the future



3.9.2 IT activity to support operations

Another vital component for the future operation of the Trust is to introduce the new Electronic Patient Record (EPR) as part of the national procurement. EPR will replace the existing Patient Administration System (PAS) and become a building block in the new integrated computerised patient record system. Significant development work in preparation for this was undertaken during the year.

The Trust created a South Birmingham IT Training Agency and recruited 16 staff, to share trainer posts with other local Trusts. University Hospital Birmingham has been working with CSC (the Local IT Service Provider) to develop the implementation plan to replace the current PAS and the links to departmental systems. 1,200 Trust staff will be involved in this phase of the project.

EPR will underpin the transformation programme, as the systems used will support future changes in processes, services and models of care.

3.9.3 Patient Information & Communication System (PICS)

PICS is a bed-side IT system delivered through hand held computers. It delivers safer, more effective and improved patient care through electronic prescribing and instant review of diagnostic test results. It has been developed and implemented by a team based within the Trust's IT department. PICS has been successfully introduced in many specialties and there is a programme to install it in the remaining areas. UHB is currently exploring opportunities to market this solution.

3.9.4 "Soft" Facilities Management (FM)

Soft FM services are those services which support clinical services, such as cleaning and portering (as distinct from "hard FM" which is the maintenance of the buildings and grounds).

In August 2004 the Trust decided to award the 'soft' FM services contract for the new building to the in-house team. Initial consultation with Staff Side organisations has been positive and they have welcomed the approach taken by the Trust to retain the services outside the PFI contract. It is important that the new ways of working in soft services are fashioned to support clinical redesign and the development of soft FM is a work stream within the transformation programme.

3.9.5 Workforce planning

Planning ahead for the new hospital has been a part of current HR strategy to ensure that the Trust has the right people in place with the right skills to meet the needs of patients from

2010 onwards. This involves all clinical specialities working with HR and the New Hospital Project Team to develop plans to ensure the Trust has the workforce it needs for the future.

3.10 Monitoring clinical performance

The Trust has comprehensive performance management systems. These include:

- Monthly reporting of finance and activity to the Board
- Monthly reporting of key performance targets to the Board
- Bi-monthly reporting of key clinical indicators to the Board
- Bi-monthly Clinical Governance Reviews
- Quarterly Divisional Performance Reviews
- Bi-annual Corporate Performance Reviews

In addition the Trust has developed routine regular reporting of key indicators on a daily or weekly basis as appropriate to the Director of Operations. A Management Information Centre has been developed jointly with Dr Foster to provide information and manage performance on a real time basis against all of the Healthcare Commission indicators. This system is being developed to take into account the new Healthcare Commission Assessment framework.

The Clinical Governance Committee operates as a sub-committee of the Board of Directors and meets quarterly.

3.11 Patient Care

3.11.1 Introduction

Providing the highest standard of care to patients is a priority for the Trust. Success in raising standards during the year has come through the co-ordinated approach by doctors, Allied Health Professionals and nurses working together as a single team in the interests of patients. This has been demonstrated through regular audits, implementing the new rigorous infection control strategy, use of technology, more professional clinical coding and robust clinical governance.

3.11.2 Nurse Consultants

This new level of nursing professionals raises standards and enhances patient care through the provision of clinical expertise. It also strengthens leadership within their specialty. There are now Nurse Consultants in the following areas:

- Rheumatology
- Colo-Rectal
- Nutrition
- Cardiology
- Infection Control
- Critical Care outreach

3.11.3 Listening to patients

UHB is committed to delivering the care and service patients and the public want and seeks opportunities to elicit their views. As well as consulting the membership, the Trust seeks views in the following ways:

- Via four Divisional Patient and Carer Councils that report to Board via the Public Involvement and Patient Experience committee (PIPE)
- Undertaking regular patient surveys
- The involvement of an active PPI forum
- Via the Patient Advice and Liaison Service (PALS)
- By learning from complaints

3.11.4 CHAI National Inpatient Survey 2003/04

The Trust performed well and was used as a national exemplar on aspects of discharge planning with regard to patients being informed of the purpose of medications and advice on whom to contact if patients were worried when they got home.

The Trust was among the better performing Trusts for short waits for a bed, getting understandable answers from doctors and having trust and confidence in doctors. Patients felt that they were involved in decisions about their care and that they were given the right amount of information.

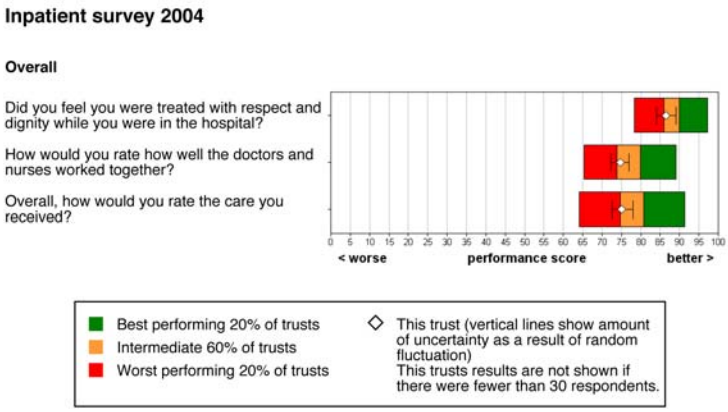
Areas of weaker performance as judged by patients include:

- date of admission being changed by the hospital
- not being given a choice of admission date
- wards not clean or very clean
- food was fair or poor
- disturbance by noise at night
- staff contradicted each other
- staff talked over them as if they were not there
- pain was not well controlled
- discharge from hospital was delayed

Action was taken and progress monitored by the Professional Leads Forum under the direction of the Chief Nurse. Patients' comments on aspects of planned admission were taken forward by the Divisional Teams and a range of comments on aspects of care reported on through a clinical governance review of a selection of wards.

The Hospital at Night project and the night sisters have made a number of changes to help reduce unnecessary noise at night. Patients' views on cleanliness were followed up through formal and informal PEAT (Patient Environment Action Team) inspections. Comments on the quality of food are being addressed by improving the quality of snack boxes and introducing a hot choice at lunchtime.

Figure 7 – Inpatient survey 2003/04



3.11.5 Healthcare Commission's National Acute Patients' Surveys into A&E and Outpatient departments

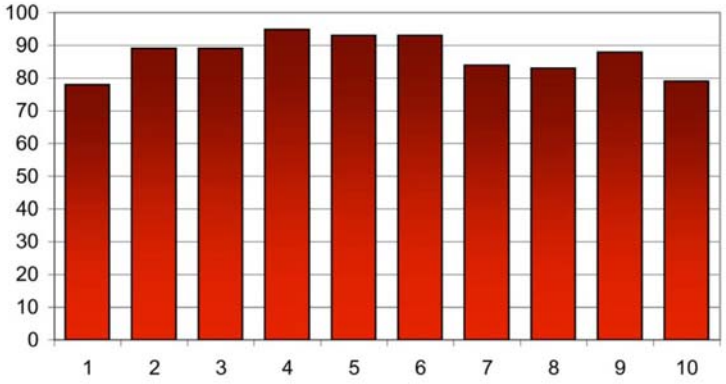
In October 2004, University Hospital Birmingham participated in the Healthcare Commission's national patient surveys into A&E and Outpatient departments.

Whilst the report identified many areas of good practice, it highlighted the fact that patients' experience of communication from clinical staff could be improved. An action plan has been developed to focus on improved communication led by the Professional Leads.

However, it is pleasing to note that more than 9 out of 10 patients from both A&E and out patients rated their care as good or very good and would recommend us to their family and friends.

Figure 8 – National Acute Outpatient and A&E surveys 2004/05

A total of 492 patients responded to the Outpatient survey, 353 the A&E survey. add the same description of scoring system as per last years report.



Key to Bar Chart

1	Outpatients -	How long did you wait to get an outpatient appointment?
2	Outpatients -	Did the doctor listen to what you had to say?
3	Outpatients -	How much information about your condition or treatment was given to you?
4	Outpatients -	Were you given enough privacy when being examined or treated?
5	Outpatients -	Did a member of staff explain to you how to take the new medications?
6	A&E -	Overall, did you think the order in which patients were seen was fair?
7	A&E -	Did you have confidence and trust in the doctors and nurses examining and treating you?
8	A&E -	How much information about your condition or treatment was given to you?
9	A&E -	Overall, did you feel you were treated with respect and dignity?
10	A&E -	Overall, how would you rate the care you received in the emergency department?

3.11.6 Other Surveys and Questionnaires

An internal Trust inpatient survey was developed and conducted with input from the Divisional Patient & Carer Councils.

Key findings were that patients felt that they had the opportunity to ask questions and discuss their care with clinical staff. Patients reported that specific cultural and religious needs were met and that if needed, an interpreter was available. There were positive views of good teamwork within clinical teams and the overall ratings of being treated with dignity and respect and of care received were good.

Weaker areas of performance were the number of wards patients stayed in, patients reporting that they were in pain and experienced noise at night. Patients also reported that they did not receive advice from pharmacy staff on how to take medicines. Action plans were developed utilising themes identified from the CHAI inpatient survey.

Two of the Divisional Patient and Carer Councils undertook surveys of aspects of patients' experience in their Division. The findings have assisted in the development of the Councils' agendas. Examples are the quality of food, signposting in the hospitals and the ward environment**.**

3.11.7 Public Involvement and Patient Experience Committee (Pipe Committee)

The PIPE Committee (which has a membership of patients, volunteers and Trust staff) continued to meet quarterly during the year. Regular reports were received on Patient Advice and Liaison Service (PALS) contacts, formal complaints and progress of each Patient and Carer Council.

As a result of Foundation Trust status PIPE will evolve into a new joint committee of the Board of Directors and the Board of Governors, chaired by a non-executive director. Its remit will be patient and public involvement activities and Foundation membership development.

3.11.8 Involving patients

Divisional Patient and Carer Council members continued to be involved in planning the design of the new hospital. There was patient and carer representation on the clinical review groups. The Surgical Division's Patient and Carer Council was fully involved during the preparation for the reconfiguration of the Trust's surgical services.Patients have participated in both formal and informal Patient Environment Action Team inspections across both hospitals during the year.

Council members in Division 1:

- Undertook visits to clinical areas and made recommendations for improvements
- Developed action plans for improvements to the patients' environment and recommendations on the décor of some clinical areas
- Participated in the Division's Clinical Governance Committee

Council members in Division 2:

- Suggested improvements for the transport arrangements for renal patients
- Advised on improving support, advice and information for patients being discharged from hospital
- Visited clinical areas and assisted in prioritising the refurbishment programme
- Assessed directional signposting at the Queen Elizabeth Hospital
- Developed a list of improvements for the environment

Council members in Division 3:

- Were involved in planning the refurbishment of some of the S block wards
- Helped develop a divisional patient survey
- Undertook a range of 'mystery shopper' visits to wards and departments
- Advised and prioritised improvements for patients such as the purchase of some low profile beds

Council members in Division 4:

- Worked to promote and publicise the cancer information service (the Patrick Room)
- Advised on revision of patient information in X-ray and scanning
- Advised on changes to menus for patients having chemotherapy
- Helped plan the improvements to the environment on some wards
- Produced, piloted and audited a discharge booklet and a discharge check list

3.11.9 Patient Advice and Liaison Service (PALS)

The service received 1,263 contacts from patients and visitors during the year, 495 of which were general enquiries. The remainder revealed issues with the following top five themes:

1. Communication
2. Clinical treatment
3. Delay or cancellation of out-patient appointments
4. Attitude of staff
5. Delay or cancellation of in-patient appointments

As a result, a number of improvements were introduced including the revision of patient letters, a transport application form for partially-sighted patients, redecoration of ward E2A, introduction of customer care training and a review of all patient information which resulted in a revised policy.

3.11.10 Formal complaints

During the year 459 complaints were received. 96% were acknowledged within two days and the Trust ended the year achieving an 88% response rate within 20 working days against a target of 80%.

A new system was introduced from August, where dissatisfied complainants can refer their complaint to the Healthcare Commission. At the end of the financial year, eight had been referred to them and the outcome is awaited. From April to July 2004, one complaint went on to the second stage and was rejected by the Convenor.

3.11.11 Patient Information

The policy for patient information has been revised to ensure all information is understandable, clear and concise and focussed on the needs of the patients. The Trust has also invested to upgrade its web site.

3.12 Clinical Informatics

3.12.1 Coding

A revised structure for Clinical Coding was introduced during the year along with the installation of a new Clinical Coding System.

3.12.2 Audits

Clinical Audits were undertaken in the following areas:

- Trust Wide Case Notes Audit
- Clinical Audit Training
- General Medicines Readmissions Audit
- Stroke Readmissions Audit
- National Confidential Enquiry into Patient Outcome and Death (NCEPOD)

3.12.3 Dr Foster

In 2004, University Hospital Birmingham contracted with Dr Foster for their 'Real Time Monitoring' (RTM) Tool. Dr Foster is an independent provider of research, analysis and communication products. This will be used in conjunction with the Trust's performance reporting with speciality specific indicators to improve performance reporting.

The RTM Tool uses sophisticated data analysis tools, to allow senior clinicians and managers to track indicators of clinical outcomes for each specialty. Outcome data is benchmarked against the whole English NHS, helping hospitals and other healthcare bodies identify potential areas for improvement in patient care.

3.13. Research and Development (R&D)

During 2004/5, the R&D programme continued to deliver high quality clinical and translational research within the Trust. There were 226 new projects, an increase of 32 over the previous year. Output has also increased, with the employees of University Hospital Birmingham publishing nearly 600 papers in peer-reviewed journals. This increase in activity has been achieved when the NHS allocation to support the costs of NHS research has not increased in real terms. The following are examples of the breadth and depth of the research undertaken by the Trust:

- Development of a simple system to assess which livers would be unsuitable for use, thereby maximising the use of a very scarce resource.
- A study reporting preliminary outcomes of gene therapy for liver cancers.
- An evaluation of the effects of HIV infection in the UK population with haemophilia
- A study looking at the relationship between cardiac disease and psychiatric illness
- A study looking at public awareness of screening for bowel cancer in Europe
- An evaluation of the hospital-based open access heart failure service
- A study comparing telephone follow-up with clinic follow-up in those attending the Genitourinary medicine clinic
- An overview of the casualties resulting from a nuclear explosion
- Report of a trial of chemotherapy in people with breast cancer

The Wellcome Trust Clinical Research Facility continues to expand. In 2004/5, there were 76 active studies, 58 were completed and 26 are planned, representing a continued growth in activity. Ensuring good research governance remains a priority and the R&D team and the Wellcome Trust Clinical Research Facility are working together to enhance training and education in clinical research by hosting conferences, providing support for grant writing, writing for publication, holding trial interviews and giving practical support with statistics and evaluation of protocols

The R&D team maintains research funds on behalf of researchers, with a budget approaching £1million. It continues to work with the intellectual property hub (see section 3.7) and one patent has been registered by the Trust. More are being evaluated.

Divisional Patient Councils and patient groups have worked with the R&D team in identifying topics and priorities for research.

3.14. Stakeholder relations

The Trust works with many partners to provide the best possible services to patients and to fulfil its long term objectives. Below are some important partnerships and the benefits delivered in the last year. Section 3.7 set out the strong relationships that exist between the Trust and its local NHS partners: this section details relationships with other stakeholders.

3.14.1 Royal Centre for Defence Medicine (RCDM)

UHB continued to work in partnership with the RCDM and although large numbers of RCDM clinical staff were deployed abroad, a range of joint clinical and training initiatives have been taken forward. Examples include:

- Clinical Skills training programme for medical students, nursing staff and Allied Health Professionals
- Expansion of military nurses into Trauma and Orthopaedics and the Medical Assessment Unit
- Change programme for nursing practice in the Accident and Emergency department

The RCDM is making progress on its objective of establishing an academic and research programme in Birmingham. The RCDM is appointing a Director of Research to manage and co-ordinate research activities with the Trust and with other bodies.

RCDM has also been working with the Trust and the University of Birmingham to establish a Chair in Traumatology and a department of Academic Emergency Medicine. It has also played an active role in planning for the new hospital, which will contain its new facilities.

Visits from HRH the Prince of Wales, and Prime Minister and the Right Honourable Tony Blair to Selly Oak Hospital to see the joint work undertaken by the RCDM and the NHS is testimony to the importance and uniqueness of this important partnership.

3.14.2 University of Birmingham

The relationship between University Hospital Birmingham and the University of Birmingham was further strengthened with the creation of a strategic partnership between the two organisations to:

- Enable them to work together to maximise their effectiveness
- Respond rapidly to the opportunities and risks posed by the changing environment in which they operate
- Seize the initiative in taking forward developments of mutual or complementary benefit

A Joint Strategy Committee (JSC) was established, co-chaired by the Trust Chairman and the Vice-Chancellor, to give shape to the partnership, ensuring that purpose, benefits and outcomes are regularly kept under review. The committee first met in October 2004 and agreed the establishment of five sub-committees. These are:

- Medical Workforce Planning
- Non Medical Staff and Skills Planning
- Research, Enterprise and Knowledge Transfer
- Capital Planning, Estate and New Hospital Development
- Regeneration and Economic Development

The JSC has agreed terms of reference and a work programme for each of the five sub-committees. In addition, key officers from each organisation will also meet monthly. The work of the JSC and its structures will be reviewed after one year.

3.14.3 University of Central England and the University of Birmingham for Pre- and Post- Registration Nurse Education

The Trust enjoys a close working partnership with both Universities developing pre- and post- registration education for nurses. The Trust and the Universities jointly select suitable candidates for the nursing programme.

University Hospital Birmingham is the largest provider of Adult Branch clinical placements for student nurses in Birmingham. Two Practice Placement Managers were employed to work in collaboration with the Universities to monitor and improve the quality of placements and the student experience.

During June and November 2004, more than a quarter of all student nurses from both Universities qualifying from the adult branch, selected University Hospital Birmingham as their first choice for employment. This is likely to be equalled in June 2005. Over this 12 month period more than 120 students have been successfully recruited into posts. The newly qualified D grade staff nurse rotation programme is particularly popular taking 24 students per year.

The Trust's clinicians have a direct involvement in curriculum design for all courses, with many Trust staff sharing their expertise by teaching on a variety of courses.

3.14.4 Other key strategic relationships

3.14.4.1 Advantage West Midlands

Over the last year University Hospital Birmingham has worked with Advantage West Midlands (AWM), the regional development agency, to ensure that healthcare plays its part in delivering prosperity for the region. UHB represents the NHS on AWM's Medical Technology Cluster Group and the Central Technology Belt Company. Both are aimed at broadening the economy of the city and region and both have a strong medical technology focus.

With AWM financial support of £2.25m a state of the art clinical trials centre for Leukaemia will be opened on the Queen Elizabeth Hospital site, one of the first examples of AWM providing funding to an NHS Trust. This will be of national and international significance, create over 100 jobs and test some 25 new drug treatments over the next five years. The Leukaemia Centre is an example of "translational research", turning academic ideas into practical benefits for patients. University Hospital Birmingham is working with Birmingham University to develop a much larger Translational Research Centre. A scoping study has recently been provided for AWM.

3.14.4.2 Consort

The new hospital offers real job and training opportunities. The Trust is working with Consort, its PFI partner to create a "learning hub" on the Queen Elizabeth Hospital site, based on a successful retail model. Consort has seconded staff into the learning hub team which will focus firstly on construction jobs arising from the new hospital and then healthcare posts.

3.14.4.3 Local schools

Training programmes involve not just statutory partners but the community and voluntary sectors. The Trust has developed strong relationships with local schools and hopes to develop apprenticeship programmes over the next year.

3.14.4.4 Birmingham City Council

The Trust also enjoys close and effective working relationships with the Local Authority. In particular the two organisations have worked together on the Birmingham New Hospitals Project and the Trust's Regeneration activities. The Local Authority has processed planning applications quickly, and has contributed financially to funding art in the new hospital and some of the regeneration projects.

Together with other hospitals in Birmingham, the Trust worked with the Overview and Scrutiny Committee (OSC) to support its enquiry into MRSA. This involved members of the OSC visiting the Trust and interviewing key staff and members of the Trust giving information a formal meeting.

4. Board of Directors

4.1 Membership of the Board of Directors

The Trust is led by a team of executive and Non - Executive Directors. A Foundation Trust has not only a Board of Directors but also a Board of Governors made up of elected representatives of patients and residents and members nominated from stakeholder organisations. One of the key functions of the Board of Governors is to appoint the Chair and Non Executive Directors to the Board.

On 1 July 2004, upon the achievement of Foundation status, the newly formed Board of Governors appointed the Chairman and the Non Executive Directors and approved the appointment of the Chief Executive. The remaining Executive Directors were then appointed, the Board of Directors was formed and it held its first meeting.

In accordance with Health and Social Care (Community Health and Standards) Act 2003 (the Act), the Board of Governors resolved to ratify the appointment of John Charlton as Chairman of the Trust for the period ending on 30 November 2006. They also resolved the appointment of the following Non Executive Directors:

- Tony Huq MBE, for the period ending on 30 June 2005
- Rt Rev Mark Santer for the period ending on 30 November 2006
- Mary Thomas for the period ending on 30 November 2006
- Professor David Westbury for the period ending on 30 November 2007

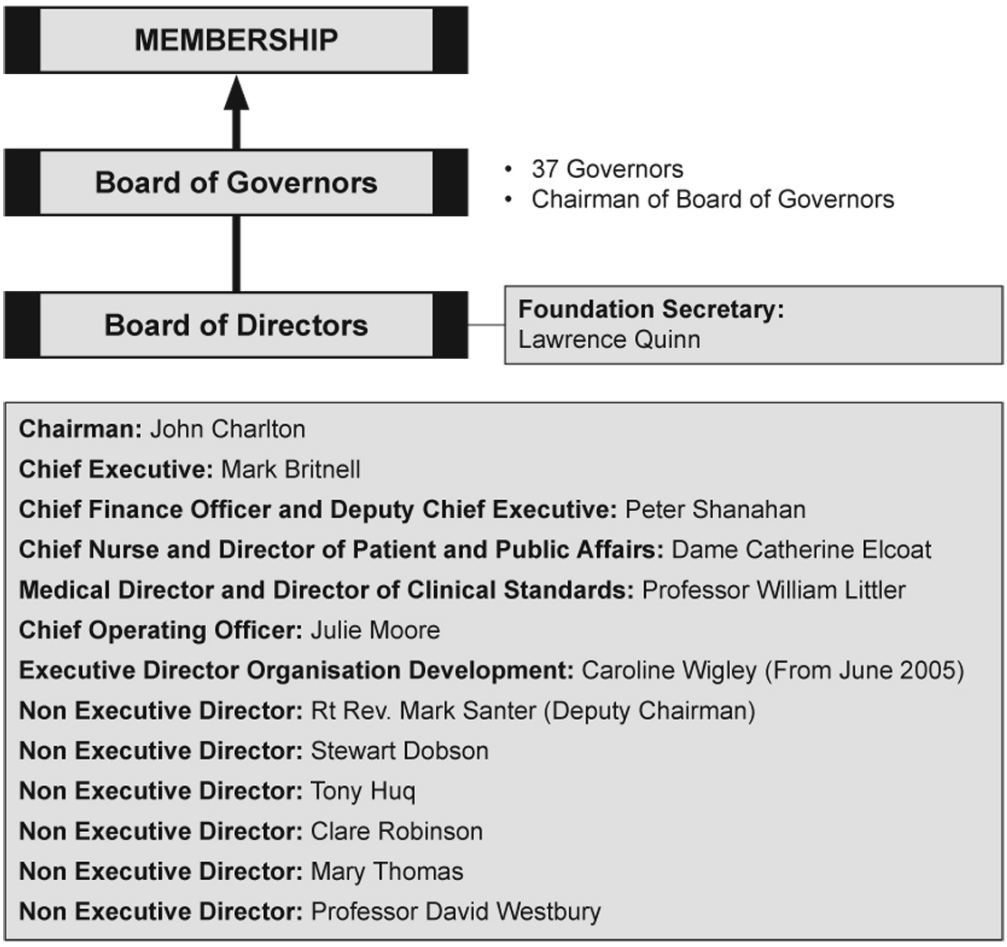
The non executive membership was strengthened in September by the addition of specialists in legal affairs and corporate finance. Stewart Dobson and Clare Robinson were appointed as Non Executive Directors of the University Hospital Birmingham NHS Foundation Trust for a four year period beginning on 10 September 2004.

The team was completed by the appointment of a Foundation Secretary.

Non Executive Directors	**Full time Executive Directors**
John Charlton – Chairman *Declared interests: Trustee of the University Hospital Birmingham Charities; Member of the British Fluoridation Society*	Mark Britnell – Chief Executive *Appointed 2001.* *This is a permanent, full-time appointment and subject to a six month notice period* *Declared interests: Non-executive director of Dr Foster, senior associate King's Fund, member of the Board for the National Consumers' Council, member of regional skills partnership AWM, occasional columnist for Health Service Journal*
The Rt Reverend Mark Santer – Deputy Chairman *Declared interests: Member NHS Independent Reconfiguration Panel*	Peter Shanahan – Chief Financial Officer and Deputy Chief Executive *Appointed 1999.* *This is a permanent, full-time appointment and subject to a six month notice period. Declared interests: none*
Professor David Westbury *Declared interests: Chairman, Universities Mutual Association Ltd.*	Professor William Littler – Executive Medical Director *Appointed 2001.* *This is a permanent, full-time appointment and subject to a six month notice period. Declared interests: Trustee of the Birmingham District Nursing Charitable Trust*
Mary Thomas *Declared interests: Trustee, Supporting*	Julie Moore – Chief Operating Officer *Appointed 2001.*

Independence from Alcohol (SIFA, formerly Homeless Alcohol Recovery Project [HARP]; Employee of Birmingham Settlement	*This is a permanent, full time appointment and subject to a six month notice period. Declared interests: none*
Tony Huq MBE *Declared interests: Chairman, Management Committee, Bangladesh Centre*	Dame Catherine Elcoat – Executive Chief Nurse *Appointed 2001.* *This is a permanent, full-time appointment and subject to a six month notice period. Declared interests: Member NHS Independent Reconfiguration Panel.*
Clare Robinson (appointed September 2004) *Declared interests: none*	
Stewart Dobson (appointed September 2004) *Declared interests: none*	

Figure 9 Governance Structure



4.2 Committees of the Board

4.2.1 Audit and Financial Control Committee

All members of the Committee are Non Executive Directors, and it is chaired by Clare Robinson . The Chairman of the Board is not a member of the Committee but may attend by invitation.

4.2.2 New Hospital Project Development Committee

- Chairman UHB
- Chairman BSMHT
- Chief Executive UHB
- Deputy Chief Executive UHB
- Executive Director of Organisation Development
- Chief Executive BSMHT
- Chief Executive BBCHA
- BNHP Project Director
- Project Director for Mental Health
- Non Executive Director UHB
- Non Executive Director BSMHT
- Registrar & Secretary, University of Birmingham
- Chief Executive, Heart of Birmingham Primary Care Trust
- Dean of Medicine, Dentistry & Health Sciences, University of Birmingham
- Commander RCDM
- Director of Strategic Planning and Investment, Department of Health
- Director of Finance BSMHT
- Assistant Director of Planning BCC
- Chief Executive, Birmingham Women's Health Care Trust
- Chief Executive, Royal Orthopaedic Hospital Trust
- Chief Executive, South Birmingham Primary Care Trust
- Project Manager

4.2.3 Clinical Governance Committee

Chairman	Rt Revd Mark Santer
Chief Executive	Mr Mark Britnell
FT Chairman	Mr John Charlton
Non Executive Directors	Mr Tony Huq
	Mr Stewart Dobson
	Ms Clare Robinson
	Mrs Mary Thomas
	Professor David Westbury
Chairman (CGC Risk Management Sub-Committee)	Ms Siobhan Heafield
Chairman (CGC Clinical Effectiveness Sub-Committee)	Professor William Littler
Chairman (CGC Clinical Change/Improvement Sub-Committee)	
Chairman (CGC Measurement and Analysis Sub-Committee)	Ms Irene Darlaston
Medical Director	Professor William Littler
Chief Nurse	Dame Catherine Elcoat
Chief Operating Officer	Ms Julie Moore
Director of Finance	Mr Robert White
RCDM Representative	TBA
Head of Clinical Governance	Ms Siobhan Heafield
Head of Pharmacy	Dr Keith Ridge
Divisional Directors (or Clinical Governance Leads)	
Associate Medical Director for R & D	Professor J Neuberger
By Invitation:	
BBC SHA Director of Clinical Effectiveness	Dr Tony Snell
PCT Clinical Governance Lead	Dr Gill Bailey

4.2.4 Public Involvement & Patient Experience - PIPE Committee
The Committee was chaired by a Non Executive Director of the Trust (Tony Huq MBE) supported by the Executive Chief Nurse. The membership included:

- One additional Non Executive Director of the Trust and another member of the Trust's Management Executive
- Two Governors
- The lay Chairperson of each Divisional Patient and Carer Council
- Representatives of patients and their carers
- Representatives from the Trust's volunteer services
- Representatives of the Trust staff (ensuring that each Division is represented and that these staff are from a range of professional backgrounds)

4.2.5 Board of Directors Remuneration and Review Committee
The Non-Executive Directors appointed John Charlton as the Committee Chairman and determined the period for which he will hold office. All the Non Executive Directors are members.

4.2.6 Staff Relations Committee
Chaired by Non Executive Director (Mary Thomas) supported by the Director of Human Resources and one further Non Executive Director, plus up to 10 staff members from across University Hospital Birmingham.

4.2.7 Annual Planning and Strategy Committee
Chaired by a Non Executive Director (currently Professor David Westbury) and supported by Director of Policy, Planning and Performance Management, the Chairman, Chief Executive and Director of Finance.

All members of the Board of Directors are eligible to attend any meeting of this Committee. In addition, to help undertake strategic planning, it is proposed to co-opt as advisors other key senior colleagues with important local and/or national stakeholder perspectives and experience. These may include the following:

- BBC Strategic Health Authority Chief Executive or the Director of Planning
- Chief Executive of South Birmingham PCT
- Prof Michael Sheppard, Vice Dean, University of Birmingham
- Prof Chris Ham, Head of Strategy Unit, Department of Health
- Nigel Edwards, Director of Policy, NHS Confederation

(Note: Chairman and CEO are ex officio members of all the Committees where this is deemed legal. All members of the Board of Directors are eligible to attend any meeting of the Committee with the above caveat)

5. Board of Governors

5.1 Overview

On 1 July 2004 University Hospital Birmingham became one of the first major teaching hospitals to achieve Foundation status, recognising the potential benefits from having closer bonds with the local community and patients.

More than 96,000 individuals became members from the patient, public and staff constituency groups. In December 2004, members' views were sought in order to provide a bespoke programme of information about the Trust and health care. (See Section 6 for a full breakdown of membership.)

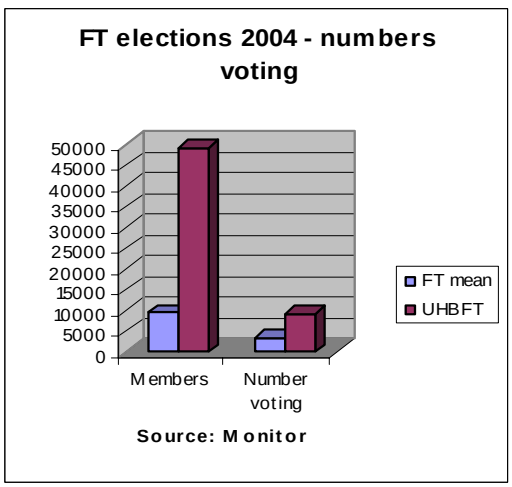
In July 2004, the Board of Governors was established after the membership voted in March. Eighty candidates stood for 37 seats. The Board of Governors appointed the Chairman and the Non Executive Directors, approved the appointment of the Auditors and received the annual report.

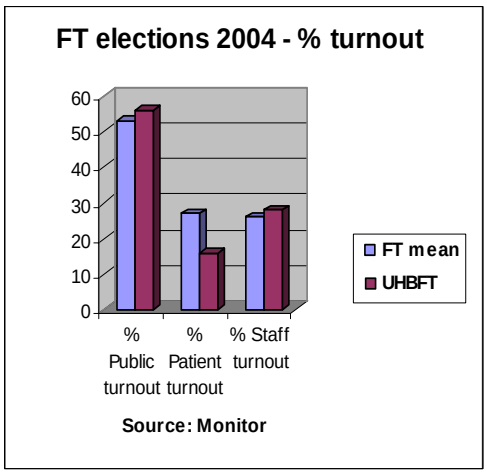
5.2 Structure of the Board of Governors

Governors are the elected representatives of the membership and help the Trust shape strategy and develop stakeholder relationships. The Chairman of the Board of Directors chairs the Board of Governors. Governors are elected for three years and the Board consists of:

- 13 Public Governors from the Parliamentary Constituencies in Birmingham. They are liaising with the City Council's District Committees to help gather views from the wider electorate. (In the Perry Barr public constituency no nominations were received and an election was therefore not held. A by-election is to be held in this constituency)
- Six Patient Governors who are members of the Trust's four patient councils
- Five Staff Governors from the following staff groups:
    - Medical:
    - Nursing (2):
    - Clinical Scientist/Allied Health Professional:
    - Ancillary, Administrative and Other Staff Class:
- 13 Stakeholder Governors providing strong representation from key partnership organisations and stakeholder bodies within the NHS, local government, education and the broader community.

Figure 10 Foundation Trust Elections – numbers voting and percentage turnout





5.3 Development

The Trust commissioned the Office for Public Management to create a development programme tailored to the development needs of the Board of Governors. The resulting programme provides ongoing development which Governors may select to attend, with seminars ranging from NHS finances to the new hospital.

From November 2004, Governors worked with the Trust to help shape the Annual Plan, contributing themes and ideas to ensure it reflects the needs of the local community.

5.4 Governors

Patient	Public	Staff
Rita Bayley	**Northfield**	Professor Robert Allen
Rosanna Penn	Margaret Burdett	Carol Rawlings
Valerie Jones	Roy Green ***Sales Director, WM Print Ltd.***	Barbara Tassa
Wynford Morgan	**Selly Oak**	Paul Brettle
Nazir Ahmed	David Spilsbury	Anne Waller
Alan Bailey	Gwyneth Harbun	
	Hall Green	
	Brian Hanson - ***Chairman of the Management Committee of Birmingham Central/South Crossroads***	
	Derek Hickson	
	Edgbaston	
	Geoffrey Oates	
	Sir Richard Knowles (Vice Chairman of the Board of Governors)	
	Ladywood	
	Anne Griffin	
	Sparkbrook & Small Heath	
	Abul Hassan	
	Perry Barr	
	No nominations	
	Yardley & Hodge Hill	
	Kadeer Arif	
	Erdington & Sutton Coldfield	
	Alan Corr	

Stakeholder Governors

Rt Revd Dr John Sentamu — Birmingham Faith Leaders' Group
Bishop of Birmingham
Directorships of the Birmingham Diocesan Board of Finance; and Simon of Cyrene Theological Institute

Professor David Cox — South Birmingham PCT
Chairman

Non-Executive Chairman of South Birmingham PCT; Associate Dean Faculty of Health and Community Care, University of Central England; and Board Member, Birmingham Race Action Partnership. His wife works for NHSU.

Mr Graham Urwin — South Birmingham PCT
Chief Executive (Acting)

Mr Norman Cave ***Principal*** ***Bourneville College of Further Education***	South West Birmingham Partnership for Further education
Professor Michael Clarke ***Vice-Principal*** ***Directorships of St Georges School (Harpenden) Ltd; Malvern Hills Science Park; Birmingham research Park Ltd; and Central Technology Belt***.	The University of Birmingham
Surgeon Vice Admiral I L Jenkins CVO QHS FRCS	Defence Medical Services Department of the Ministry of Defence
Mrs Susan Battle ***Chief Executive*** ***Directorships of Birmingham Chamber of Commerce and Industry; Birmingham Chamber Training Ltd; Birmingham Economic Development Partnership; Solihull Business Partnership; West Bromwich Building Society; WBBS (SRS) Ltd; Birmingham to Worcestershire Investment Vehicle; and British Chambers of Commerce***	Birmingham Chamber of Commerce and Industry
Mr David Cragg ***Regional Director – West Midlands***	Birmingham and Solihull Learning and Skills Council
Dr Peter Knight ***Vice-Chancellor*** ***Member of the Armed Forces Pay Review Body; Directorships of UCE Property Ltd; UCE Trustees Ltd; Focus Homes Housing Association Ltd; Focus Housing Association Ltd; Focus Services (Midland) Ltd; Committee of Vice-Chancellors and Principals; Shape Housing Association; Millennium Point Trust; Technology Innovation Centre; Birmingham Chamber of Commerce and Industry; Walsall Housing Trust; and WM Broadband Co. Ltd***	University of Central England in Birmingham
Cllr James Hutchings ***Non-Executive Director of Optima Community Association; Chairman of Edgbaston District Committee***.	Birmingham City Council
Ms Gisela Stuart MP	UHB South Birmingham MPs Liaison Group
Ms Karen Yeomans	Advantage West Midlands
Mrs Carole Gumbley ***Head Teacher***	South West Area Network of the secondary Education Sector in Birmingham

The Constitution and Standing Orders of the Trust require Governors to declare interests which are relevant and material to the Board. The Foundation Secretary ensures that the Register of Interest records these declarations. These details are kept up to date by an annual review of the Register in which any changes to interests declared during the preceding twelve months are incorporated. The Register is available to the public by contacting the Foundation Secretary.

6. Foundation Membership

6.1 Current Members

Figure 11 Membership Breakdown

Constituency	Total	%
Public	62239	64.56%
Patient	27064	28.07%
Staff	7103	7.37%
Total Membership	**96406**	**100%**

In order to create as representative a membership as possible, the Trust registered as members all those who used its services between January 2004 and September 2004, and all staff, unless they opted not to become a member.

Figure 12 Public membership by ward

Ward	No.	%
Edgbaston	10570	16.98
Erdington	1771	2.85
Hall Green	10089	16.23
Hodge Hill	1097	1.76
Ladywood	2049	3.29
Northfield	11227	18.03
Perry Barr	1476	2.37
Selly Oak	12744	20.48
Sparkbrook	8131	13.06
Yardley	1225	1.97
Sutton Coldfield	1314	2.11
Not Found	546	0.87
Total	62239	

In December 2004, all members were sent information to enable them to select one of three levels of membership. Members were also invited to indicate any specific areas of interest.

Level 1 Members
Level one members will receive a written communication from the Trust on an annual basis outlining the Trust's performance and the way in which services are developing.

Level 2 members
In addition to the above, level two members will receive written communications from the Trust twice annually which will include a membership newsletter. Where possible, information will be tailored to reflect the areas of interest indicated by the member.

Level 3 members
This is the most active membership level. Level 3 members will receive the same information as Level 2 members but will also be invited to attend events, such as seminars to promote good health. The Trust will also invite Level 3 members to participate in focus groups and surveys.

Review of the membership demonstrates that active members are roughly equally split between male and female with the majority being between 16 and 65 years of age.

6.2 Responsibilities of members

In accordance with the constitution the responsibilities of the Trust's members are to:

- Make the hospital aware of the needs and expectations of the local community
- Elect the Governors as the representatives of all the members (including standing for election)
- To receive consultations on the activities of the Trust
- Attend open meetings of the Board of Governors

6.3 Eligibility to become a member

Those eligible to become a member are patients or carers (current and within the last three years), residents within our catchment population and members of staff.

6.4 Development of members

Seminars are planned on issues such as "how to look after your heart", the new hospital, eating for a healthy lifestyle and stopping smoking. These topics have been selected from suggestions made by members.

6.5 Future membership strategy

The Trust already has a large membership (96,406) which reflects the populations served. This number allows effective engagement with tertiary patients, local population and staff. UHB does not plan to significantly increase membership numbers but seeks to maintain the representative nature of its membership. In order to maintain interest in membership, information about membership is communicated in a variety of ways:

- Information and recruitment drives through the patient magazine
- The patient bedside television system which when operational will provide information on membership
- Posters and leaflets displayed around the Trust
- Involvement of Patient and Carer Councils
- Local media events

7. Public Interest Disclosures

As a public benefit corporation this report includes public interest disclosures of the Trust's activities and policies in the following areas:

Actions taken by the NHSFT to maintain or develop the provision of information to, and consultation with, employees
Please see section 3.8.5 for reference to the Staff Survey and section 3.8.3 regarding partnership working with the staff representatives.

The policies in relation to disabled employees and equal opportunities
The Trust has developed and implemented The Equal Opportunities Policy and The Race Equality Scheme. For further information, please see section 3.8.4.

Information on health & safety performance and occupational health
There were no improvement notices issued to the Trust from the Health and Safety Executive. Section 3.8.8 gives further information on health and safety in the Trust during the period.

Details of any consultations completed in the previous year, consultations in progress at the date of the report, or consultations planned for the coming year, consultation with local groups and organisations, including the Overview and Scrutiny Committees of local authorities covering the membership area.
In February, the Health Sub Group of the Overview and Scrutiny Committee (OSC) of Birmingham City Council selected MRSA as its topic. This concerned all Trusts and health care organisations in Birmingham. As part of this review, the members of the sub group visited UHB and the Chief Nurse, the Infection Control Doctor and the Chief Operating Officer gave evidence before the committee. The work resulted in a report published in January 2005.

Audit note
The audit cost for the nine month period is: - £169,553 for the statutory audit services, £0 for services that provide further assurance and £0 for other services. The lack of expenditure on other services illustrates that the Trust ensures that the independence of the auditors has not been compromised.

Payment Practice Code

	Number	**£'000s**
Total bills paid in the period	66,918	137,263
Total bills paid within target	66,441	136,821
Percentage of bills paid within target	99%	100%

The Better Payment Practice Code requires the Trust to aim to pay all valid Non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Under the Late Payment of Commercial Debt (Interest) Act 1988 £0 interest was paid.

Related Party Transactions
University Hospital Birmingham NHS Foundation Trust is a public benefit corporation established under the Health and Social Care (Community Health and Standards) Act 2003.

Mr M Britnell, Chief Executive of the Trust is also a Non -Executive Director of Dr Foster Limited. The Trust paid a total of £22,208 for the services of Dr Foster Limited during the 9 months to 31 March 2005. There were no amounts owed to this company as the balance sheet date.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
Dr Foster	22,208	nil	nil	nil

The Department of Health is regarded as a related party. During the year University Hospital Birmingham NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. These entities are listed below;

Anthony Nolan Bone Marrow Trust
Avon Ambulance Service NHS Trust
Birmingham & Black Country SHA
Birmingham & Solihull Mental Health Trust
Birmingham Children's NHS Trust
Birmingham Heartlands NHS Trust
Birmingham Women's Health Care NHS Trust
Burntwood, Lichfield & Tamworth PCT
Cannock Chase PCT
Coventry PCT
Dudley, Beacon & Castle PCT
Dudley South PCT
Eastern Birmingham PCT
East Leicestershire PCT
East Staffordshire PCT
Good Hope Hospital NHS Trust
Health and Community Ambulance NHS Trust
Health Protection Agency
Heart of Birmingham PCT
Herefordshire PCT
Mersey Regional Ambulance Service NHS Trust
National Blood Authority
NHS Litigation Authority
NHS Logistics Authority
NHS Pensions Agency
NHS Supplies
North Birmingham PCT
North Wales Health Authority
North Warwickshire PCT
Oldbury & Smethwick PCT
Oxford Radcliffe Hospital NHS Trust
Prescription Pricing Authority
Redditch & Bromsgrove PCT
Royal Orthopaedic Hospital NHS Trust
Sandwell & West Birmingham NHS Trust
Shropshire County PCT
Solihull PCT
South Birmingham PCT
South Worcestershire PCT
South Warwickshire PCT
South Western Staffordshire PCT
Telford & Wrekin PCT
Univ. Hospital Coventry & Warwickshire NHS Trust
Walsall PCT
Warwickshire Ambulance Service NHS Trust
Wednesbury & West Bromwich PCT
Welsh Ambulance Service NHS Trust
West Midlands Ambulance Service NHS Trust
Wolverhampton City PCT
Worcestershire Acute Hospital NHS Trust
Worthing & Southlands Hospital NHS Trust
Wyre Forest PCT

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies, in particular the Ministry of Defence. The Trust also had a material level of transactions with The University of Birmingham.

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the Trustees for which are also members of the NHS Foundation Trust Board. John Charlton, the Chairman of University Hospital Birmingham NHS Foundation Trust, is also a Trustee of UHB Charities.

8. Summary Financial Statements

Summary Financial Statements for the Nine Months to 31 March 2005

The financial statements on pages 47 to 51 are only a summary of the informationcontained within the Trust's full accounts upon which the auditors KPMG have issued an unqualifiedopinion.

The full accounts are available on request from the Director of Finance.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the Health and Social Care (Community Health and Standards) Act 2003 to prepare accounts for each financial year. Monitor, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the Directors are required to;

- select suitable accounting policies, as described on pages 13 to 17, and then apply them consistently;

- make judgements and estimates which are reasonable and prudent

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

- prepare accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of Monitor The Directors are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the accounts.

By order of the Board

17.6.05 Date ..... Chief Executive

17.6.05 Date ..... Chief Financial Officer

STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL FOR 9 MONTHS

The abridged version is below. The full version is available in the full set of accounts.

Scope of responsibility

The Board of Directors for University Hospital Birmingham NHS Foundation Trust is accountable for internal control. As Accounting Officer and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public finances and the organisation's assets as set out in the Accounting Officer Memorandum issued by Monitor (the Independent Regulator of NHS Foundation Trusts).

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise risks
- evaluate the likelihood of those risks being realised and manage any resultant impact

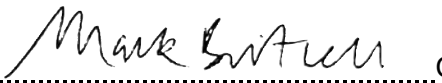
The system of internal control has been in place in University Hospital Birmingham NHS Foundation Trust for the period to 31 March 2005 and up to the date of approval of the annual report and accounts.

The risk and control framework

The Board of Directors is responsible for the strategic direction of the Trust in relation to Clinical Governance and Risk Management. It is supported by two committees which provide assurance on risk management issues: the Audit and Financial Control Committee and the Clinical Governance Committee.

Statement of Internal Control

As Accounting Officer, I can confirm that the University Hospital Birmingham NHS Foundation Trust has a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. Furthermore any significant internal control issues have been, or are being, addressed and the Statement on Internal Control is a balanced reflection of the actual control position.

21 June 2005 Date  Chief Executive
(On behalf of the board)

Financial Performance

To assist readers in making comparisons of one year with another, the 2004/05 column includes both the 3 month period to 30 June 2004 and the 9 month period to 31 March 2005, ie. a combined 12 month period.

	2000/01 £000	2001/02 £000	2002/03 £000	2003/04 £000	2004/05 £000
Turnover	228,410	258,460	290,263	319,264	352,510
Retained surplus for the year	30	39	33	38	29

Balance Sheet as at 31 March 2005

	31 March 05 £000	30 June 04 £000	31 March 04 £000
Fixed Assets	**242,245**	234,084	220,336
Total Current Assets	**45,626**	41,246	32,235
Creditors: amounts falling due within one year	**(33,574)**	(38,119)	(31,427)
Net Current Assets	**12,052**	3,127	808
Total assets less current liabilities	**254,297**	237,211	221,144
Provisions for liabilities and charges	**(6,586)**	(4,607)	(3,798)
Total Assets Employed	**247,711**	232,604	217,346
Financed by Capital and Reserves	**247,711**	232,604	217,346

Statement of Total Recognised Gains and Losses for 9 Month Period ended 31 March

	9 Months to 31 March 05 £000	12 Months to 31 March 05 £000	12 Months to 31 March 04 £000
Surplus for the financial year before dividend payments	**5,295**	7,054	6,410
Unrealised surplus on fixed asset revaluations/indexation	**5,201**	20,700	15,884
Net increase in the donated asset reserve	**407**	163	304
Total gains and losses recognised in the period/financial year	**10,903**	**27,917**	**22,598**

Income and Expenditure Account for the 9 Month Period ended 31 March 2005

	9 Months to 31 March 05 £000	12 Months to 31 March 05 £000	12 Months to 31 March 04 £000
Total Income	**267,479**	352,510	319,264
Operating expenses	**(262,785)**	(346,151)	(313,115)
Operating Surplus	**4,694**	6,359	6,149
Loss on disposal of fixed assets	**(10)**	(10)	0
Interest receivable	**633**	726	419
Other finance costs	**(22)**	(21)	(158)
Surplus for the financial period/year	**5,295**	7,054	6,410
Public Dividend Capital dividends paid	**(5,269)**	(7,025)	(6,372)
Retained surplus for the financial period/year	**26**	29	38

Cash Flow Statement

	9 Months to 31 March 05 £000	12 Months to 31 March 05 £000	12 Months to 31 March 04 £000
Cash inflow from operating activities	**14,495**	17,594	16,310
Returns on Investments and Servicing of Finance	**636**	750	399
Capital expenditure	**(13,051)**	(15,311)	(18,206)
Dividends Paid	**(5,269)**	(7,025)	(6,372)
Net cash outflow before financing	**(3,189)**	(3,992)	(7,869)
Financing	**11,239**	12,042	8,744
Increase in cash	**8,050**	8,050	875

Salary and Pension entitlements of senior managers

Name and Title	9 Months to March 2005										
	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind Rounded to the nearest £100	Real increase in pension at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension at age 60 at 31 March 2005 (bands of £5000) £000	Total accrued pension and related lump sum at age 60 at 31 March 2005 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2005 £000	Cash Equivalent Transfer Value at 30 June 2004 £000	Real Increase in Cash Equivalent Transfer Value £000	Employers Contribution to Stakeholder Pension To nearest £100
Mark Britnell, Chief Executive	130-135	0	10,200	0-2.5	2.5-5	*	55-60	222	202	20	N/A
Peter Shanahan, Deputy Chief Executive and Executive Director of Finance	75-80	0	5,000	*	0	*	30-35	132	135	0	N/A
Robert White, Director of Finance	65-70	0	0	*	2.5-5	*	30-35	140	116	21	N/A
Melvyn Morris, New Hospital Project Director	75-80	0	0	*	12.5-15	*	125-130	0	0	0	N/A
Dame Catherine Elcoat, Chief Nursing Officer	65-70	0	6,800	*	2.5-5	*	65-70	356	346	10	N/A
Julie Moore, Director of Operations	80-85	0	0	0-2.5	5-7.5	*	85-90	395	350	45	N/A
Bernard Scully, Director of Human Resources	65-70	*	0	2.5-5	*	*	*	*	*	*	N/A
Professor William Littler, Medical Director *Consent to disclose other remuneration withheld	30-35	*	0	*	0	*	235-240	0	0	0	N/A
Jayne Farrin, Director of Communications	45-50	0	3,900	0	0	0-5	0-5	8	0	0	N/A
Andrew Hine, Director of Policy, Planning and Performance Management	25-30	0	3,200	*	*	*	*	*	*	*	N/A
Mike Sharon, Director of Policy, Planning and Performance Management	25-30	0	0	2.5-5	7.5-10	20-25	60-65	289	239	50	N/A
NON EXECUTIVE DIRECTOR											
John Charlton, Chairman	25-30	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr T Huq	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mrs M Thomas	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reverend Santer	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Professor D Westbury	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
C Robinson (commenced in office on 10/9/2004)	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
S Dobson (commenced in office on 10/9/2004)	5-10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

• Consent to disclose withheld

The information above was on Pensions provided by the NHS Pensions Agency and relates to the full 12 months to 31 March 2005. This has been reproduced exactly as provided.

As non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

KPMG

Independent Auditor's Report to the Board of Governors of University Hospital Birmingham NHS Foundation Trust on the Summary Financial Statements

We have examined the summary financial statements of University Hospital Birmingham NHS Foundation Trust set out on pages 44, 45, and 48 to 51.

This report is made solely to the Board of Governors of University Hospital Birmingham NHS Foundation Trust ('the Trust'), as a body, in accordance with the Health and Social Care (Community Health and Standards) Act 2003. Our audit work has been undertaken so that we might state to the Board of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of University Hospital Birmingham NHS Foundation Trust for the nine month period ended 31 March 2005 on which we have issued an unqualified opinion.

Signature: KPMG LLP Date: 20 June 2005

KPMG LLP
Chartered Accountants
Birmingham

This report contains summarised financial statements of the Trust's performance for the 9 months to 31 March 2005. The full audited accounts are available on request from:

Peter Shanahan
Deputy Chief Executive and Chief Financial Officer
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If you would like to find out more about University Hospital Birmingham NHS Foundation Trust and its plans please write to:

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