

Bromley Hospitals Trust Annual Report 2007/2008

1. Foreword from Huw Alderman, Chairman

- 1.1 2007/08 has been a difficult and challenging year for the Trust. Last summer we reported a gap between income and expenditure of £23M. We have since managed to reduce this gap, and ended the year with a deficit of £17.9million. Although this was less than the £18.7M we had anticipated, this ongoing deficit, coupled with an £87M accrued cash debt, resulted in Bromley becoming one of the 17 most financially challenged Trusts in the country. In June 2007 NHS London Turnaround Director Antony Sumara was brought in as Interim Chief Executive and by September 2007 a financial Recovery Plan was put in place. In December 2007 Ian Wilson was appointed Interim Chief Executive to take forward the recovery of the Trust.
- 1.2 I would like to thank our staff and volunteers for sticking with us through this difficult period. The results of their labour are now beginning to show through in an improved service for our patients.

2. Report from Ian Wilson, Chief Executive from December 2007

- 2.1 When I arrived at Bromley Hospitals in December 2007 the Trust had already made some progress against the Recovery Plan. My top priority was to ensure good quality clinical services were maintained, whilst helping the organisation deliver rapid service and financial turnaround. We could then start to rebuild the organisation into one that provides healthcare comparable with the best in the country.
- 2.2 With regard to **operational performance**, the Trust was rated 'Good' for the quality of services provided, in the 2006/07 Healthcare Commission Annual Health check - an improvement on the previous year's rating of 'fair.' The rating for use of resources remained 'weak' reflecting the continued financial difficulties of the Trust. The Trust has continued to achieve on a number of national targets and standards and has made particular progress in reducing Hospital Acquired Infections.
- 2.3 However, there have been a number of areas of concern. The Trust was served with an improvement notice on the standards of cleanliness from the Healthcare Commission in January 2008. The crucial point regarding tracking of sterilisation equipment was immediately addressed and the Commission lifted the Improvement notice after their follow-up visit in March 2008. The Trust has ensured all our staff and PFI partners United Healthcare and ISS are absolutely clear with regard to cleaning responsibilities. The Environmental Programme, including the **Deep Clean** programme was **completed in early May 2008** as agreed with NHS London.

- 2.4 The Healthcare Commission report into Maternity Services published in January 2008 classified services at the Trust as in the category of "least well performing" and we are actively engaged in the Maternity Services Improvement Programme work which is being led by NHS London.
- 2.5 **Improving the emergency admissions process from A&E:** During 2007/08 95.6% of A&E patients were treated within four hours from arrival. New patient pathways and discharge procedures introduced at the beginning of April 2008 have enabled us to admit and discharge patients more quickly. This has helped improve our performance on the A&E 4 hour target. Early figures are encouraging, with the Trust now consistently treating 99 – 100% of patients who attended the department within four hours of their arrival.
- 2.6 **The 18 week 'referral to treatment' target:** The year-end 18 week target for both admitted and non-admitted patients has been achieved by the Trust. The national target was that 90% of non-admitted patients and 85% of admitted patients should be treated within 18 weeks from referral.
- 2.7 We now have a Turnaround Plan in place to ensure a more vigorous approach to both financial stability and performance. Part of the Plan includes working with neighbouring Trusts and PCTs on the A Picture of Health review of clinical services across Bexley, Bromley, Greenwich and Lewisham. Economies of scale can also be made through combining some support functions across Bromley, Lewisham, Queen Elizabeth and Queen Mary's Trusts and Bromley Hospitals will play a full part on the Joint Committee – the central co-ordinating body for this joint working. Action we have taken during 07/08 to reduce our spending will begin to show through in an improved financial position for 2008/09.
- 2.8 In September 2007, the new **Private Patients Unit** opened at the Princess Royal University Hospital, and has proved popular with local patients, occupancy being higher than initially predicted by the operator of the unit. The Trust will continue to work closely with the operator – Ramsay Healthcare – in order to build on this early success and ensure that the unit meets its original objectives of providing a good private option in Bromley that also benefits the local NHS. On a few occasions where the Trust has experienced bed shortages Ramsay Healthcare have been able to accommodate NHS patients, often at short notice, which has been very beneficial to the Trust and patients alike.
- 2.9 **Looking forward**
Despite the recent setbacks, Bromley Hospitals NHS Trust faces 2008/09 with renewed vigour and determination. Lessons from previous years have to be learnt. The over-riding principle has always been, and remains, to provide good quality clinical care for our patients in a safe and clean environment. To do this the Trust must involve more clinicians in management decisions. We have set our objectives to reflect this. This has to be matched and supported by stronger governance and a more systematic approach to Turnaround.
- 2.10 Our Operating Plan (business plan) for 2008/09 outlines how we will ensure good quality patient services, meet our financial duties and achieve key aims. In it we are aiming to achieve 5 national and 6 local objectives:

2.10.1 National priorities:

- Improve cleanliness and reduce hospital acquired infections
- Improve access (waiting times, 18 weeks, A&E etc)
- Keep adults and children well, improve their health and reduce health inequalities
- Improve the patient experience, staff satisfaction, and engagement
- Be prepared to respond to emergency situations.

2.10.2 Local priorities:

- Achieve our Turnaround Plan
- Maintain good quality service
- Strengthen governance arrangements
- Encourage a continuous performance improvement culture
- Play an active part in the A Picture of Health Review
- And further develop relationships with our PCT partners.

About Bromley Hospitals

- 3.1 Bromley Hospitals NHS Trust provides acute healthcare for the people of Bromley and the surrounding areas, from The Princess Royal University Hospital at Farnborough; Orpington Hospital and The Beckenham Beacon. Our services are commissioned mainly by Bromley Primary Care Trust.

3.2 Our Trust Board

Chairman

- Mr Huw Alderman – *from January 2007*

Non- Executive Directors

- Cllr Graham Arthur – *reappointed November 2007*
- Mrs Shelagh Titchener – *reappointed April 2007*
- Mr John Richardson
- Mr John Brewster

Executive Directors:

- Ian Gibson – Acting Chief Executive *January – June 2007*, then on secondment to NHS London and latterly Royal Cornwall Hospitals Trust
- Antony Sumara – Interim Chief Executive *June – December 2007*
- Ian Wilson – Interim Chief Executive – *from December 2007*
- Mrs Jo'Anne Cutting, Service Delivery Director
- Mrs Julia Dutchman-Bailey, Nurse Director – *on secondment from January 2007, to June 2007*
- Ms Jennie Hall, Acting Nurse Director *from January 2007 to February 2008 when appointed to the post of Nurse Director*
- Mrs Ruth Holland, Health Informatics Director
- Mr Eric Jakeman, Finance Director – *to September 2007*
- Darren Cattell – Interim Finance Director – *from June 2007* – became Contracts & Business Planning Director – *from January 2008*
- Lorraine Clegg – Acting Finance Director - *from January 2008*
- Ms Louise McKenzie, HR Director
- Mr David Trew, Medical Director
- Mr Jon Schick, Projects Director - *acting as Corporate Affairs Director and Board Secretary from January 2007, on secondment from February 2008*
- Mr Trevor Wills, Estates & Facilities Director – *to November 2007*

3.3 Meetings

The Trust Board holds monthly meetings in public in the Board Room at The Princess Royal University Hospital. Members of the public are invited to raise questions on matters relating to the agenda. The Annual General Meeting of the Trust is held in September.

For more information about the Trust and to obtain a full copy of the accounts, visit our website at www.bromleyhospitals.nhs.uk or contact:

Michael Weaver, Head of Corporate Governance and Risk Management,
Trust HQ, The Princess Royal University Hospital
Farnborough Common, Orpington, Kent BR6 8ND
Telephone: 01689 864787

3.4 Diversity & Equal Opportunity

- 3.4.1 The Trust continues to take action to fulfil its commitment to equality and diversity for both its patients and workforce. Actions over the past few years range from developing equality schemes through to providing staff with training sessions to raise awareness of diversity issues.
- 3.4.2 The Trust has a number of equality schemes in place. More recently, we have decided to adopt a Single Equality Scheme, which will incorporate all our legal responsibilities regarding discrimination in employment and service provision on the grounds of age, religion or belief, gender and sexual orientation. This will enable us to develop a more coherent approach to our equality and diversity obligations, whether statutory or part of our commitment to be an NHS leader, by embracing the equality and diversity agenda in its widest sense.
- 3.4.3 Through the Bromley Care Guarantee significant progress and improvements have been made within the areas of nutrition, communication and infection control. The scheme aims to set a guaranteed standard of care and quality of services for all patients within the Bromley population.

3.5 No smoking policy

The Trust operates a no smoking policy.

3.6 Emergency preparedness

Bromley Hospitals NHS Trust has major incident plans in place which are fully compliant with the DH Operational Doctrine 2004 and accompanying NHS guidance on major incident preparedness and planning.

3.7 Integrated Governance arrangements

- 3.7.1 The Trust Board Governance Committee oversees clinical governance within an integrated model and receives feedback from Clinical Governance committees and Divisional Governance Reviews on issues such as safety, clinical effectiveness, patient involvement and the care environment. The Trust received external assurance of its structured and proactive approach to patient safety and improvement when it achieved Level 1 of the NHS Litigation Authority Risk Management Standards. Further progress has been made on the Trust's Information Governance framework during 2007/08, in line with the growing importance of data protection, patient confidentiality and information security. The use made of patient information by the Trust is overseen by Dr John Hunt, Associate Medical Director for Service Delivery, who is the Caldicott Guardian. The Trust had no serious breaches of confidentiality or data loss during 2007/08.
- 3.7.2 The Trust Governance Committee is chaired by Shelagh Titchener, non-executive director.

3.8 Patient Relations and complaints

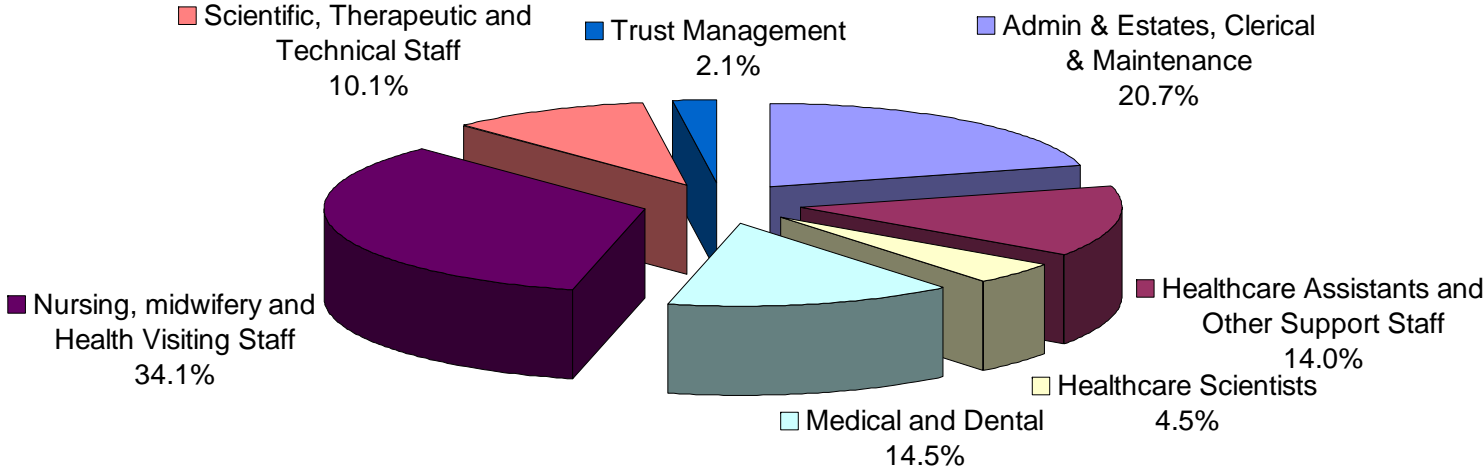
- 3.8.1 The Trust's reputation for providing excellent patient care is built on the skills, abilities and commitment of our staff. However, we are not complacent, and our Head of Patient Advice Liaison and Information Services and her Team work hard to understand where the service has fallen short and resolve matters at the time, or take the concerns on to the NHS Formal Complaints Process.
- 3.8.2 During 2007/08, the Trust received 525 formal complaints citing a range of issues including communication, attitude of staff, and questions about clinical care and treatment.
- 3.8.3 The Trust works to the NHS Formal Complaints Procedure and tries to respond to formal complaints within 25 working days. However, this is a guideline and the main emphasis in the complaints procedure is on trying to resolve the complaint within local resolution and to respond in an open and honest manner. Wherever possible appropriate actions are taken to improve the services offered and this is explained to the complainant. If the complainant remains dissatisfied they can refer their complaint for Independent Review to the Healthcare Commission, which is the second stage of the NHS Formal Complaints Procedure.
- 3.8.4 There were 12 requests for Independent Review made to the Healthcare Commission during this period compared to 25 made in the previous year.
- 3.8.5 Of these requests, 3 were turned down, 3 referred back for further local resolution and 2 were investigated. The remaining 4 requests are still being considered. One request for Independent Review was made to the Health Service Ombudsman who has referred this request back to the Healthcare Commission.

3.9 Our workforce

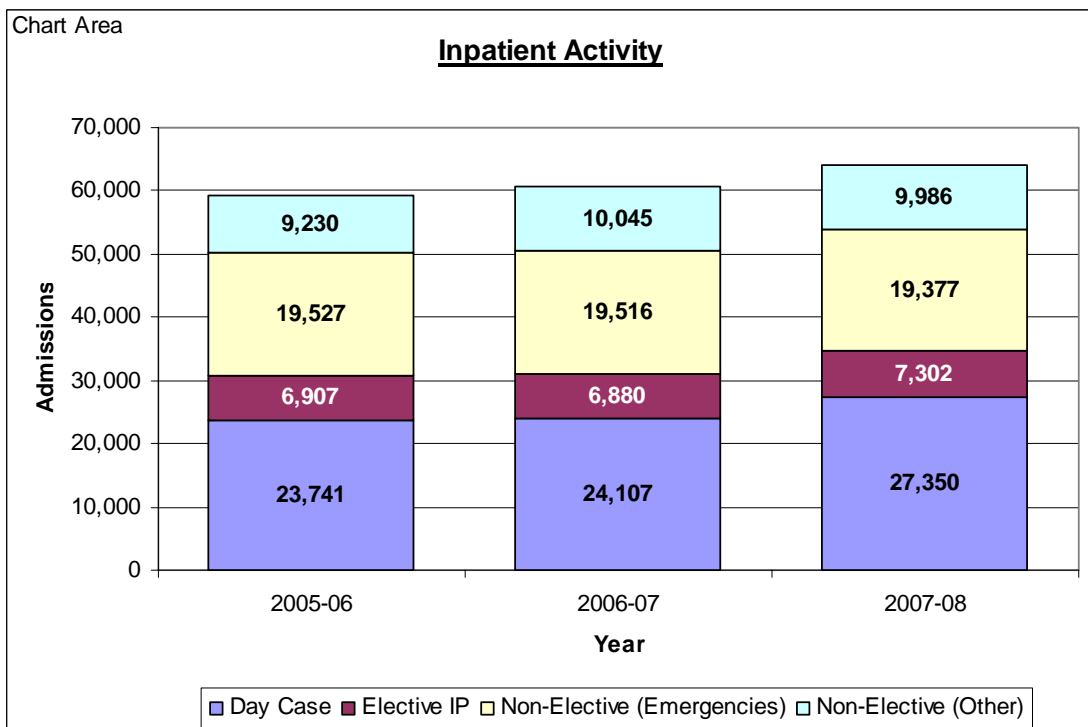
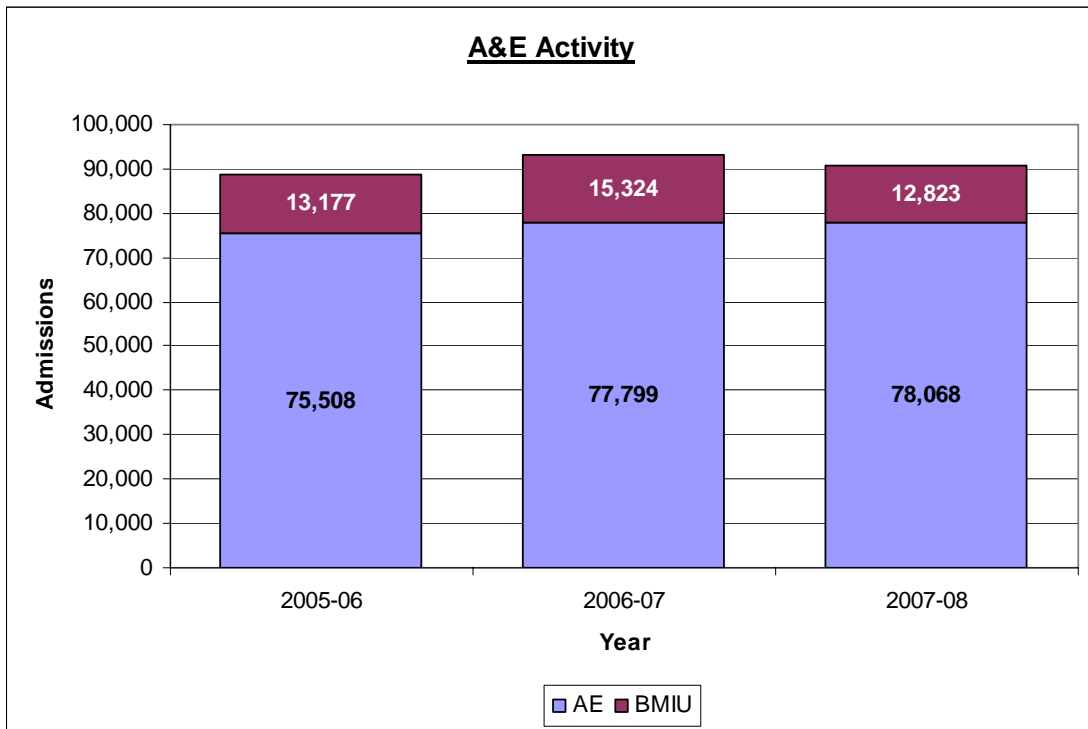
- 3.9.1 The Trust continues to align its workforce structures with the Trust's service strategies, the finance it has available and the number of patients we need to treat. At 31st March 2008 the Trust employed 2,532 staff, staff turnover was down to 10.83%, sickness absence remained low at 4.3%, as did the number of staff leaving the Trust.
- 3.9.2 The Trust has a strong commitment to staff training, education and development. Many statutory and mandatory training courses can now be undertaken online using a 'distance learning' approach and the Trust will continue to develop its e-learning capacity in 2008/9. Activity and reporting systems for training were also improved this year and better information is now available to support managers and assure the Board of Directors that essential training is being completed by staff.

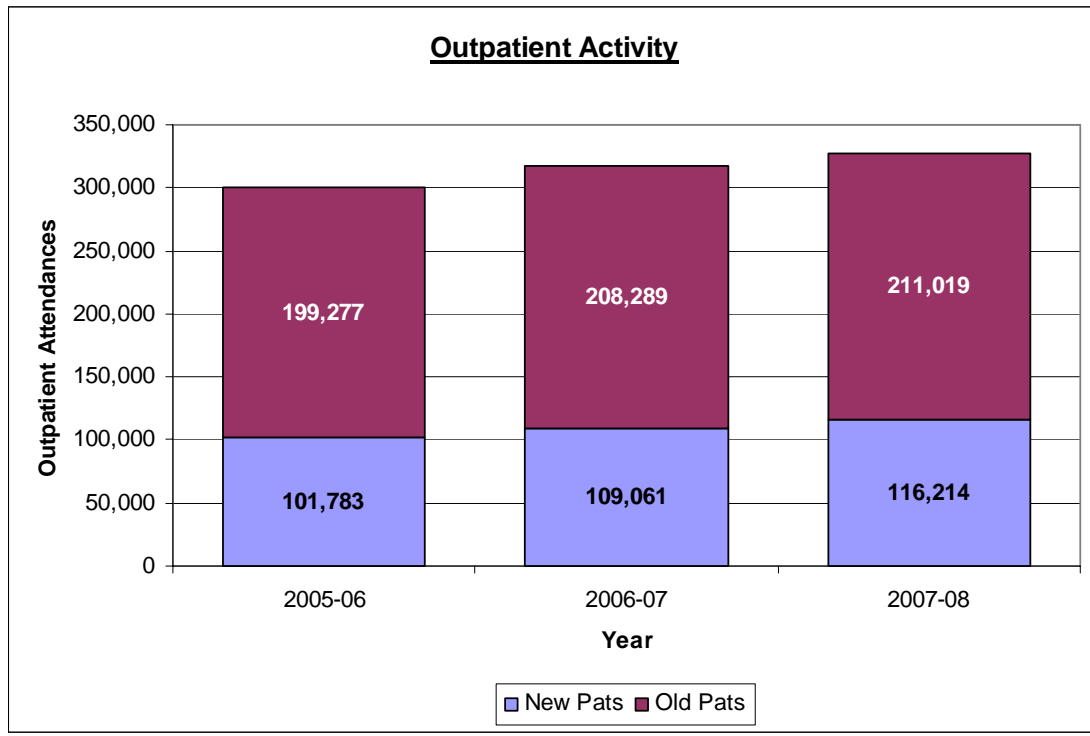
- 3.9.3 The Trust is accredited at the highest level of the Improving Working Lives initiative, Practice Plus, and places great importance on improving staff satisfaction. Each year, we conduct staff surveys and we take the views of staff into account when developing our plans. For example, as a result of feedback from the most recent staff survey, the Trust is looking at examples of best practice in relation to appraisals so we can improve the quality of appraisals for all staff in 2008/9.
- 3.9.4 The Trust continues to offer a wide range of benefits as part of its strategy to recruit and retain the best possible staff, including flexible working options, training and development, support with childcare, access to occupational health and staff counselling.

Bromley Hospitals NHS Trust Staff in Post as at 31st March 2008



The numbers of patients we have treated





4. Bromley Hospitals Trust Annual General Meeting

Bromley Hospitals Trust will hold its Annual General Meeting on:

Thursday 25th September 2008

in The Lecture Theatre, The Education Centre at The Princess Royal University Hospital, Orpington, Kent, BR6 8ND.

Members of the public are invited to attend. Details of start time to be confirmed, and to be published on the trust's website:

www.bromleyhospitals.nhs.uk

5. A year in the life of Bromley Hospitals Trust

- 5.1 In **April 2007** our Cardiac Rehabilitation Team won 3rd prize in the British Journal of Cardiology, Cardiac Nursing Awards 2007 in the category 'Excellence and Innovation in Cardiac Rehabilitation'. The team was praised for its comprehensive service which includes timely assessments, home visits post discharge, a 'one stop' cardiac rehab nurse clinic and early identification and management of problems.
- 5.2 In **June** ISS staff at The Princess Royal University Hospital became the first 'non-NHS' team to be crowned 'Hospital caterer of the year.'
- 5.3 And the second '**clinical connections**' event was run, with over 50 GPs and hospital consultants meeting up to gain a better understanding of each other's viewpoints. This series continues, with the next event organised for June 2008.
- 5.4 **By August** the Trust had been fully involved with developing the national **Modernising Medical Careers** programme, and aspects of our junior doctors Foundation programme were commended nationally. "We have been recognised as providing good undergraduate educational opportunity" says Dr Andrew Long, Director of Medical Education, "and have become the fourth campus site for Guy's, Kings & St Thomas' (GKT) taking on additional undergraduate training."
- 5.5 48 doctors were appointed to the Foundation training programme from August 2007, together with 12 GP trainees and a Directorate of Medical Education has been set up to oversee the governance of the junior doctor training programme.
- 5.6 Also in August staff moved into the new building on the Beckenham hospital site known as the **Beckenham Beacon**. This new development provides an exciting opportunity for some fresh thinking about how services are provided in the north of the borough to both improve service quality and accessibility and reflect modern clinical practice.
- 5.7 During **September** results of the February 2007 Patient Environment visits were published, with The Princess Royal University Hospital and Orpington Hospital rated good for environment and **excellent for food, privacy and dignity**.
- 5.8 By **December** 2007 our Environmental Deep Cleaning programme was well under way.
- 5.9 And in **January 2008** the most significant healthcare debate in outer south east London got underway with the launch of the A Picture of Health public consultation – the review of healthcare services in Bexley, Bromley, Lewisham and Greenwich.
Bromley Hospitals supported the option of creating two major emergency admitting hospitals and two separate elective surgery units. The Trust also submitted two alternative proposals (i) to retain day surgery in the Alan Cumming Day Surgery Unit at The Princess Royal University Hospital, and (ii) to retain the Orpington Treatment Centre at Orpington Hospital.

- 5.10** During **March** the deep clean programme continued, and by May 2008 all the inpatient wards at the Princess Royal University Hospital and Orpington Hospital, as well as the A&E, Emergency Assessment Unit and delivery suite had undergone a deep clean to help in the fight against infection. Whilst the wards were empty for cleaning, the Trust took the opportunity to complete other planned maintenance works.
- 5.11** Over the year much progress has been made on the **Trust's Health Informatics Strategy**:
- 5.11.1 In April, the Information Technology system '**Ward manager**' went live. This enables the Trust to know electronically exactly which beds are in use and which are empty/becoming empty in real time.
- 5.11.2 New **infection control software** was launched at the beginning of August 2007, which helps the Infection Control Team quickly identify higher than average infection rates. Information is fed back to the individual clinical teams to improve their infection control practices. And all operating theatre areas now use infection control wipe clean keyboards.
- 5.11.3 Clinicians and healthcare professionals are now able to **order diagnostic tests** such as radiology and clinical measurements (eg ECGs) **on line** and receive the results electronically as soon as the tests are completed. This speeds up the diagnostic process and enables the Trust to offer more efficient, timely care and reduce patient stay. The Trust has also invested in high resolution screens for viewing images (scans, x-rays etc) in all ward areas across the Trust. The screens have proved popular with clinicians and support staff and improve patient safety by reducing the risk of misdiagnosis.
- 5.11.4 And from January 2008 the Trust has been piloting the use of **wireless technology** in A&E and the Emergency Admissions Unit. This means clinicians can use mobile computers to provide better access to clinical information and the electronic patient record and help to improve the accuracy of the information recorded in these busy areas.
- 5.11.5 During the year we have linked clinics run by the Trust in Sevenoaks to the Trust's main Hospital Information System. This enables us to track these patients along the same care pathways and monitor the 18 week referral to treatment target as at the main hospital sites.

6. Summary Annual Accounts 2007/08

6.1 Finance Director's Report

- 6.1.1 The Trust incurred a deficit of £17.9m in 2007/08. The Trust was formally declared as in Turnaround in July 2007, and is one of the 17 Financially Challenged Trusts in England. The Trust is finalising a recovery plan to return to in year balance for 2008/09. The Trust continues to work in close collaboration with NHS London and the other 3 Outer South East London Trusts to address historical deficit recovery.
- 6.1.2 With regard to the other key financial duties for 2007/08; The Capital Resource Limit, which sets a ceiling on capital expenditure was not exceeded, and the Trust remained within its External Financing Limit. The Trust did not meet the Capital Cost of Absorption duty within the tolerance set by the Department of Health.
- 6.1.3 Performance against the Better Payment Practice Code was below target, but has steadily improved throughout 2007/08.
- 6.1.4 Details of these performance measures, along with full details of Directors' remuneration are contained within the Summary Financial Statements reproduced in this report.
- 6.1.5 Full audited accounts are available on request from the Finance Director, Global House, Station Approach, Hayes, Kent. BR2 7EH. Telephone 01689 863047.



**Lorraine Clegg,
Acting Finance Director**

26 June 2008

6.2 Directors Remuneration 2007/08

6.2a) Remuneration

Name & Title	2007/08			2006/07		
	Salary (bands of £5,000) £000's	Other Remuneration (bands of £5,000) £000's	Benefits in kind* (Rounded to the nearest £100) £000's	Salary (bands of £5,000) £000's	Other Remuneration (bands of £5,000) £000's	Benefits in kind* (Rounded to the nearest £100) £00's
Huw Alderman, Chairman	20-25	-	-	5-10	-	-
Ian Wilson, Interim Chief Executive (From Dec 07)	100-105	-	-	-	-	-
Anthony Sumara, Chief Executive (Jul 07 - Dec 07) ****	5-10	-	-	-	-	-
Ian Gibson, Interim Chief Executive (paid until 20th Sept 2007)	60-65	-	3.7	25-30	60-65	30
Jo Anne Cutting, Service Delivery Director	90-95	-	2.3	85-90	-	23
Maureen Baldwin, Acting Service Delivery Director (From 28th Jan 2008)	15-20	-	-	n/a	n/a	n/a
David Trew, Medical Director (Until 27th Jan 2008)	50-55	70-75	-	45-50	65-70	n/a

****Part paid by NHS London for proportion of costs. All benefits in kind relate to the provision of leased cars

6.2a) Remuneration

Name & Title	2007/08			2006/07		
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in kind* (Rounded to the nearest £100)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in kind* (Rounded to the nearest £100)
	£000's	£000's	£00's	£000's	£000's	£00's
Dr John Hunt, Acting Medical Director (from 1st Dec 2007)	15-20	30-35	-	n/a	n/a	n/a
Lorraine Clegg, Acting Finance Director (From Jan 2008)	15-20	-	-	n/a	n/a	n/a
Darren Cattell, Acting Finance Director (Aug 07 - Jan 08)	85-90	-	-	n/a	n/a	n/a
Eric Jakeman, Finance Director (left 16th September 2008)**	45-50	-	1.7	90-95	-	40
Jennifer Hall, Nurse Director ***	80-85	-	-	15-20	45-50	-
Graham Arthur, Non-Executive Director	5-10	-	-	5-10	-	-
John Brewster, Non-Executive Director	5-10	-	-	5-10	-	-
John Richardson, Non-Executive Director	5-10	-	-	5-10	-	-
Shelagh Titchener, Non-Executive Director	5-10	-	-	5-10	-	-

All benefits in kind relate to the provision of leased cars

**Reduction due to taking pension before the age of 60

***Permanent Nursing Director from 22/02/08. Previously acting director from 15 January 2007.

6.2b) Pension Benefits

Name & Title	Real increase in pension at age 60 (bands of £2,500) £000's	Real increase in pension lump sum at aged 60 (bands of £2,500) £000's	Total accrued pension at age 60 as at 31 March 2008 (bands of £5,000) £000's	Lump sum at age 60 related to accrued pension at 31 March 2008 (bands of £5,000) £000's	Cash Equivalent Transfer Value at 31 March 2008 £000's	Cash Equivalent Transfer Value at 31 March 2007 £000's	Real increase in Cash Equivalent Transfer Value £000's
Huw Alderman, Chairman	-	-	-	-	-	-	
Ian Wilson, Interim Chief Executive (From Dec 07)	-	-	-	-	-	-	
Anthony Sumara, Chief Executive (Jul 07 - Dec 07) ****	-	-	-	-	-	-	
Ian Gibson, Interim Chief Executive (paid until 20th Sept 2007)	0-2.5	2.5-5	10-15	30-35	151	117	12

6.2b) Pension Benefits

Name & Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 as at 31 March 2008 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2008 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2008	Cash Equivalent Transfer Value at 31 March 2007	Real increase in Cash Equivalent Transfer Value
Jo Anne Cutting, Service Delivery Director	0-2.5	2.5-5	20-25	70-75	325	290	20
Maureen Baldwin, Acting Service Delivery Director (From 28th Jan 2008)	0-2.5	0-2.5	15-20	55-60	***	0	0
David Trew, Medical Director (Until 27th Jan 2008)	0-2.5	0-2.5	25-30	85-90	451	426	10
Dr John Hunt, Acting Medical Director (from 1st Dec 2007)***	2.5-5	-	-	-	-	-	-

***Awaiting details from the Pensions Agency

6.2b) Pension Benefits

Name & Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2,500)	Total accrued pension at age 60 as at 31 March 2008 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2008 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2008	Cash Equivalent Transfer Value at 31 March 2007	Real increase in Cash Equivalent Transfer Value
Lorraine Clegg, Acting Finance Director (From Jan 2008)	0-2.5	0-2.5	15-20	55-60	214	0	0
Darren Cattell, Acting Finance Director (Aug 07 - Jan 08)	-	-	-	-	-	-	-
Eric Jakeman, Finance Director (left 16th Sept 2007)****	-	-	-	-	-	-	-
Jennifer Hall, Nurse Director **	7.5-10	22.5-25	25-30	75-80	307	0	0

****Permanent Nursing Director from 22/02/08. Previously acting director from 15 January 2007 ****Consent to disclose information withheld**

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension. Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from

6.3 Statement of Director's responsibility in respect of internal control

6.3.1 Scope of responsibility

The Board is accountable for internal control. As Accountable 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 funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

6.3.2 Leadership is given to the Risk Management process in a number of ways. As Accountable Officer, and Chief Executive of the Board, I lead the annual business planning process, assisted by the Finance Director and Executive Team colleagues. I personally lead on Health & Safety matters. Responsibility for Operational service delivery rests with the Service Delivery Director. Responsibility for Clinical Governance is devolved jointly to the Nurse Director and Medical Director. The Nurse Director is also responsible for co-ordinating the National Health Service Litigation Authority (NHSLA) Risk Management Standards that incorporate the Clinical Negligence Scheme for Trusts (CNST) and Risk Pooling Scheme for Trusts (RPST). Responsibility for Information Governance is devolved jointly to the Trust's Caldicott Guardian and Health Informatics Director. The Trust assesses its Information Governance risk using the annual Information Governance Toolkit Self Assessment Return, which is subject to internal audit. The Trust had no serious untoward incidents of data loss during 2007/08.

6.3.3 I am responsible for Corporate Governance supported by the Head of Corporate Governance and Risk Management Patient, Carer and Public Involvement (PCPI) is devolved to the Nurse Director. The Medical Director and Nurse Director are jointly responsible for the management of and on-going self-assessment of the Department of Health National Healthcare Standards. In addition, a specialist team of health and safety and risk advisors supports the work of the organisation. Also, all of the above Directors are directly accountable to me for their performance.

6.3.4 NHS London reviews the planning, performance and risk of the organisation on a regular basis, and is required to satisfy itself that Bromley Hospitals operates sound systems of internal control. There are many levels of performance review of Bromley Hospitals NHS Trust including the formal review undertaken by NHS London as part of its overall assessment of performance of the Local Health Community.

6.3.5 The Trust is currently undergoing a period of significant internal changes with four Directors leaving the Trust in the course of the year. The Trust is currently under the leadership of its third Interim Chief Executive in one financial year. The Trust was formally declared as in Turnaround in July 2007. An independent review of Governance was commissioned in November 2007 at the request of the Trust Board.

6.3.6 Against this backdrop I recognise the need to embed robust risk management frameworks at local service delivery level throughout the organisation, and that is why I have taken action to review and introduce a more robust and accountable management and leadership framework into the organisation.

6.3.7 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 the risks to the achievement of the organisation's policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

6.3.8 The Assurance Framework highlights the high-level risks that relate to the Trust's principal objectives established for 2007 to 2008. These objectives have been structured at two levels; objectives associated with the delivery of specific NHS performance targets, and objectives concerned with quality, safety and sustainability as set out in the Healthcare Standards.

6.3.9 The system of internal control has been in place in Bromley Hospitals NHS Trust for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts.

6.3.10 Capacity to handle risk

The Board and its sub-committees, including the Finance & Audit Committee, Capital Committee, Governance Committee, Charitable Funds Committee, and Appointments and Remuneration Committee, continue to advise me on the implications of the result of my review of the effectiveness of the system of internal control.

6.3.11 The Terms of Reference for both the Finance and Audit Committee and the Governance Committee have been reviewed during 2007/08. There has been a short period of operation of these Committees since the review and, coupled with the benefit of Internal Audit review, we are aware of where we can further improve these risk controls.

6.3.12 The context for this is that the Trust has just been through a highly disruptive period in which all aspects of the Trust's performance have been compromised to some extent. Although substantially about finance this has had a knock on effect into performance and has stretched and tested the Trust's governance systems.

6.3.13 The risk and control framework

The Trust Board Governance Committee approved the Trust's updated Risk Management Strategy and Policy in July 2007. This sets out the context within which risk is to be considered and managed within the Trust. It also sets clear policy in relation to responsibility for risk management throughout all levels of the organisation, and provides details of the specialist risk advisors that are available to offer support, advice and training on risk management matters to staff where appropriate.

6.3.14 Risks are reported to the Board as part of the Finance and Performance papers. Further work has been identified regarding the risk register and reporting to the Board Committees and this is being addressed.

- 6.3.15 The Trust internal performance management processes include weekly Executive Team meetings as well as monthly finance and clinical activity performance management meetings between Divisional Management teams and the Directors of the Trust. In addition to this each quarter Divisional Management teams report upon integrated governance (clinical governance and organisational risk management) to the Directors of the Trust
- 6.3.16 Reports upon Trust Governance Days and reports on the quarterly integrated governance reviews with each divisional management team are reported to the Trust Governance Committee. Finance and clinical activity reports are reported monthly to the Trust Board
- 6.3.17 As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations

6.3.18 Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have the responsibility for the development and maintenance of the system of internal control provide me with assurance.

- 6.3.19 My review is also informed by a number of detailed internal and external assessments. In the last year, these have included:
- The development of the Annual Service Plan for 2007/8
 - The commissioning of the Independent review into Governance (November 2007)
 - In its Core and developmental standards declaration 2007/2008 the Trust has reported compliance with 39 elements, not met for 3 elements and insufficient assurance for 2 elements. Action plans for the 5 elements have been agreed.
 - 100% compliance with NHSL Acute Trust Standards (November 2007)

6.3.20 In addition to the above, I obtain further assurances in other ways. These include:

- Informal development sessions with Board members
- Monthly Divisional Performance Management reviews between the Divisional Management Teams and the Directors of the Trust.
- Careful reporting of risk to the Board in within the Finance and performance reports and the actions taken to address issues in the later part of the financial year.
- Quarterly Governance Reviews between the Divisional Management Teams and the Directors of the Trust.
- Improved planning processes to manage and develop the operational service of the organisation as a result of the Turnaround Team.
- Individual regular and recorded supervision of Executive Directors.

6.3.21 This has been a very difficult year. The Trust has been included in the Department of Health list of 17 Financially Challenged Trusts. Our performance against national indicators has until very recently been poor. Although the new management team is of necessity temporary pending the outcome of the restructuring of Outer South East London, I believe we are addressing the challenges well and there is evidence that progress is being made.

6.3.22 I have ensured to the best of my ability that failings in finance, performance and governance are being addressed.

Signed, for and on behalf of the Trust Board



Ian Wilson
Interim Chief Executive

26 June 2008

6.4 Independent Auditors report to Bromley Hospitals NHS Trust on the Summary Financial Statements

Independent auditor's statement to the Board of Directors of Bromley Hospitals NHS Trust

I have examined the summary financial statement which comprises the Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses and Cash Flow Statement for the year ended 31 March 2008.

This report is made solely to the Board of Directors of Bromley Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditor

The Directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the year ended 31 March 2008.

Susan M Exton

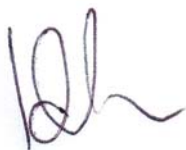
District Auditor

Audit Commission, First Floor, Millbank Tower, Millbank, London SW1P 4HQ

Date 26 June 2008

6.5 Statement of the Chief Executive's Responsibilities as the accountable officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.



Ian Wilson,
Interim Chief Executive

26 June 2008

6.6 Foreword to the Accounts Bromley Hospitals NHS Trust

These accounts for the year ended 31 March 2008 have been prepared by the Bromley Hospitals NHS Trust under section 98(2) of the National Health Service Act 1977 (as amended by section 24(2), schedule 2 of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

6.7 INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st March 2008		
	2007/08	2006/07
	£000	£000
Income from activities	148,773	147,660
Other operating income	9,743	10,253
Operating expenses	(166,183)	(157,167)
OPERATING SURPLUS/(DEFICIT)	(7,667)	746
Profit/(loss) on disposal of fixed assets	10	863
SURPLUS/(DEFICIT) BEFORE INTEREST	(7,657)	1,609
Interest receivable	304	222
Interest payable	(8,857)	(8,541)
Other finance costs - unwinding of discount	(13)	(17)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	(16,223)	(6,727)
Public Dividend Capital dividends payable	(1,697)	(3,275)
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR	(17,920)	(10,002)
The Audit Commission external audit service fee 2006/07 was £187,000		

6.8 BALANCE SHEET as at 31st March 2008

	31 March 2008	31 March 2007
	£000	£000
FIXED ASSETS		
Intangible assets	166	47
Tangible assets	222,079	210,559
	222,245	210,606
CURRENT ASSETS		
Stocks and work in progress	1,580	1,613
Debtors	19,496	38,832
Cash at bank and in hand	3,899	430
	24,975	40,875
CREDITORS: Amounts falling due within one year	(17,627)	(15,840)
NET CURRENT ASSETS/(LIABILITIES)	7,348	25,035
TOTAL ASSETS LESS CURRENT LIABILITIES	229,593	235,641
CREDITORS: Amounts falling due after more than one year	(110,858)	(111,873)
PROVISIONS FOR LIABILITIES AND CHARGES	(740)	(559)
TOTAL ASSETS EMPLOYED	117,995	123,209
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	124,758	126,981
Revaluation reserve	28,747	13,725
Donated asset reserve	781	885
Income and expenditure reserve	(36,291)	(18,382)
TOTAL TAXPAYERS' EQUITY	117,995	123,209

6.9 STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 March 2008

	2007/08	2006/07
	£000	£000
Surplus/(deficit) for the financial year before dividend payments	(16,223)	(6,727)
Fixed asset impairment losses	(310)	0
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	15,386	13,635
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	45	95
Total recognised gains and losses for the financial year	(1,102)	7,003
Prior period adjustment	0	(34,900)
Total gains and losses recognised in the financial year	(1,102)	(27,897)

6.10 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2008		
	2007/08	2006/07
	£000	£000
OPERATING ACTIVITIES		
Net cash inflow/(outflow) from operating activities	22,138	(24,273)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	299	209
Interest element of finance leases	(8,857)	(8,541)
Net cash inflow/(outflow) from returns on investments and servicing of finance	(8,558)	(8,332)
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	(5,741)	(7,538)
Receipts from sale of tangible fixed assets	523	3,646
(Payments) to acquire intangible assets	(32)	0
Net cash inflow/(outflow) from capital expenditure	(5,250)	(3,892)
DIVIDENDS PAID	(1,697)	(3,293)
Net cash inflow/(outflow) before management of liquid resources and financing	6,633	(39,790)
MANAGEMENT OF LIQUID RESOURCES		
Net cash inflow/(outflow) from management of liquid resources	0	0
Net cash inflow/(outflow) before financing	6,633	(39,790)
FINANCING		
Public dividend capital received	12,000	87,000
Public dividend capital repaid (not previously accrued)	(14,223)	(47,201)
Capital element of finance lease rental payments	(941)	0
Net cash inflow/(outflow) from financing	(3,164)	39,799
Increase/(decrease) in cash	3,469	9

6.11 Better Payment Practice Code - measure of compliance:		
	Number	£000s
Non-NHS Creditors		
Total bills paid in the year	24,300	52,193
Total bills paid within target	17,761	49,948
Percentage of bills paid within target	73.1%	95.7%
NHS Creditors		
Total bills paid in the year	1,099	4,011
Total bills paid within target	581	1,770
Percentage of bills paid within target	52.9%	44.1%
The better payment practice code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of goods which ever is later		

6.12 Management Costs as at 31 March 2008		
	2007/08	2006/07
	£000	£000
Management costs	6,914	6,612
Income	158,516	157,913

6.13 The Late Payment of Commercial Debts (Interest) Act 1998		
	2007/08	2006/07
	£000	£000
Amounts included within Interest Payable arising from claims made under this legislation	Nil	1
Compensation paid to cover debt recovery costs under this legislation	Nil	Nil