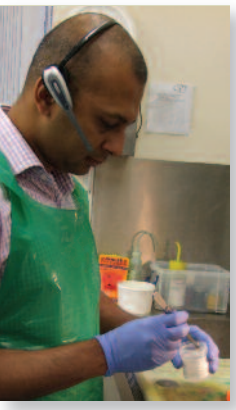
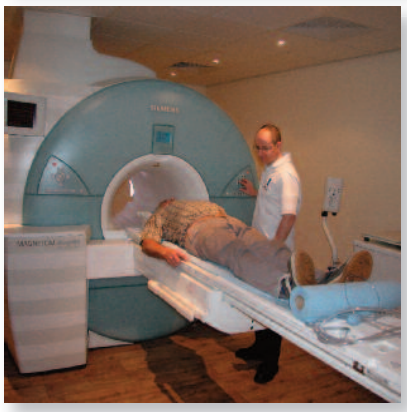
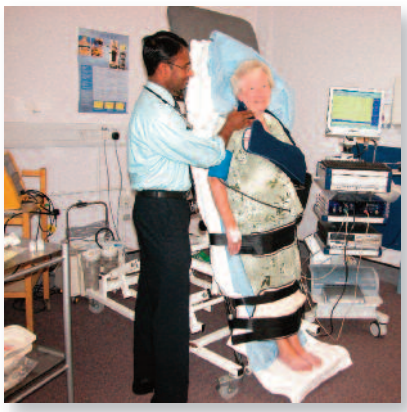
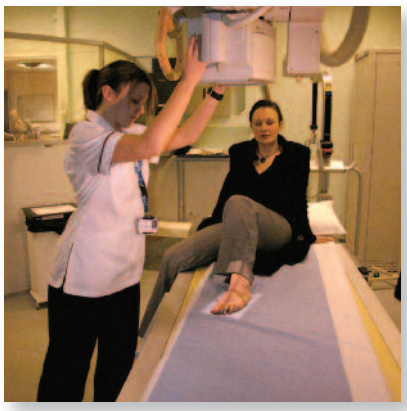
East Kent Hospitals University NHS
NHS Foundation Trust







Annual Report & Financial Statements 2008/09



Putting patients first

East Kent Hospitals University NHS Foundation Trust
(formerly East Kent Hospitals University NHS Trust)

Annual Report and Financial Statements 2008/09

Presented to Parliament pursuant to Schedule 7, paragraph 25[4] of the National Health Service Act 2006

contents

This annual report is for the twelve months to 31st March 2009, eleven months as an NHS Trust and one month as a Foundation Trust (authorised on 1st March 2009 by Monitor, the independent regulator).

Foreword

2008/09 was a year of exceptional success for the Trust. Following a rigorous assessment process we were granted a license to operate as a Foundation Trust from 1 March 2009. We now have much greater involvement in our decision-making from local people, including patients and staff, through a new 32-strong Council of Governors, mostly elected by a membership that now exceeds 13,000. Being granted Foundation Trust status is recognition of the standards that have been achieved by the organisation through the expertise, hard work and dedication of our staff. We are now awarded greater freedom to govern ourselves in a way that is responsive and flexible to the changing needs of the people we serve, while continuing to ensure that healthcare is provided in a safe, effective and efficient manner.

Prior to becoming a Foundation Trust we were awarded University NHS Hospital status by the University of London (King's College) in 2007 and 'University' was incorporated into the Trust's name by Statutory Instrument with effect from 1 August 2008.

In addition to the successful application for Foundation Trust status and University Hospital status, the Trust has continued to develop its services and to ensure they are delivered to the highest standards.

Having been an early achiever of the national target of 18 weeks from elective referral to treatment we went on to sustain our achievement in this area, meeting the 90 per cent admitted target throughout the final quarter of 2008/09.

The Trust continues to build on its successful management of infection rates. With a reduction of more than 20 per cent in the number of MRSA infections to 25 cases, which was within the limit set by the Department of Health. There were 98 cases of C Difficile in the year. These combined rates made the trust the 4th best in the country according to figures published by the Department of Health.

The Trust has made substantial investment in its services in recent years. Total capital spend in 2008/09 was £13.9m and the following developments were completed in the year:-

- A two year programme to expand our Renal Services. The Trust has opened new purpose built Renal Dialysis units at the William Harvey Hospital in Ashford and on the site of Maidstone Hospital, and a new expanded renal inpatient ward has also been built at the Kent and Canterbury Hospital
- Significant investment has been made in negative pressure rooms as part of the Trust's control of infection strategy.
- The Trust Neurorehabilitation service moved into refurbished accommodation at the Kent & Canterbury Hospital close to the Trust's other inpatient Neurology services and important support services such as x-ray
- A modern new staff accommodation block has been erected on the Queen Elizabeth the Queen Mother (QEQM) site at Margate to replace ageing off-site facilities
- Investment has also been made into the Trust's IT infrastructure in order to make the IT and Communication systems more resilient at a time when reliance on information systems to deliver services continues to increase
- A new MRI scanner has been purchased for the QEQM Hospital and a new mobile MRI scanner has been acquired
- In addition to the above, the programme to regenerate or replace the Trust's Community Hospitals has commenced with the major refurbishment and building programme for the Royal Victoria Hospital at Folkestone currently ongoing and the start of planning work for the proposed new Community Hospital for Dover.

The successes of the last year have been achieved while delivering a financial surplus of £13.5m for the 2008/09 year. This is the second consecutive year of surplus for the Trust and maintains the objective of delivering surpluses that can be used for future investment, particularly in the Trust's ambitious Estate Strategy.

The past year has also been a busy year for the Trust with increasing demands placed on most of the Trust's services. Despite these demands, the Trust has responded well, continuing to deliver prompt, effective and high quality care to its patients.

National waiting time targets have been achieved in A&E, Elective, Outpatient and Cancer Services. Infection Control and relative mortality measures indicate that the Trust's performance is comparable to the very best within the NHS. All the Core Standards measured by the Healthcare Commission (now the Care Quality Commission) have been fully met.

In addition to the capital investment programme, the Trust has continued to develop services and introduce best practice into the workplace. Examples of these include:

- Redesigning the Stroke pathway for patients including the introduction of a Thrombolysis service for Stroke patients
- Extending the technology within the Trust's robotic pharmacies to allow dispensing of medicines by the on-call pharmacist from a remote computer
- Introducing point of care testing into the A&E departments within the Trust's hospitals to speed up patient assessment.
- Introducing a support service to better meet the needs of patients with learning disabilities who have to attend our hospitals.

All of the above improvements reflect the Trust's philosophy of providing safe, effective, efficient and responsive services to our patients whilst encouraging and supporting innovation.

Nicholas Wells, Chairman

Stuart Bain, Chief Executive

The Trust's vision, mission and values are:

Vision

'To be known as one of the top ten hospital trusts in England and the Kent hospital of choice for patients and those close to them.'

Mission

'To provide safe, patient focused and sustainable health services with and for the people of Kent. In achieving this, we acknowledge our special responsibility for the most vulnerable members of the population we serve.'

Values

East Kent Hospitals University NHS Foundation Trust people take pride in delivering quality, put patients first and act with integrity, by:

- Speaking well of each other and celebrating diversity
- Working together to achieve great things
- Being open, honest and communicating with and involving the people we serve, in decisions we make and
- Being good citizens, looking after the environment and pursuing value for money in all that we do.

New hope for stroke victims

Ready for action: the dedicated telemedicine link in A&E.

When May Lacey alighted a ferry in Dover, she had no idea what was about to happen to her.

As soon as the boat left the port, she suffered a stroke. It's something that everyone dreads, but May walked out of hospital little the worse for her experience – thanks to some quick action by the ferry crew and EKHUT's developing stroke thrombolysis service.

The new service takes advantage of the latest technology to ensure patients are examined as quickly as possible by a stroke specialist, and, if appropriate, given a clot busting drug which can restore blood flow to the brain and potentially lessen the impact of the stroke.

Patients who have met the medical criteria for this treatment have left hospital with a far greater degree of mobility, speech and independence than would usually be expected.

Winning the race against time

The clot busting drug which has radically helped many patients since it was launched in the Trust can only normally be administered within three hours of the onset of stroke symptoms, so it is crucial that as little time as possible is wasted between the time someone suspects a person may be having a stroke and their full assessment in hospital. So the A&Es in Ashford and Margate and the Emergency Care Centre in Canterbury have been equipped with the latest 'telemedicine' technology that means no matter what time of day or night a patient is brought in, a stroke specialist can assess them immediately.

Rather than waiting for the on-call stroke specialist to travel to the hospital at one o'clock in the morning, the hospital sets up a video link between the patient and the specialist's laptop computer at home, where the specialist can talk to and examine the patient, assess the results of the diagnostic tests performed in the hospital and, where appropriate, give the go-ahead for the drug to be administered.

Board of Directors of the Foundation Trust

The Board of Directors consists of the Chairman, seven Non Executive Directors and seven Executive Directors, one of whom is the Chief Executive. The Trust Secretary attends Board of Director meetings.

The Board is responsible to the Secretary of State for Health for all aspects of the Trust's work, including maintaining standards, achieving targets set by the Government and achieving financial balance. During 2008/2009 the Trust Board met monthly in public; papers are available on request and can be found on the Trust's website www.ekhut.nhs.uk/home-page/about-the-trust/the-trust-board/trust-board-meetings-minutes-and-agendas/

During 2008/09 as part of the Foundation Trust's application and authorisation process, the Board considered its own effectiveness, undertook a restructure of the Board Committees and now conducts its business through committees for Audit, Finance and Investment, Charitable Funds and Remuneration.

During the year, Nicholas Wells was appointed as Trust Chairman, Tracey Fletcher was appointed as Chief Operating Officer and the Trust welcomed Valerie Owen and Christopher Corrigan as Non Executive Directors.

During the year none of the Board members or members of key management staff or parties related to them has undertaken any material transactions with the Trust.

Directors are required to declare other company directorships and significant interests in organisations that are likely to do business (or possibly seeking to do business) with the NHS where this may conflict with their managerial responsibilities.

Nicholas Wells is a member of Strode Park Council of Management and Executive Committee, Richard Sturt is a Director of Canterbury Christ Church University and Richard Samuel is Chief Executive of Thanet Council. Other than payment of business rates to Thanet Council, the Trust's transactions with these organisations are not significant in financial terms.

Jonathan Spencer is a Non Executive Director with Liberty Mutual Insurance Europe and no transactions have taken place with this organisation.

Christopher Corrigan is a Professor of Asthma, Allergy & Respiratory Science/Consultant Physician, Kings College London.

Two of the Trust's Directors, Stuart Bain and Rupert Egginton are also Directors of the Trust's subsidiary companies, Healthex Limited and East Kent Medical Services Limited.

Executive Directors:

- **Stuart Bain**, Chief Executive joined the Trust in August 2007 from NHS National Services Scotland where he was Chief Executive. Stuart has experience of operating at Board level since 1986 when he joined Redbridge Health Authority as Director of Planning and Estates. Stuart is currently President of the Institute of Healthcare Management. Stuart's particular expertise is in strategy, performance management and estates/asset management.
- **Julie Pearce**, Director of Nursing, Midwifery & Quality joined the Trust in July 2007 from Hampshire and Isle of Wight Strategic Health Authority (SHA). Julie was Chief Nurse for the SHA with specific responsibility for clinical quality and service strategy. Julie's areas of expertise include clinical leadership, patient safety, strategic risk management and change management.
- **Rupert Egginton**, Director of Finance & Performance and Deputy Chief Executive, joined the Trust in January 2003. Rupert joined the NHS in 1987 and has been a Finance Director since 1999. Rupert is also a member of the National Commissioning Group (NCG) for blood.
- **Dr Neil Martin**, Medical Director joined the Trust in 1987 and became Medical Director in August 2007. Dr Martin, a Consultant Paediatrician and Neonatologist was instrumental in creating an integrated Child Health service including Community Paediatrics and Child and Adolescent Mental Health services. Neil's particular areas of expertise are change management and clinical awareness.
- **Tracey Fletcher**, Chief Operating Officer joined the Trust in November 2008 from Homerton University Hospital NHS Foundation Trust (a first wave Foundation Trust) where she was Chief Operating Officer. Tracey's areas of expertise include change management and partnership working.
- **Peter Murphy**, Director of Human Resources & Corporate Affairs joined the Trust in 2000 and became the Director of Human Resources in 2002. Previously Peter was a Lieutenant Commander in the Royal Navy. Peter's areas of expertise are workforce planning, employee relations and change management.
- **Liz Shutler**, Director of Strategic Development & Capital Planning joined the Trust in January 2004. Since appointment Liz has led the £24.5million reconfiguration of services across East Kent's three main hospital sites along with a further £25 million of service investment in renal, vascular, cardiology, cancer and midwifery services. Liz has particular expertise in the fields of strategy development, change management, performance management and partnership working.

Non Executive Directors:

- **Nicholas Wells**, Chairman, first appointed as a non-executive director in November 2001, became Acting Chairman during 2007/08 and made substantive on 04 September 2008. His current term of office ends 03 September 2012. Nicholas is a health economist with more than 30 years experience working in commercial, public and academic settings.
- **Richard Sturt**, first appointed December 2001, current term of office ends 28 February 2010. Richard is the current Chair of the Finance and Investment Committee and member of the Charitable Funds Committee.
- **Richard Samuel**, first appointed November 2007, current term of office ends 31 October 2011. As Chief Executive of Thanet District Council, Richard has led transformational changes in recent years on the Council's approach to regeneration and economic development as well as spearheading extensive modernisation of its services.
- **Valerie Owen**, first appointed 01 December 2008, current term of office ends 30 November 2012. Valerie is Managing Director of Le Vaillant Owen, a specialist consultancy that delivers senior level strategic advice to companies, governments and voluntary organisations addressing complex community regeneration and sustainable development issues.
- **Deborah McKellar**, first appointed as a Non Executive Director in November 2006, current term of office ends 31 October 2009. Deborah also serves as Deputy Chairman of the Board of Directors and has been Chair of the Audit Committee since June 2007. Working within the social housing sector as Divisional Accountant, South, Deborah is involved with regulatory and statutory reporting, benchmarking, financial analysis and business planning.
- **Christopher Corrigan**, first appointed 01 January 2009, current term of office ends 31 December 2012. Christopher is Professor of Asthma, Allergy & Respiratory Science at Guy's, King's & St. Thomas' School of Medicine, King's College, University of London – a post he has held for nearly ten years. Professor Corrigan has been engaged in clinical research for 20 years and is the author of nearly 100 peer reviewed original manuscripts on the pathogenesis and management of asthma and allergic diseases.

- **Alan Clark**, first appointed in January 2003, current term of office ends 31 December 2010. Alan serves as Chairman to the Remuneration Committee. Alan's career in HM Diplomatic Service in the Top Management Structure included extensive work experience in Whitehall and many parts of the World, including as Senior Overseas Inspector ensuring effective, efficient and economical operation of major British Embassies.
- **Jonathan Spencer**, first appointed November 2007, current term of office ends 31 October 2011. Jonathan also acts as the Senior Independent Director for the Council of Governors.

The Board of Directors has met on two occasions since becoming authorised as a Foundation Trust, 02 March 2009 and 27 March 2009. The following table shows attendance.

Board attendance – since FT
(1 March 2009)

	2 March	27 March
Nicholas Wells	✓	✓
Deborah McKellar	✓	✓
Richard Sturt	✓	✓
Richard Samuel	✓	✓
Valerie Owen	apologies	apologies
Christopher Corrigan	apologies	✓
Jonathan Spencer	✓	✓
Alan Clark	✓	✓
Stuart Bain	✓	✓
Rupert Egginton	✓	✓
Tracey Fletcher	✓	✓
Julie Pearce	✓	✓
Liz Shutler	✓	✓
Peter Murphy	✓	✓
Neil Martin	✓	✓

✓ = *attendance*

The Finance and Investment Committee has met on one occasion since the Trust has been authorised as a Foundation Trust, four members of the committee were present.

The pharmacy robot in action

All appointments to the Board of Directors and the previous Trust Board and the termination of appointments are conducted within the terms of the Trust's Constitution.

A register of Directors interests is kept by the Trust and is available on request from the Trust Secretary.

Board members during 2008/2009, and membership of statutory committees

Name	Title	Audit committee membership	Remuneration committee membership
Nicholas Wells	Acting Chairman until September 2008. Appointed as Chairman from 04.09.2008		✓
Deborah McKellar	Non Executive Director	Chair	✓
Jonathan Spencer	Non Executive Director	✓	✓
Richard Sturt	Non Executive Director		✓
Richard Samuel	Non Executive Director	✓	✓
Alan Clark	Non Executive Director	✓	Chair
Valerie Owen	Non Executive Director	✓	✓
Christopher Corrigan	Non Executive Director		✓
Stuart Bain	Chief Executive		
Rupert Egginton	Director of Finance & Performance		
Julie Pearce	Director of Nursing, Midwifery and Quality		
Tracey Fletcher	Chief Operating Officer (from November 2008)		
Matthew Kershaw	Chief Operating Officer (Until 01 August 2008)		
Neil Martin	Medical Director		
Helen Belcher	Acting Director of Operations (from August to November)		

The following senior officers also attended board meetings:

- Liz Shutler – Director of Strategic Development and Capital Planning
- Peter Murphy – Director of Human Resources and Corporate Affairs
- Howard Jones – Director of Facilities (until October 2008)
- Michael Lucas – Trust Secretary (until 31 July 2008)
- Louise Riley – Trust Secretary (from September 2008)

Following the granting of FT status Peter Murphy and Elizabeth Shutler became executive directors.

Directors' Statement

As far as the Directors are aware, there is no relevant audit information of which the auditors are unaware, and each director has taken all of the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

After making enquiries, the directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis in preparing the accounts.

Nicholas Wells
Chairman

Stuart Bain
Chief Executive

Deborah McKellar
Non Executive Director

Valerie Owen
Non Executive Director

Structure of the business

The external environment

East Kent Hospitals University NHS Foundation Trust is in the business of delivering a wide and varied range of healthcare services mainly through its three district general hospital services. It also has two community hospitals and some specialist services, adult and child community health services, and child and adolescent mental health services.

The Trust had a turnover of £433 million in 2008/09. The Trust is in a healthy financial position and achieved a surplus of £7.7 million for 2007/08, £13.5m in 2008/09 and is expected to deliver surpluses over the next five years.

The Trust is part of a local health economy servicing Kent and Medway, which collectively includes a total population of 1,634,600 people. The East Kent population is approximately 720,500. The ethnic profile of the population is predominantly white (94.7%) with below average numbers of black and other ethnic minority groups. The county authority serving the population is Kent County Council. East Kent local district councils include: Ashford, Canterbury, Dover, Shepway, Swale and Thanet.

Trust services are accessible to all sectors of the population. The advent of Choose and Book is encouraging the plurality of providers of NHS services to NHS patients.

The Trust has carried out an assessment of the current and long term (five year) healthcare market, recognises the competitive and changing external environment and continues to develop its strategy to ensure success in this market.

There are many competitive factors which could affect the Trust and which could potentially cause loss of activity in some areas. The Trust's main 'customers' are the patients, GPs, commissioners, and Practice Based Commissioning Consortia. Traditionally PCTs have acted as "commissioners" whilst GPs have acted as both gatekeepers and advisors to patients. In future, as younger and more Information Technology (IT) literate generations reach adulthood, they will become a patient group more able and willing to access the information which will enable them to exercise greater personal choice regarding access to services.

The Trust recognises that it needs to be aware of this change and the increasing use of technology and must be able to respond positively and effectively to this.

The Trust believes it attracts patients and commissioners for a number of reasons including the proximity of its services to peoples' homes, high quality services, reliability, a willingness to embrace change and develop new technologies, good customer service, high speed service delivery and provision of a safe and effective patient experience.

The Trust firmly believes that the success of the organisation will be underpinned by public, political and staff satisfaction with the services delivered. This in turn will be achieved by the Trust's plans to:

- extend diagnostics services, including offering immediate access for one stop clinics, more mobile facilities for use locally in communities and expansion of provision of Positive Emission Tomography (PET) scanning and cardio-nuclear imaging;
- develop a model that will enable the Trust to shift from inpatient to ambulatory care (as detailed in the Institute for Innovation and Improvement publication "Delivering Quality and Value - Directory of Ambulatory Emergency Care for Adults"). In addition extending the range of one stop clinics offered in outpatients to maximise efficiency; and
- extend the Trust's services into more local settings, integrated with primary and community services. The Trust has already expressed an interest in Eastern and Coastal Kent Primary Care Trust's recent Equitable Access and Willing Provider tender processes.

Trust Board Members

Julie Pearce
Director of Nursing

Rubert Egginton
Director of Finance & Performance

Dr Neil Martin
Medical Director

Tracey Fletcher
Chief Operating Officer

Liz Shutler
Director of Strategic Development & Corporate Affairs

Peter Murphy
Director of Human Resources & Corporate Affairs

Richard Samuel
Non Executive Director

Richard Sturt
Non Executive Director

Jonathan Spencer
Non Executive Director

Alan Clark
Non Executive Director

Christopher Corrigan
Non Executive Director

Happy birthday EKHUT!

Minister's verdict on hospital Trust

THERE will be one trust governing all the hospitals in east Kent, Health Secretary Frank Dobson announced yesterday (Thursday).

Thanet, Canterbury, Dover, Folkestone and Ashford hospitals, currently run by separate trusts, will be controlled by one body from 1 April.

The Department of Health will appoint the chairman and executive members, who will then choose non-executive members.

It has not yet been revealed where the new trust will be based, although it is likely to initially begin operating in Dover, where there is most space.

The move is part of the reorganisation of health services in the region.

Director of business development at Thanet's Healthcare Trust, Brian Semple said: "The end of Thanet's NHS Trust will be a sad day for many but the important news for Thanet people is that the future of the Queen Mother Hospital is assured.

"Although the new trust headquarters will not be in Thanet, the NHS as a whole is committed to maximise listening to local people and working with them.

"There will continue to be a strong local team of clinicians and managers at the hospital who will build on the reputation which the staff of this trust have established in its short but successful life.

"We now look forward to being able to care for more patients from northern Kent, Thanet's lots and lots of plans to develop services and build on our first-class reputation."

The news that the Secretary of State for Health had decided there should be one Trust governing all the hospitals in East Kent broke on 18 March 1999, and on 1 April, East Kent Hospitals NHS Trust began.

Turbulent times in the early days of the Trust as the debate over the future shape of hospital services raged.

The whirr of drills and clink of scaffolding poles heralded a new era as the biggest building programme the Trust has seen got underway in 2004. Two new wards, three theatres, one aseptic suite, an endoscopy suite, children's centre and two multi-storey buildings were built under the scheme, many wards and departments were refurbished and extended and every issue of Connect included a photo of the then Chairman George Jenkins with spade in hand…

The William Harvey Hospital celebrated its 25th anniversary in June 2004…

2004 – the Pharmacy team meet their new colleague – Thomas the dispensing robot.

In 2004 Health Secretary John Reid visited QEQM to present the Health Service Journal Award for Improving Patient Access, won by the Trust for transforming its emergency services.

In July 2004 little Charlotte Rozee was the first baby born at K&C's midwifery-led birthing centre.

The flags were out in 2006, when HRH the Countess of Wessex officially opened the new Children's Assessment Centre.

It's ten years since Canterbury, Thanet and South Kent Hospital Trusts merged to become East Kent Hospitals… We've trawled through our picture library to take you on a trip down memory lane…

…and in July 2005, the QEQM celebrated its 75th anniversary.

History was made at QEQM on 5 February 2003 when a man in his eighties became the first patient to be fitted with a permanent pacemaker at the hospital. The procedure took one hour and he was discharged two days later…

Three years later, the QEQM's Heart Centre was opened.

2003 – amidst much hilarity the East Kent Cardiac Catheter Suite is opened by local celebrity Paul O'Grady.

The Trust went digital in 2006 with the launch of PACS.

In 2007, an 11 year-old dream was realised in Margate when the new Viking Day cancer centre opened, after the local community raised £1.5 million to build it.

In 2008, the first purpose-built endovascular theatre in the UK opened at Kent & Canterbury Hospital.

Services and facilities provided

The Trust provides a comprehensive range of clinical services from three district general hospitals; in Ashford, Canterbury and Margate. The Trust also provides a significant range of services from its two community hospitals in Folkestone and Dover and a wide range of services throughout the local area from facilities owned by other organisations.

A The William Harvey Hospital, Ashford is an acute district general hospital located on the outskirts of Ashford, accessible from Junction 10 of the M20. Commissioned in 1977, the hospital has 457 beds (excluding maternity beds) as of March 2009 and provides a range of emergency and elective services as well as comprehensive maternity, trauma, orthopaedic and paediatric services. The site has undergone major development in the last thirty years, with sections of the building being upgraded substantially and reorganised into medical and surgical floors. The WHH has a post graduate teaching centre and staff accommodation. There are also adult and elderly mental health services on site provided by Kent and Medway NHS & Social Care Partnership Trust.

Recent developments at WHH include a specialist cardiology unit, the creation of a state of the art pathology laboratory, the expansion of a Neonatal Intensive Care Unit, introduction of a robotic pharmacy facility, the creation of a dedicated stroke unit and the creation of a midwifery-led birthing unit.

B The Queen Elizabeth The Queen Mother Hospital, Margate is an acute district general hospital located approximately one mile south of Margate town centre and is well served by public transport. The hospital has 390 inpatient beds (as of March 2009). The Hospital provides a range of emergency and elective services, comprehensive trauma, orthopaedic, obstetrics, general surgery and paediatric services.

The original hospital building dates back to the late 1920s and early 1930s. The façade of the original St. Peter's Road building is listed. Between 1930 and 1990 a number of small buildings were joined onto the original building. Between 1996 and 1998 most services were relocated into a new large building linked to the original.

The hospital has a specialist centre for gynaecological cancer and recent developments have included new operating theatres, Intensive Therapy Unit (ITU) facilities, children's inpatient and new outpatient facilities, and a new Cardiac Catheter Laboratory. In 2007 a new Cancer Unit was opened, which was mainly funded by public subscription.

The QEQM site also houses adult mental health facilities run by the Kent & Medway NHS and Social Care Partnership Trust.

In March 2008 the Trust purchased the

company that owned and ran the 22 bed private hospital (the Spencer Wing), which sits in the grounds of the Queen Elizabeth the Queen Mother Hospital and is linked to the main hospital building.

QEQM has a post graduate teaching centre. In 2008, new staff accommodation was constructed providing 144 units with a mix of single, couple and family accommodation.

C The Kent and Canterbury Hospital, Canterbury is an acute district general hospital located on the outskirts of the City of Canterbury. The hospital has 306 inpatient beds (as of March 2009) and provides a range of elective and emergency services including an innovative Emergency Care Centre (ECC). The original part of the main hospital building was constructed in 1937, with later developments undertaken on site in the 1960s, 1980s and in the past few years.

The site has seen significant investment in recent years including the provision of a new day surgery unit, a new endoscopy suite, a state of the art Children's Ambulatory Assessment Centre, modern pharmacy services with robotics, an aseptic suite, and, most recently, new renal dialysis facilities and modern vascular and interventional radiology facilities. This hospital provides a central base for many specialist services in East Kent such as renal, vascular, interventional radiology, urology, dermatology, neurology, haemophilia and radiotherapy services (the latter is provided by Maidstone and Tunbridge Wells NHS Trust). The hospital also has a midwifery-led birthing unit.

K&C has a postgraduate teaching centre and staff accommodation.

D The Buckland Hospital, Dover is a community hospital that provides a range of local services including a range of local outpatient and diagnostic services and a minor injuries unit. The hospital was built at the end of the 19th century and is located about 1 mile from Dover Town Centre, in Coombe Valley, Dover. This former workhouse is in poor condition and work is already in place to build a new community hospital in a town centre location which will dramatically improve access for all local people, particularly those relying on public transport.

E The Royal Victoria Hospital, Folkestone is a community hospital situated about half a mile from Folkestone Town centre. The original building dates back to 1892 and was added to in 1921 and in 1930. A community day hospital and therapies unit was added to the west of the main building in 1988. The hospital provides a range of local outpatient and diagnostic services and has a minor injuries unit with a walk-in centre (both operated by the PCT), a thriving outpatients department, the Derry Unit (which offers specialist gynaecological and urological outpatient procedures), diagnostic services, and mental health services provided by the Kent and Medway NHS & Social Care Partnership Trust. This site is currently undergoing major refurbishment.

The Trust also has the following list of properties in its portfolio, which are located off the above main hospital sites and offer local services to the residents of East Kent.

- Orchard House, Ramsgate (Child and Adolescent Mental Health Service - CAMHS)
- Lenworth Clinic, Ashford (CAMHS)
- Cherry Trees, Folkestone (CAMHS)
- George Turle House, Canterbury (CAMHS)
- Renal Satellite Unit, Maidstone (Renal services).

The current distribution of services for each site provided by the Trust is detailed in the table on the right.

The Trust has developed its Estates Strategy for implementation from June 2009. This will provide the framework for future investment plans and is underpinned by the continuing desire to provide quality clinical services to the people of East Kent and beyond, the PCT's Commissioning strategy and the Trust's long-term service strategy.

The strategy has been drawn up in line with the Trust's projected Long -Term Financial Model (LTFM) which forecasts around £30 million capital expenditure each financial year over the period of the strategy. The proposed investment programme will be funded through internally generated cash, with current assumptions being that there will be no increase in external borrowing.

1 The inpatient maxillofacial services will move to the William Harvey in 2010.
2 Also provided by the Trust at Maidstone and Tunbridge Wells NHS Trust and Medway Maritime Foundation NHS Trust

*ENT - Ear, Nose and Throat

Services provided by the Trust

	K&C	WH	QEQM	RV	B	OCS
Accident and Emergency		✓	✓			
24-hour Emergency Care Centre	✓					
Minor injuries unit	✓	✓	✓		✓	
Critical Care Intensive Therapy Unit (ITU) / High Dependency Unit (HDU)	✓	✓	✓			
Special care baby unit		✓	✓			
Neo-natal intensive care unit		✓				
Child ambulatory services	✓	✓	✓		✓	
Inpatient emergency trauma services		✓	✓			
Inpatient emergency general surgery		✓	✓			
Inpatient breast surgery		✓	✓			
Inpatient rehabilitation	✓	✓	✓			
Acute stroke	✓	✓	✓			
Orthopaedic rehabilitation		✓	✓			
Ortho-geriatric services		✓	✓			
Acute elderly	✓	✓	✓			
Inpatient dermatology	✓					
Inpatient ENT*, ophthalmology and oral surgery		✓				
Inpatient maxillofacial	✓(1)					
Inpatient cardiology	✓	✓	✓			
Cancer care (radiotherapy)	✓					
Cancer care (chemotherapy)	✓	✓	✓			✓
Outpatient and diagnostic services	✓	✓	✓	✓	✓	✓
Inpatient cardiology and acute coronary care services	✓	✓	✓			
Inpatient respiratory services	✓	✓	✓			
Diagnostic and interventional cardiac services		✓	✓			
Inpatient neurology	✓	✓	✓			
Inpatient gastroenterology services	✓	✓	✓			
Endoscopy services	✓	✓	✓		✓	
Neurophysiology services	✓					
Inpatient diabetes service	✓	✓	✓			
Inpatient rheumatology	✓	✓	✓			
Inpatient neurorehabilitation	✓					
Inpatient orthopaedic services		✓	✓			
Inpatient child health services		✓	✓			
Inpatient obstetrics, gynaecology and consultant-led maternity		✓	✓			
Midwifery-led Birthing units	✓	✓			✓	
Day case surgery	✓	✓	✓			
Inpatient clinical haematology	✓					
Haemophilia services	✓					✓
Inpatient urology services	✓					
Inpatient vascular services	✓					
Interventional radiology	✓	✓	✓			
Inpatient renal services	✓					
Renal dialysis	✓	✓	✓		✓	✓(2)
Child and adolescent mental health services						✓
Community child health services	✓				✓	✓

K&C = Kent & Canterbury Hospital
WH = William Harvey Hospital
QEQM = Queen Elizabeth The Queen Mother Hospital
RV = Royal Victoria Hospital
B = Buckland Hospital
OCS = Other Community Sites

Operating and Financial review

The Trust set objectives for the year to enable the delivery of its Annual Plan for 2008-09. The objectives support the delivery of the Trust's Strategic objectives. Each annual objective is stated below together with a brief description of progress. A number of objectives are inter-related and will help take the Trust further toward its strategic aims.

Achieving our Annual Objectives 2008 / 2009

Objective 1: Get the basics right and maintain and improve the Trust's compliance with Standards for Better Health

Progress: The Trust declared compliance for all standards except that which refers to waste management (4e). The Trust has since become compliant following earlier remedial action.

Objective 2: Establish structures within the Trust that lead to systematic measurement of systems improvement, patient safety and patient experience, which in turn lead to a reduction in patient mortality and harm.

Progress: Patient Safety and Patient Experience Boards have been established and a programme of work implemented. The Trust Board receives reports at each of its meetings detailing performance against Patient Experience and Patient Safety measures.

Objective 3: Develop a robust three year financial plan with an explicit Cost Improvement Programme for 2008/09 and 2009/10 as well as achieving a financial surplus of 2% of turnover for future investment in local EKHT services by ensuring our services are correctly, safely and efficiently planned, managed and delivered.

Progress: As part of the Foundation Trust application the Trust has now developed a five year plan which was accepted by Monitor. A 3% surplus was achieved in 2008/09 and a 2.1% surplus is planned for 2009/10. As a

consequence, a capital investment programme of £36m is planned for 2009/10 whilst further improvements in the quality of Trust services are also expected.

Objective 4: Maintain a maximum wait of 18 weeks from referral to start of hospital treatment, ensuring that 95% of non admitted patients and 90% of admitted patients are treated within 18 weeks.

Progress: The 18 week target was achieved. Further work remains to be done jointly with the Primary Care Trust to ensure that this achievement is sustained.

Objective 5: Gain a licence as a Foundation Trust by 31st March 2009.

Progress: The Trust was authorised on the 1 March 2009 as a Foundation Trust.

Objective 6: Begin the programmes of build and refurbishment that enable the implementation of the decision to centralise maxillofacial services with the rest of Head and Neck services at the William Harvey Hospital and the reconfiguration and development of services at the Royal Victoria Hospital, Folkestone.

Progress: Centralisation of the Maxillofacial service has been delayed due to cost changes within the tender process. An updated Business Case has approved by the Trust Board and the contractor will now be on site in June 2009. The building works are due to be completed within 12 months.

The work at the Royal Victoria Hospital is well underway and due for completion in October 2009.

Objective 7: Revise and upgrade IT services and infrastructure to reflect increased usage and reliance upon IT. Enhance clinical systems to extend the reach and availability of patient data and information to our staff and customers to improve patient care and safety.

Progress: Work is ongoing as part of the annual programme. Major changes to the network at Kent and Canterbury Hospital are in progress and at Queen Elizabeth The Queen Mother Hospital reconfiguration work is complete on the main computer room as a computer backup facility.

Objective 8: Develop and introduce service line reporting and prepare a case for patient level costing. This will allow better understanding of business and aid the generation of service improvements that can be more accurately evaluated at much lower levels in the organisation.

Progress: The Service Line Reporting system is in place and development and training are progressing. Rollout is planned for early in the financial year 2009/10. Patient Level Information Costing case to be developed in 2009/10.

Objective 9: Finalise an Estates Strategy for the Trust that supports implementation of the organisational Strategy and ensures best use of this limited resource.

Progress: An estates strategy has been developed through extensive work with both clinical teams and service users. A full presentation of the Estates Strategy has been given to the Trust Board and the Clinical Management Board. The final strategy to be submitted to Board of Directors in May 2009.

Objective 10: Agree the Full Business Case that will support the development of fit for purpose estate for the Trust's current portfolio of services in Dover

Progress: The outline Business Case for services in Dover was approved by the Board. However, a full Business Case has not yet been presented to and approved by the Board of Directors due to an extended consultation period and planning issues raised by the Environment Agency (which are being taken forward in 2009/10) has delayed this objective. The full Business Case will be completed when the outcome of the Environment Agency report is known and any remedial work undertaken.

Where minutes count

Senior Assistant Healthcare Scientist Siobhan Witham making all the difference to the patients and staff of the Emergency Care Centre.

A 'mini pathology laboratory' now operating in the Kent & Canterbury Hospital's Emergency Care Centre is saving lives.

The mini laboratory – only the second of its kind in the UK – has been running for a few weeks and is already proving to be worth the £97,000 it costs to rent and staff it each year.

"It's making a significant difference to the care of critically ill patients," said Consultant Dr Hardeep Baht.

"For example, we recently treated a 65 year-old man suffering a stroke. We are able to give stroke patients a clot busting drug which can significantly lessen the impact of the stroke, but first we need a CT scan and blood tests to determine whether the patient is suitable for this treatment. Speed is crucial, as when you suffer a stroke you lose two million brain cells a minute.

"Normally we have to wait an hour to an hour and a half for the blood results, but with the new laboratory on hand we had the results two minutes after the CT and were immediately able to administer the drug. The patient is now making a good recovery, and has potentially been saved from major disability as a result of this quick action."

Patients able to go home are also benefiting from the speedier turnaround, as they no longer have to wait in the ECC for over an hour for their blood results before being discharged. Instead, they can be given the go-ahead to return home in a few minutes.

Tests carried out in the mini laboratory include full blood count, some renal and liver function tests, glucose and infection markers. Haematology tests can be turned around in just eight minutes, and chemistry tests in around 20 minutes. Previously, it could take longer than this just to get the bloods to the main hospital laboratory.

The laboratory is staffed by Senior Assistant Healthcare Scientists, and the results are validated electronically, with any abnormal result checked by a Biomedical Scientist at the main laboratory before it is released.

"It is a very different way of working for us, because we are actually in the ECC and can see all that is going on and the difference that our work is making to the patients," said Biochemistry Point of Care Testing Co-ordinator Philip Bates. "The ECC staff have made us very welcome, we feel like part of the team."

"We have a great appreciation for the work of the scientists," said Consultant Dr Illahi.

The laboratory is currently being run as a pilot, but if proved successful, will also be implemented on the other two acute sites. The consultant physicians in the ECC however have no doubt of its worth, and desperately want the current day time service to be expanded to 24/7.

Quality Annual Report 2008/09

Introduction

East Kent Hospitals University NHS Foundation Trust is committed to the provision of safe, high quality care. In 2008/09 the organisation's annual objectives reflected the importance assigned to patient safety, clinical effectiveness and the patient experience.

Over the past year a wide range of indicators have been used to monitor progress within the improvement programmes for safety and quality enabling the Trust to reflect on achievements in 2008/09 and set priorities for 2009/10.

Quality Improvement Priorities

2008/09 Year end summary

The quality of our clinical services is a high priority and we take pride in 'putting patients first'. The Trust has made good progress over the last year and put in place a number of initiatives which have enabled us to strengthen our culture and capability in delivering safe and effective services. High quality care means that the care we provide:

- Is safe
- Has the right outcomes – effective
- Is a good experience for patients, carers and their families – responsive
- Is available to those who need it when they need it – responsive
- Provides good value for money – efficient and productive.

The initiatives included:

1. **Patient safety first campaign**: to aim for top 10 performance in further reducing mortality and harm to patients; development of the clinical quality and patient safety dashboard which reported monthly performance to the clinical management board and board of directors. This resulted in a reduction in:
   - Number of falls resulting in harm
   - Number of hospital acquired pressure damage/ulcers
   - Hospital standardised mortality which is amongst top 20 best performing trusts in England.
2. **Patient Experience Improvement Programme**: to aim to improve quality from a patient perspective by providing better information about clinical care; enabling patients to feedback on their experience in a timely way; and responding and resolving to concerns and complaints in an effective and timely way. This resulted in:
   - Real-time reporting of patient experience in 16 wards with improvements in five key questions
   - Fewer formal complaints received 731 (compared with 940 in 2007/8) and received 5924 compliments
   - 82% complaints responded to within 25 working days
   - 97% complaints resolved at local level without referral to the Healthcare Commission or Ombudsman.
3. **Health Care Associated Infection Reduction Programme**: to aim for top 10 performance in reducing MRSA bacteraemia and Clostridium difficile infections; compliance with the duties within Healthcare Commission Hygiene Code; and to achieve high levels of cleanliness in clinical environments. This has resulted in:
   - Reduction in number and rate of MRSA bacteraemia (within top 20 trusts in England)
   - Reduction in number and rate of hospital acquired clostridium difficile cases (within top 5 trusts in England)
   - Successful Healthcare Commission inspection against the hygiene code and unqualified registration with the Care Quality Commission.

Our priorities for the forthcoming year aim to build on the achievements and progress of the 2008/09 improvement programme. Table 1 outlines a summary of the improvement metrics adopted and reported on during the year. These metrics represent core elements of the corporate dashboard and annual patient safety programme presented to the Board of Directors on a monthly basis and shared with our commissioners.

Table 1: Summary of Quality & Safety Improvement Metrics in 2008/09

Improvement Metric	Data Definition	Perf 07/08	Target 08/09	Actual 08/09
MRSA Bacteraemia	New identified MRSA bacteraemias post 48 hours of admission	32	28	25
Clostridium Difficile	New identified Clostridium difficile infections post 72 hours of admission	147	141	98
Falls	Total number of inpatient falls including both resulting in injury and those where no injury is sustained.	2,426	2,345	2,265
Pressure Ulcers	All grades of hospital acquired Pressure Ulcers.	80	10% reduction over 3 years	179 (1)
HSMR	The ratio is a summary estimate of in-hospital mortality relative to the national pattern thereby allowing comparisons between hospitals. It takes account of difference of case mix, such as age, sex and diagnosis. A figure of 100 means results are directly in line with national expectation. A lower figure means a lower (ie better) than expected mortality rate.	90.1	Ongoing reduction. Target of 75 by 2011	78
Complaint	Locally set target of 85% response rates to written complaints within 28 days. Excludes complaints with agreed extensions that fall outside of the monthly reporting period.	84%	85% compliance	82%

(1) Please note, considerable rise in current year due to new reporting mechanism.

Each metric is supported by a work programme aimed at delivering improvements in the quality and safety of the care provided. In addition, in year interim milestones have been identified to maintain momentum towards year end targets. In 2008/09 significant progress was made in strengthening our existing metrics and performance reporting strategy alongside the embedding of improvement programmes which will be carried forwarded into 2009/10.

Looking Forward to 2009/10

Our commitment to further improvement in quality and safety continues in 2009/10. As part of the Annual Plan the Trust aims to be compliant with all national standards and targets. To support and maintain this compliance the following priorities have been identified:

- 18 week referral to treatment with specific attention to reducing the volume of patients waiting, and strengthening the diagnostic pathways
- Cancer targets (2 week, 31 day, and 62 day) will be re-defined nationally during 2009/10; the Trust aims to be fully compliant with the re-defined standards during the last quarter of 2009/10
- Working towards the elimination of mixed-sex accommodation and ensuring that wards will either be single sex or will have single sex bays. Areas such as emergency departments will continue to present us with a challenge however respecting the privacy and dignity of our patients at all times is a priority.

During 2009/10 the Foundation Trust will ensure compliance with all Care Quality Commission core standards and is actively managing any areas of potential gaps in controls or assurance. The Trust will further develop the depth of evidence on compliance presented to the Board of Directors and Audit Committee. In addition the Trust has agreed with NHS Eastern and Coastal Kent a number of indicators which aim to provide further focus on clinical quality and improvements in 2009/10. The indicators are part of the CQUINs (Commissioning for Quality & Innovation) initiative and include:

- An audit of patients admitted with cancer in the end stages of life
- Proportion of stroke patients given a brain scan within 24 hours of onset of symptoms
- Treatment of STEMI (ST segment elevation Myocardial Infarction) patients with reperfusion by primary angioplasty
- The availability of discharge summaries or letters to the patients' GP following a hospital stay, A&E attendance or Outpatients appointment within agreed time-frames, and to an agreed quality
- Measurement of baseline for improving patient experience particularly associated with single gender sleeping accommodation
- Reduction in the number of falls and pressure damage/ulcers acquired within hospital.

Quality Overview

Throughout 2008/09 the Foundation Trust has worked to strengthen performance reporting on safety and quality. This has resulted in the development of a series of "Ward to Board" metrics which represent practical standards at ward level which contribute to improvements in the quality and service delivered by the specialty which in turn support the achievement of a trust wide target. These local indicators metrics aim to support and contribute to the priorities identified by commissioners of services and national Department of Health targets.

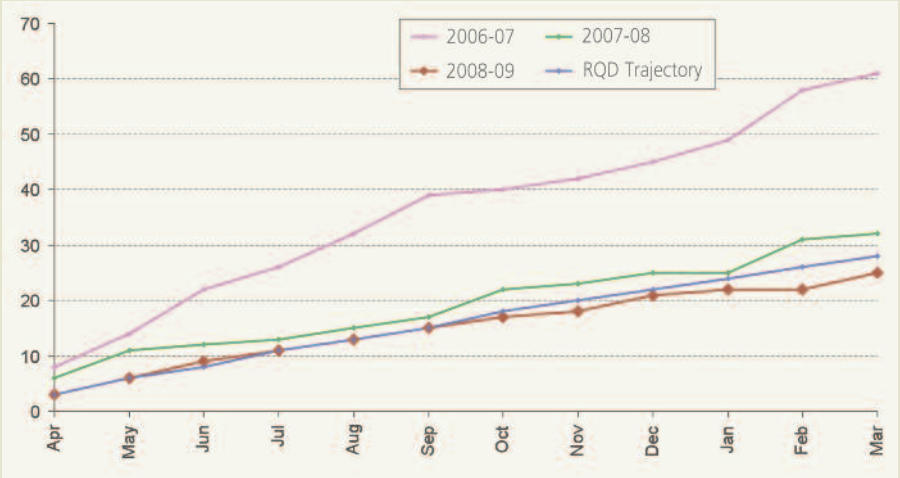
Local indicators:

Patient Safety

Healthcare Associated infection – MRSA Bacteraemia

The Trust was set a target by the Department of Health of no more than 28 cases of MRSA bacteraemia in 2008/09. This reflects an ongoing reduction against the 2003/04 baseline. At the end of March 2009 a total of 25 new cases had been reported, representing a 64% improvement on the 2003/04 baseline. This achievement reflects the commitment to improving infection control practices at the point of care.

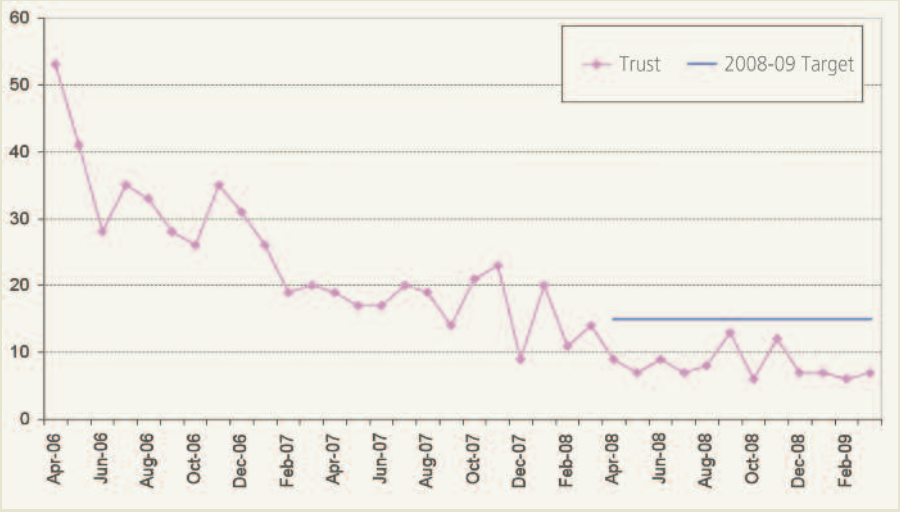
Figure 1: Accumulative number of MRSA bacteraemia showing yearly improvement over 3 year period



Healthcare Associated Infection – Clostridium Difficile

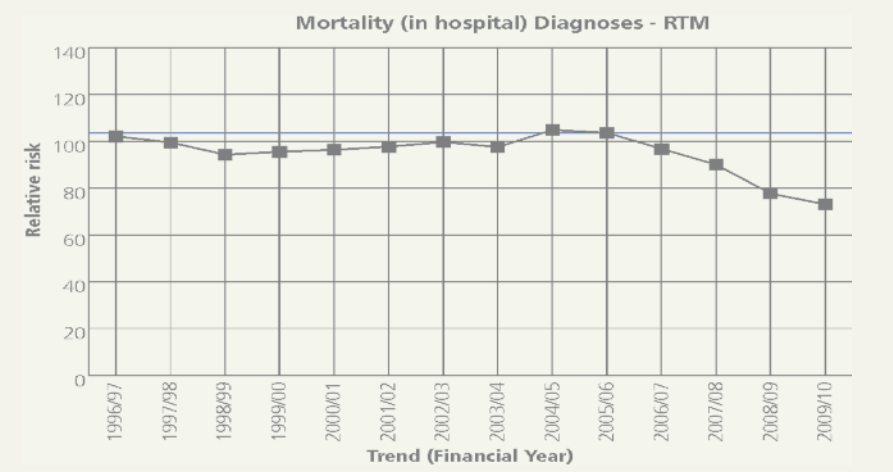
The Trust has demonstrated further improvements in the reduction of clostridium difficile infections. A total of 98 inpatient cases were reported in 2008/09 compared to 147 in 2007/08. This performance when compared with all other Trusts in England placed East Kent Hospitals in the top 5 best performing Trusts in the country for low infection rates.

Figure 2: Number of Clostridium difficile infections by month over 3 year period.



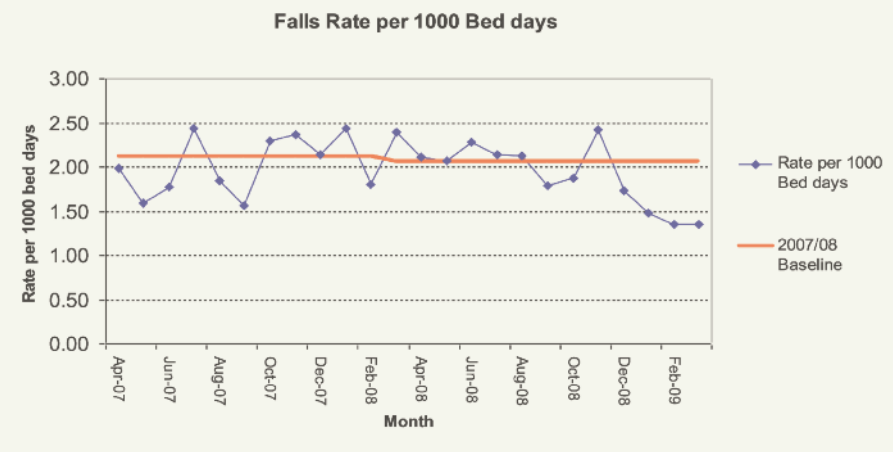
Mortality - Hospital Standardised Mortality Ratio (HSMR)
The ratio is a summary estimate of in-hospital mortality relative to the national pattern thereby allowing comparisons between hospitals. It takes account of differences of case mix, such as age, sex and diagnosis. A figure of 100 means results are directly in line with national expectations. A lower figure means a lower (i.e. better) than expected mortality rate. At the end of 2008/09 the Trust's HSMR was 78 continuing the downward trend seen since 2005/06.

Figure 3: Hospital Standardised Mortality Ratio showing a steady reduction over the last 3 years



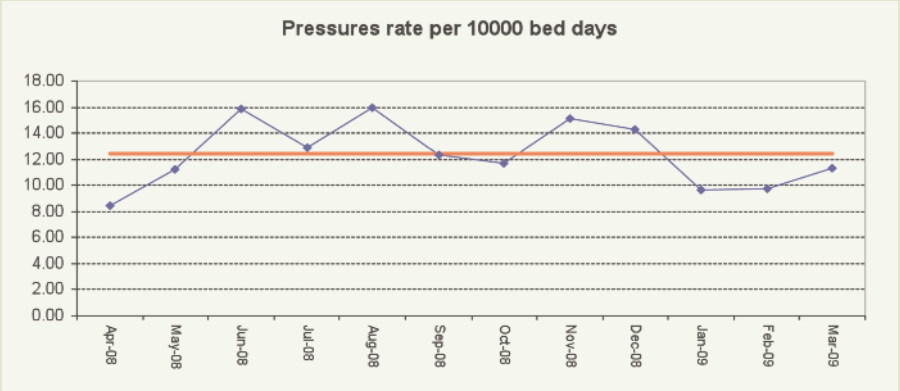
Falls
The graph below shows a downward trend in patient falls in 2008/09 representing a 6% improvement on the previous year. The reason why patients fall can relate to a number of factors. Falls prevention is linked to a range of interventions: for example, proactive falls screening assessment; mapping of falls incidents to understand contributory factors such as the environment, day versus night time, and the use of sensor alarms to alert staff for those patients who are most at risk. The reduction of patient falls remains a key area of focus in the safety and quality program for 2009/10.

Figure 4: number of falls shown as a rate per 1000 bed-days



Pressure Damage/Ulcers
The graph below shows a trend in the rate of reported pressure ulcers in 2008/09 of all types. Staff awareness to skin damage, prevention and early treatment has improved the early overall reporting of pressure ulcers both on admission and during the patient's stay. Whilst the overall numbers vary from month to month, there has been a reduction in the severity of damage/ulcers reported, suggesting that the prevention and early treatment approaches have been effective. Further work to reduce the trend will be undertaken during 2009/10.

Figure 5: Number of pressure ulcers shown as a rate per 10,000 bed-days



Clinical Effectiveness

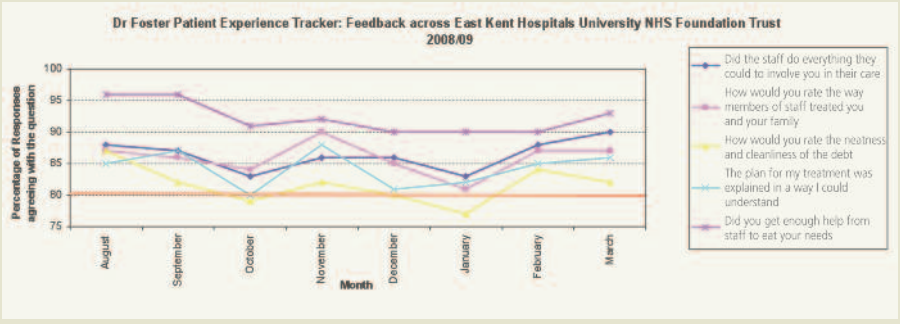
The Trust has a system in place to check that its services are compliant with National Institute for Health and Clinical Excellence (NICE) guidance and other national evidence-based guidelines. This is complemented by a full programme of clinical audit undertaken by clinical teams in directorates and corporate audits facilitated by the clinical audit team. There is a strong commitment to deliver improvements through clinical audit.

Patient Experience & Patient Satisfaction

Patient Experience

It is important that we ensure our services remain responsive to the needs of the local population and that patient experience remains positive and improves. In the past year the Trust has been actively surveying patient experience on a weekly and monthly basis. In April 2008 the Trust implemented a patient feedback tool called "Dr Foster Patient Experience Tracker". The tool uses five questions covering clinical care, the environment and staff behaviour. A key benefit of the tool is the provision of timely feedback to staff.

Figure 6: Dr Foster Patient Experience Tracker: Summary of Feedback 2008/9



National Inpatient Survey

The Trust achieved a higher rate of returns in the 2008 Inpatient survey compared with the previous year. An initial assessment of the results received in May 2009 indicates that the Trust is improving. There are fewer questions (seven in total) where the Trust lies within the lower 20% of trusts across England and seven questions where the scores lie within the top 20% of trusts across England, with four of the latter relating to questions around provision of patient information. For those questions where the Trust has remained in the mid-score range there has been some noticeable improvement.

A more detailed analysis of the results will be undertaken to identify any trends or themes. The action plan developed following the last survey was based around the creation of the Patient Experience Board and the four work streams of patient information, equality and diversity, patient feedback and patient environment. The results from the patient survey will be used to refine the work plans for review and agreement with the Patient Experience Board and by Clinical Management Board.

Complaints

In July 2008 the Trust established the Patient Experience Team. The new team was formed from the merger of the former Complaints and Patient Advocacy Liaison teams and reflected the changes that were occurring locally and nationally with the management of complaints. The option of managing a complaint through a formal time limited (25 days) process continues to exist, however staff are encouraged, with the support of the Patient Experience Team, to achieve local resolution within a time-frame agreed with the patient or person raising the concern.

The number of formal complaints over the year has dropped significantly from 940 received in 2007/8 to 731 received in 2008/9. The number of concerns dealt with informally has increased, which is indicative of an improvement in the service provided with more people accessing the service (4830 in 2008/09 compared with 4063 in 2007/08) and has enabled a more timely resolution.

The Trust achieved 82% of cases being responded to within target date, and 97% resolved at a local level without reference to the Healthcare Commission or Ombudsman.

National priorities

Each year the Department of Health sets out national priorities for the NHS.

Overall the Trust reported performances against the national priorities in 2008/09. There are two areas which have attracted further focus. Firstly, cancer targets, in December 2007 the Department of Health published the Cancer Reform Strategy which included amendments to the targets for the treatment of cancer; these were further amended in January 2009. These changes appear to indicate a lower level of performance from 2007/8 but this is not so. It has come about because of changes in the way in which these targets are measured. Previously if patients wanted to consider their options carefully or seek a second opinion or take time to choose where to have their treatment the clock would be temporarily stopped.

This no longer happens and patients, as they are entitled to, are still choosing how they wish to progress their treatment. This means that these new target times are not always met.

The Trust is working with its partner PCT's to further improve our processes and achieve their new targets.

This no longer happens but patients, as they are entitled to, are still choosing for themselves how they wish to progress and this means that the target times are not always met.

The Trust is working with its partner PCT's to find solutions to this and the extra demand created by an increase in referrals.

Secondly, compliance with the Standards for Better Health programme is monitored by the former Healthcare Commission now the Care Quality Commission. The Trust is required to make an annual declaration of compliance against 24 core standards. A declaration of full compliance was made against 23 of these standards, however it was felt that there was insufficient assurance in relation to the standard on waste management based on the evidence available for the first quarter of 2008/09. All actions have now been taken to remedy the gaps in assurance so that the trust is now fully compliant with this standard.

Table 2: Summary of East Kent Hospitals' Performance against National Priorities in 2008/09

National Priority	Target	EKHUT Performance
Waiting Times		
18 weeks from point of referral to treatment has been measured from April - December 2008		
Admitted patients	85%	85.1%
Non-admitted patients	90%	96.8%
18 weeks from point of referral to treatment has been measured from January - March 2009		
Admitted patients	90%	90.6%
Non-admitted patients	95%	98.3%
A&E - maximum waiting time of four hours from arrival to admission, transfer or discharge	98%	98.3%
Heart attack sufferers should receive thrombolysis within 60 minutes of the call to ambulance service	68%	93.8%
Treating cancer		
The Department of Health published the Cancer Reform Strategy in December 2007 and from January 2009 extended targets came into effect. Below we show our performance against both standards:		
April - December 2008		
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	98%	99.8%
Maximum waiting time of 31 days from decision to treat to start of treatment for all cancers	98%	99.1%
Maximum waiting time of 62 days from referrals to treatment for all cancers	95%	95.9%
January - March 2009 (targets not yet published)		
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancers treatments	TBA	97.3%
Maximum waiting time of 62 days from all referrals to treatment for all cancers	TBA	73.4%
Controlling infection		
Clostridium difficile - year on year reduction	147 cases	98 cases
MRSA bloodstream infections - to reduce infections by 50% of 2003/04 baseline with year on year reductions	28 cases	25 cases
Core standards		
Compliance with the Healthcare Commission's Standards for Better Health programme and 24 core standards	24/24	23/24

Regulation & Inspection in 2008/09

The delivery of healthcare is subject to significant regulation which results in mandatory declarations and submissions, regulatory inspections and informal visits throughout the year.

Table 3: Summary of External Inspections and Visits in 2008/09

Inspection Date	Directorate	Agency	Status of Report
March 2009	Child Health	Healthcare Commission	Report received actions identified
March 2009	Finance & Performance Management – Clinical Coding	Payment by results – Audit Commission	Report received actions identified
March 2009	Human Resources – Training & Education	Edexcel External Verifier, Assessing Health and Social Care and NVQ awards	Actions identified & Completed
February 2009	Trust wide	Care Quality Commission – Hospital Acquired Infection Registration of License to Operate	License awarded
December 2008	Trust wide	Healthcare Commission Hygiene Code	Full compliance
November 2008 – February 2009	Trust wide	Foundation Trust preparation and assessment for preparedness by Monitor	Authorised as Foundation Trust
September 2008	Specialty Medicine – Gastroscopy, Kent & Canterbury Hospital	Joint Accreditation for Gastroscopy (JAG)	KCH unit accredited
September 2008	Medical and Dental Education	KSS Deanery, Local Education: Provider/ Specialty Visit – Surgery & Paediatrics	No actions required
June/ July 2008	Pathology	Clinical Pathology Accreditation	Actions identified & in progress
July 2008	Strategic Development & Capital Planning – Facilities	Environment Agency Inspection of Waste Management arrangements	Actions identified & Completed

Summary

In 2009/10 the Trust is building on this series of initiatives to embed quality at all levels of the organisation with a focus on creating the organisational capability of ward to board reporting against an agreed set of clinical quality and patient safety indicators. We have prioritised our quality improvement initiatives for 2009/10 as:

- To continue to reduce overall standardized mortality rates
- To continue to reduce harm to patients as part of patient safety programme
- To further reduce healthcare acquired infection
- To continue to build a safety culture with all staff
- To improve reported patient experience.

Operational Performance and Key Performance Indicators

The table below provides a summary of the Trust's activity (not including the subsidiary company) in 2008/09 in comparison with the plan and previous year:-

	Plan 2008-09	Actual 2008-09	Actual 2007-08	% activity change
GP referrals	117,173	130,202	120,033	+8.5%
Total referrals	233,804	250,080	240,005	+4.2%
Elective Spells	55,221	59,162	57,451	+3.0%
Emergency Spells	69,562	74,646	69,275	+7.8%
Outpatient attendances	514,247	553,562	539,400	+2.6%
A&E attendances	180,492	191,168	182,058	+5.0%

A consultant checks slides for skin cancer

The Trust continues to experience growth in demand as demonstrated by the 4.2% increase in total referrals from 2007-08. Particular specialities experiencing growth were:

- Trauma & Orthopaedics +11.0%
- Gynaecology +11.9%
- Maxillo Facial +13.4%
- Dermatology +18.3%

The demand drives the corresponding increase in elective activity to deliver the maximum 18 week waiting time. The most significant increases in activity were:

- Trauma & Orthopaedics +11.6%
- Ophthalmology +9.6%

Emergency activity also increased by 7.8% above the previous year's level, however, a greater proportion of these patients were treated as short stay admissions.

A&E attendances continue to grow (5.0%) with the ensuing increase in emergency admissions.

Performance against key national targets is shown in the following table:-

		Target	2008/09	2007/08
Cancer:	2 week wait	100%	98.8%	99.7%
	Diagnosis to Treatment (31 d)	98%	96.0%	99.7%
	Referral to Treatment (62 d)	95%	99.3%	97.3%
HCAI:	MRSA Bacteraemia	2 mth/ 28 YTD	25	32
	CDiff Infection (per '000 admissions)	2.2	1.3	1.7
Access:	A&E - max wait 4hrs. (Trust only)	98%	98.0%	98.6%
	Thrombolysis - Call to Needle 60 mins	68%	93.8%	71.0%
	Rapid Access Chest Pain - 2 wks	98%	99.8%	99.9%
	Revascularisation 13 wks max (breaches)	0.0%	0.0%	0.0%
	Elective - 26 wks max (breaches)	0.0%	0.051%	0.005%
	Outpatients 13 wks max (breaches)	0.0%	0.000%	0.0373%
	% diagnostics achieved within 6 weeks	97%	96.5%	75.2%
	* Referral To Treatment - Admitted	90%	91.3%	90.0%
	* Referral To Treatment - Non-admitted	95%	98.6%	95.8%
Cancellations:	As a % of elective admissions	0.50%	0.65%	0.43%
	Breaches of the 28 day standard	1%	1.7%	0.4%
Delays:	Delayed Transfers of Care	2%	3.6%	4.6%

** indicates the position for the month of March*

The Trust continues to achieve the standards set by the Department of Health in their key national targets (detailed in the table above). The following areas show significant improvement from the previous year:

- MRSA – the total episodes of bacteraemia shows a 64% reduction against the 2003-04 baseline – better than the government's target of 50%. The Trust continues to have amongst the lowest levels of both MRSA bacteria and C-difficile levels in the NHS
- Maximum waiting time targets for both outpatient and admitted patients have been achieved
- The proportion of heart attack patients receiving Thrombolysis treatment within 60 minutes has increased to 93.8%.

External risk assessment

The Foundation Trust has adopted an integrated approach to the management of risk which is outlined in the Statement on Internal Control. The Trust's Risk Management Strategy sets out an overall vision and intention for the management of risk across the organisation. Key elements for managing risk include the identification of risk, evaluation of impact of risk on patients, staff, and visitors; identification of control measures that are put in place to minimise the risk, and the monitoring arrangements.

The corporate risk register is regularly reviewed and updated. The register reflects the diversity of risk management activity in the Trust. Risks on the corporate risk register are identified as emerging, active or maintenance risks and generally fall under five strategic areas of risk:

- Treatment (poor quality or inadequate care leading to harm or death)
- Financial (unplanned revenue loss, control of costs, or liquidity)
- Patient and public confidence in services
- Market share
- Business continuity.

Actions to mitigate the risks are included on the corporate risk register along with residual risk factors ie: the element of risk remaining following mitigation measures. In addition, the embedding of risk management within the Foundation Trust's operating framework including the annual objectives, business planning, and service delivery plans provides further assurance on the monitoring and control of identified strategic, operational and financial risks.

The trust was not compliant with only one of the 24 core standards set by the healthcare commission, C4e, waste management. This has now been resolved satisfactorily.

Internal controls

The Foundation Trust is committed to continually improving its systems of internal control and has identified the following key actions which are inherent to the Trust's activities for 2009/10:

1. Develop an Assurance Framework for the year's objectives supplemented by a robust ongoing corporate and directorate risk register framework
2. Review the governance and performance management arrangements of the Foundation Trust to ensure that they remain fit for purpose
3. Implement a regular reporting and monitoring system which ensures the Trust is compliant with its Terms of Authorisation
4. Continue to develop its relationship with the Council of Governors who will review the Trust's business plan and strategy, and appoint its external auditors
5. Continue to ensure patient safety is given top priority and attention by the Board of Directors as well as finance and operational targets
6. Maintain and improve the Trust's compliance with the Care Quality Commission Standards
7. Maintain and improve the Trust's compliance with standards within the Information Governance Toolkit
8. Sustain the performance on 18 week referral to treatment standard
9. Complete the detailed planning and phasing of the estates strategy
10. Prepare for assessment at level 3 against the Clinical Negligence Scheme for Trusts/NHS Litigation Authority general risk management standards; and assessment at level 2 for the maternity risk management standards
11. Oversee and improve compliance with all current and future targets.

Objectives over long term, trends and actions affecting future developments, performance and position

One of the Trust's main strengths is that it has a growing market share following the recent investment in, and expansion of, specialist services. This will enable the Trust to expand and develop, creating centres of clinical excellence.

The Trust is the largest acute trust in Kent and Medway, with five sites and a local presence in all major population centres in East Kent. Coupled with the peninsular geography of the area, this means the Trust can maintain a high local market share, whilst providing opportunity to become increasingly competitive in Swale, Medway and West Kent.

The Trust has in place strong infection control and safety measures and is maintaining performance through robust clinical systems which support the provision of strong, high quality clinical services that respond well to challenging objectives. This has led to significant decreases in the rates of infection.

The Trust has an agreed patient safety performance framework for clinical improvement, which underpins the significant reductions in length of stay, infection rates and Hospital Standardised Mortality Rate (HSMR) over the last three years.

Finally the Trust has developed a sustainable financial position which offers a secure base

for the future. A surplus of £13.5 million was delivered in 2008/09.

The Trust objectives have been established around its vision and strategy. The Trust has actively sought and listened to the views expressed by the public and staff during the Foundation Trust consultation process. The Trust's strategy is to:

- Maintain core acute services across a network of three district general hospitals
- Become more efficient, effective and safer in the way the Trust provides services Through continuing service redesign
- Continue to repatriate and expand specialist services, where appropriate
- Grow market share in East Kent (for current and new services) and develop the market in West Kent when opportunities arise and
- Provide services closer to patients' homes.

The Trust has a number of strategic objectives themes that underpin its approach to patient care and service provision. These ensure that the Trust provides care that is safe, effective, efficient, responsive and innovative.

Strategic Objective 1 Through sustained clinical system improvements (CSI), to improve clinical outcomes, patient safety, patient satisfaction and efficiency. Measures include:

- Reduction in Hospital Standardised Mortality Rate (HSMR)
- Reduction in Health Care Associated Infections (HCAI)
- Reduction in unplanned readmissions;
- Achievement of access targets
- Reduced length of stay (LOS) ; and
- Patients and services users becoming increasingly satisfied with levels of privacy and dignity.

Strategic Objective 2 To become a local and national employer of choice, supporting the development of a well motivated and a suitably skilled workforce. Measures include:

- Reduction in sickness absence year on year
- Reduction in staff turnover year on year
- Reduction in harassment and bullying;
- Achievement of the European Working Time Directive (EWTD) and New Deal compliance for doctors in training
- Achievement of mandatory training compliance and
- Increasing the percentage of staff with completed personal development plans.

Strategic Objective 3 To establish an estate that is fit for purpose and which facilitates the delivery of high quality services in hospital and community settings. Measures include:

- Achievement of a Patient Environment Action Teams rating of good/excellent
- Increasing single bed provision against the 2008/09 baseline
- Reduction in the backlog maintenance year on year
- Achievement of the Estates Investment Plans against the Estates Strategy
- Increasing expenditure against the 2008/09 Disability Discrimination Act (DDA) investment plan and
- Completion of the action plan on review of estates legislation compliance.

Strategic Objective 4 To ensure patients, carers, the public and staff have an increasingly significant role in the development and monitoring of the Trust's services. Measures include:

- Involving patients and members of the public in service developments by increasing the percentage of business cases completed with appropriate public involvement
- Ensuring complaints relating to services and staff are resolved locally and
- Developing a broader community membership base and working with members to devise effective measures of communication and engagement.

Strategic Objective 5 To make best use of information and communication technology to support and facilitate efficient and effective management of the Trust's service development strategy. Measures include:

- Implementation of the National Programme for Information Technology (NPfIT)
- Investment in Information Technology (IT) developments
- Extending the benefits of IT investments and
- Achieving the goal of 'Great IT'.

Strategic Objective 6 To build short, medium and long term education, training and research and development capacity and capability, thereby ensuring that the Trust sustains its position as a university hospital. Measures include:

- Increasing publications in peer review journals
- Improving total funding from research grants year on year
- Achieving an annual increase in Service Increment for Teaching (SIFT) income
- An improvement of the Implementation of Clinical Effectiveness exam results of the Trust
- Achieving annual improvements for the Trust in the Postgraduate Medical Education and Training Board (PMETB) survey and
- Achieving an increase in first year specialty trainees progressing to Year 2.

Strategic Objective 7 To cooperate with local government, Primary Care Trusts (PCTs) and other relevant local organisations to promote, protect and improve the public health of the residents of Kent and Medway. Measures include:

- Promotion, protection and improvement of the health of the community by cooperating with all health organisations and local health authorities
- Ensuring the Director of Public Health's annual report informs policy and practice;
- Making an appropriate and effective contribution to local partnership arrangements including local strategic partnerships and crime and disorder reduction partnerships
- Putting in place systematic and managed disease prevention and health promotion programmes, ensuring these meet the requirements of National Service Frameworks (NSFs), and supporting national plans to reduce obesity, smoking, substance misuse and sexually transmitted infections and
- Protecting the public by having a planned and practised response to incidents and emergency situations which could affect the provision of normal services.

Strategic Objective 8 To continue to deliver a financial surplus for investment in service improvement. Measures include:

- Achievement of the Trust's planned Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) percentage, in line with the Long Term Financial Model (LTFM) and
- Maintenance of a financial risk rating at four or above, using the Monitor scoring methodology.

Service Development Plans

The Trust has established service development plans for a number of key specialist and diagnostic services. Each development strengthens the local model of care to provide a network of hospital services across the three acute sites. These plans provide a response to the identified market opportunities and further embed the Trust's Strategies of repatriating specialist work, providing services as locally as possible and improving the quality of the core acute services. The Trust's planned service developments are to;

- further develop Vascular and interventional radiology services, continue to repatriate vascular activity from London and West Kent, ensure sufficient capacity is in place for future local and Kent wide demand
- relocate and develop Maxillofacial services with a £5.6m capital project which includes a new build maxillofacial and orthodontic outpatient clinic and

laboratory unit, adjacent to the head and neck ward at William Harvey Hospital, Ashford
- open the recently developed midwifery led units a Margate and Ashford hospitals. This will create a co-located low-risk birthing unit, alongside each of the current high risk obstetric inpatient units
- increase access to Gastroenterology and endoscopy services
- further develop trauma and orthopaedic services to ensure the sub specialties are able to meet growing demand and to establish robust and sustainable future plans for delivering elective and non elective services
- refurbish and extend cancer services in East Kent to support the provision of more local services and an expansion of radiotherapy at Canterbury and the development of cancer surgical services in line with the cancer strategy; and
- develop urology services along a hub and spoke model, building up the established East Kent centre at Kent and Canterbury Hospital.

The following is a list of other service developments that are in the early stages of planning. The Trust's longer term service developments are to;
- repatriate specialist neuroscience activity from London with Kent and Canterbury Hospital taking a lead for Kent and Medway
- extend the emergency floor model of care on all sites to accommodate new practices and models of care such as ambulatory care
- extend diagnostics services, including offering immediate access for one stop clinics. More mobile facilities for use locally in communities and expansion of provision of Positive Emission Tomography (PET) scanning and cardio-nuclear imaging
- develop a model that will enable the Trust to shift from inpatient to ambulatory care (as detailed in the Institute for Innovation and Improvement publication "Delivering Quality and Value - Directory of Ambulatory Emergency Care for Adults"). In addition extending the range of one stop clinics offered in outpatients to maximise efficiency and
- further develop plans to vertically integrate the Trust's services into more local settings, integrated with primary and community services. To this end the Trust has already expressed an interest in Eastern and Coastal Kent Primary Care Trust's recent Equitable Access and Willing Provider tender processes.

Stakeholder relations

Partnerships

Delivering services through partnership is well progressed in the county. The Hospital Trust is proud of the partnerships which have been forged over recent years in Kent and works closely with a range of different organisations including the Police, the Air Ambulance and the Fire and Prison Services.

The Trust contributes to the East Kent Local Strategic Partnership (EKLSP). The EKLSP covers the geographical area of Canterbury, Dover, Shepway and Thanet and it brings together the public authorities, businesses and voluntary and community sectors in a voluntary partnership that ensures that each stakeholder takes personal responsibility for driving forward the agenda for a prosperous and caring community. The primary aim of EKLSP is to work together to improve the quality of life for those living and working in East Kent.

The Trust can evidence many areas of good practice, including partnership working with departments and areas from Kent Social Services Department. These include operational meetings in connection with placements of elderly / disabled people in the community and weekly meetings with the Social Services Area Officers. Other meetings include groups as diverse as the Multi Agency Adult Protection and the Crime and Disorder Partnerships. The Trust is participating in the Kent countywide implementation of the national decontamination strategy.

Private sector partnership

The Trust is now the sole share holder in East Kent Medical Services (EKMS) which owns and operates the private Spencer Wing facility at Margate hospital. The unit provision includes outpatient, endoscopy and physiotherapy services. The Spencer Wing uses the Trust's theatres for all private patient work. During the year the Trust extended the Spencer Wing private patient facility to the William Harvey Hospital in Ashford. Profits from EKMS are returned to the Trust for further investment in NHS patient services and additionally the Trust has access to additional capacity when available and when required.

Compacts

A compact is an agreement which brings together representatives from the public, private, and voluntary and community sectors to encourage closer working and co-operation. The agreement:
- sets out the values, principles and commitments of how to work together to achieve the best results
- improves relations, planning and services, by drawing on the expertise of local groups and commissioning them to deliver public services
- is based on trust and mutual goodwill.

Each compact is also covered by a number of Codes of Practice that support the working relationship between partners. They include guidance on working together to improve volunteering, funding, equality and engagement.

The Trust is working actively with partners to improve health and narrow inequalities, including contributing appropriately and effectively to nationally recognised and statutory partnerships. As part of the Foundation Trust governance arrangements the Trust has built on the established partnership arrangements to work closely with its patients on an individual and organised group basis. New links are being developed through this network of charitable donors, fundraisers and volunteers.

The Trust has always worked in close partnership with Primary Care Trusts on Business Planning, their Planning Boards and with the GP cluster groups. The aim of these partnership arrangements is to develop the services and strategies that are in line with local public health priorities. The Trust has worked in detail with Acute Contracting Team who lead negotiations for the Primary Care Trust on commissioning services across the area.

The recently agreed Kent Compact and District Compacts continue enabling public services to work more boldly and creatively with the thriving community and voluntary sector in Kent.

Educational Links

The award of University Hospital status is testimony to the close and effective educational partnership arrangements with the University of London. However the Trust continues to collaborate on a wide range of health care education with various bodies including Canterbury Christchurch University and the University of Kent.

Environmental responsibilities and initiatives

The Trust environmental policy acknowledges the potential impact that its activities have on the environment.

The key impacts are:
- minimisation of waste and encouraging recycling
- prevention of pollution to air, water and land
- promotion of the efficient use of energy and water
- seeking to reduce vehicle fuel, particularly in the Healthcare Transport Service ambulance fleet operated by the Trust; and

- minimising the environmental impacts from commodities by developing environmental purchasing strategies.

Over recent years the Trust has taken a number of significant steps to reduce the impact on the environment.

The organisation prides itself on its 'whole trust' approach to sustainable development and plans to use the NHS Good Corporate Citizenship Assessment Model systematically to monitor progress, identify gaps, and develop detailed work programmes. Each of the six core priority areas (transport, procurement, facilities management, employment, community engagement and new buildings) will have an identified lead to encourage productive debate and policy development. These policies will be developed across a range of areas in the coming years.

Key achievements include:

- A Total Waste Management contract to manage safe disposal and encourage re-cycling. Work on ensuring greater segregation at ward level is still needed as this should reduce our domestic waste further
- A recycling scheme has been implemented throughout the hospitals, reducing the unnecessary waste of paper, plastic bottles and cans
- The recommendations from the Carbon Trust continue to be implemented to ensure that energy waste is minimised. This not only saves costs but protects the environment and is welcomed and supported by patients and staff. Work to identify the impact of this will be taken forward in the current year
- The installation of new main boiler controls has improved combustion efficiency and reduced air pollution from major plant. Water re-cycling has been installed in the renal dialysis units at WHH and K&C to reduce water usage. Each hospital also works in partnership with local water authorities to measure the volume and quality of water to sewage plants
- Major energy conservation schemes have achieved substantial energy reductions and the work has been supported by the combined implementation of recommendations from the Carbon Trust.

Of particular note are the:

- development of a carbon reduction strategy
- steam traps replacement, improving the efficiency of our use of steam
- ongoing installation of low energy 'smart' light fittings in all hospital buildings
- calorifiers with plate heat exchangers enabling us to reduce the amount of hot water we have to store and therefore making us more efficient

- planned feasibility study on the introduction of a combined heat and power plants on the three main hospital sites.

The Trust is recruiting a Travel Coordinator and their principal role will be to develop and coordinate the sustainable green travel plan of all forms of transport access for patients, staff and visitors to Trust facilities.

Positive schemes introduced in this area include:

- the installation of new planning software which has reduced the miles travelled each day by the fleet of 18 Patient Transport Service ambulances across rural East Kent
- Video conferencing has become an accepted and well established part of the working day not only reducing the Trust's carbon footprint but also saving staff time by reducing the need for journeys to meetings.

The Supplies & Procurement Department actively work to support the Purchasing and Supplies Agency and Office for Government Commerce environmental footprint. The Trust supports the use of National Contracts and Framework Agreements and ensures that throughout the tendering process suppliers will have been rigorously evaluated against a range of sustainable and environmental criteria and asked to provide evidence to support these by way of environmental and sustainable policies and accreditations.

The deployment of electronic web requisitioning facilities across the Trust during 2008 to around 1400 users; has brought about increased efficiencies by reducing transaction costs and realising the additional environmental benefits to be achieved from paperless processes.

The Supplies and Procurement Departments have also continued to implement an ongoing print management strategy which is eliminating stand-alone printers in favour of grouped multi-functional devices. This will reduce the amount of printing consumables used.

Wherever possible the Trust uses local contractors and suppliers on its estate and service developments. For example when tendering the contract for the new Dover Community Hospital the Trust focussed on ensuring the local sourcing of labour and materials.

Finally the year has seen the development of a new Estates Strategy that will enable the organisation to change from providing services in old and inefficient estate to offering care in local, modern fit for purpose facilities.

Through the above initiatives, the Trust is able to demonstrate its commitment to, and enthusiasm for, the implementation of strategies which comply with its published Environmental Policy. The intention is to build on this in each financial year and use established key performance indicators to confirm progress.

The Trust aims to deliver significant benefits, including cost savings and improve quality, by adopting a more sustainable environmentally friendly approach. The overall result will be a more people-friendly and efficient, sustainable service. The Trust will also benefit the money saved by using resources more efficiently, and by reducing harmful environmental impacts, will contribute to health benefits in the community.

New focus on learning disabilities

Daniel Marsden has recently joined the Trust as the Practice Development Nurse for Learning Disabilities. This is one of the first posts in the country dedicated to improving the experience of patients with learning disabilities. We asked Daniel about his new role...

"The exciting part of this job is that it is a big step forward in care for this special group of patients," says Daniel. "It shows that EKHUT is serious about improving the experience that people with learning disabilities receive in our hospitals. I feel very privileged to be trusted to set up a whole new service from scratch."

What's your background?

"I qualified as a learning disability nurse from the University of Brighton in 1998, since then I have worked in Community Learning Disability Teams in Brighton, Worthing and Medway. Over the last five years I have worked closely with Medway Hospital to facilitate access. I am currently an executive of the National Network of Learning Disability Nurses and was privileged to be involved in the development of the Department of Health's recent "Good Practice in Learning Disability Nursing" document.

What is your role about?

"There has been a lot of research and legislation around how hospitals treat people with learning disabilities. These include 'Death by indifference'; Mencap's heartfelt report on the challenges hospital services face in providing personalised services; the Michaels report (the Government commissioned an Independent Inquiry into this), the Mental Capacity Act; which means we must assume everybody has capacity until all practicable steps have been taken; and also the Disability Discrimination Act, which means we need to make 'reasonable adjustments'.

"One practical step the Trust is putting in place is to create a user friendly menu for patients which is currently being piloted and will be launched at QEQM in June during learning disability week. Already this reasonable adjustment is being highlighted as a tool that can be used for other patient groups, which re-enforces for me that if we can make information understandable for people with learning disabilities, we can also help other groups of patients.

Playing a part

We have been working hard on finding ways to help patients and carers to play a part in the planning and delivery of their services and Foundation Trust membership has been a great opportunity for our patients who want to play a part in the provision of their treatment and services – and those for everyone else too.

What motivates you?

"I am passionate about ensuring all users can expect a personalised service from our Trust, this obviously includes people with learning disabilities."

What are we most likely to hear you say?

One key question I tend to ask is: "What would you do if the individual didn't have learning disabilities?" Then we can begin to consider how we take all 'practicable steps' to enable that person to understand, because the better they understand the sooner they will get well.

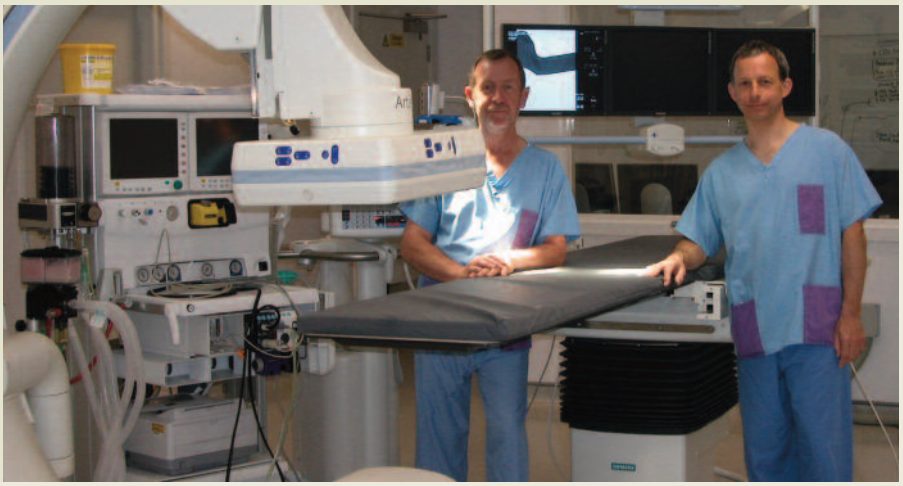
Happy birthday endovascular theatre!

The much-acclaimed endovascular theatre at Kent & Canterbury Hospital celebrated its first birthday.

The theatre, which was the first purpose-built facility of its kind in the UK, provides fabulous facilities for the expanded multi-disciplinary team to provide an enhanced vascular and interventional radiology service for the people of Kent, led by Mr Noel Wilson and Dr Mark Downes.

One of the key procedures carried out there is endovascular stenting of aortic aneurysms.

Pictured right: Dr Mark Downes and Mr Noel Wilson in the theatre.



Financial Overview

The Trust had another successful financial year in 2008/09, increasing its surplus, growing its Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) margin and increasing its cash balance.

These results are consistent with the Trust's strategy of generating funds for future investment, particularly to support the ambitious Estates Strategy that is being developed. The Trust achieved a surplus of £13.5m in 2008/09, £13.1m as an NHS Trust and £0.4 as a Foundation Trust. This is £5.4m above the original £8.1m target surplus for the year, and £1.3m higher than the predicted surplus for 2008/09 recorded in our Foundation Trust application.

The Trust has an established programme to generate substantial efficiency savings each year to at least match the target built into the national tariff in order to fund unavoidable cost pressures, contribute to financial stability and support high quality services. In 2008/09 the Trust made £9.5m in cost savings - slightly ahead of the £9.3m target for the year. The Improvement Plan comprises a range of detailed schemes grouped either into directorate programmes or corporate priority programmes overseen by Programme Boards. Savings from the top five schemes delivered in 2008/09 were: Workforce £3m, income generation and coding £2.6m, Estate revaluation and rationalisation £1.5m, General procurement £1m, Prescribing and drug procurement £0.9m.

A positive cash position was maintained throughout 2008/09, the closing balance of £28.2m being £2.1m higher than the previous year. Despite the freedom of Foundation Trusts to invest surplus funds, bank interest received of £1.4m during 2008/09 is unlikely to be repeated in 2009/10 due to the much-reduced bank base rate, and this is taken into account in forward plans. As required, the Trust paid a dividend to the Secretary of State of £11.1m in 2008/09 in two equal instalments – by the NHS Trust in September 2008 and the Foundation Trust in March 2009.

Based on the results for the whole of 2008/09 the Trust predicts a financial risk rating of 4.5 in 2008/09 – this is rounded to 4 and represents the best rating possible for a new NHS Foundation Trust.

The Trust has a wholly owned subsidiary purchased on 31 March 2008. Private and NHS care is provided by East Kent Medical Services Limited (EKMS) based at the Spencer Wing at the Queen Elizabeth the Queen Mother Hospital in Margate. Its holding company is Healthex Limited. The post-tax profit for the Healthex Group for 2008/09 was £57k.

The Trust has ensured that the financial statements meet the requirements of the NHS Trust Manual for Accounts (for the eleven months to 28 February 2009) and Monitor's Foundation Trust Financial Reporting Manual (for the March 2009 accounts). The accounting policies for both sets of accounts follow UK generally accepted accounting practice (UKGAAP) and HM Treasury's Resource Accounting Manual, to the extent that they are meaningful and appropriate to the NHS. The accounts of the subsidiary group are in compliance with these policies and with Companies Act requirements.

Accounting policies are set out in the full annual accounts. The Trust is required to plan to implement International Financial Reporting Standards (IFRS) with effect from 1 April 2009. The 2008/09 accounts have been prepared under the existing UK GAAP regime and will be restated under IFRS during the coming months, to form the comparatives for the 2009/10 accounts. The Trust has made plans to meet the IFRS conversion timetable including the adoption of any revised accounting policies in 2009/10.

Accounting policies for pensions and other retirement benefits are set out in note 1.14 for the NHS Trust and note 1.17 for the Foundation Trust. Details of senior employees remuneration can be found on page 32 of this report.

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

From 1 April 2008 all impairments on new build and enhancement expenditure must be posted to the revenue account and not to the revaluation reserve. This represents a change in accounting policy. As agreed by the Department of Health and the Treasury a prior period adjustment has been made for material impairments which in the past resulted in the creation of negative revaluation reserves.

The Trust created additional goodwill through the purchase of the Spencer Wing. This was capitalised as an intangible fixed asset. The purchased goodwill has been written off in full in the NHS Trust accounts. An element of historic goodwill remains in the accounts of the subsidiary.

The financial statements are those of the NHS Trust, and NHS Foundation Trust, and its subsidiary undertakings up to 31 March 2009. The income, expenditure, assets and liabilities of the subsidiary have been consolidated with those of the Trust. Accounting policies have been aligned, with fixed assets valued on the same basis, and inter-company transactions have been eliminated.

Independent auditor's statement to the Board of Governors of East Kent Hospitals University NHS Foundation Trust

I have examined the summary financial statement set out on pages 26 to 31.

This report is made solely to the Board of Governors of East Kent Hospitals University NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. The report is also made in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission in respect of East Kent Hospitals University NHS Trust.

My work was undertaken so that I might state to the Board of Governors those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

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 periods ended 28 February 2009 and 31 March 2009. I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements (4 June 2009) and the date of this statement.

Andy Mack Officer of the Audit Commission

Audit Commission
16 South Park, Sevenoaks, Kent TN13 1AN

22 June 2009

Summary financial statements

The financial statements embedded in this annual report are a summarised version, and might not contain sufficient information for the reader to gain a full understanding of the Trust's position and performance. If they are not attached to this report, a full set of annual accounts can be obtained through the Trust's Freedom of Information Office (e-mail FOIrecordsoffice@ekht.nhs.uk). A copying charge may be levied. The information can also be found on the Trust's internet site at www.ekhut.nhs.uk or telephone 01227 766877 ext 73636.

Within these summary accounts and the full sets of accounts results for the Group* incorporate the subsidiary's income, expenditure, assets and liabilities; all inter-company transactions offset each other and are therefore eliminated.

Accounts for the Trust** include the Trust's investment in and transactions with the subsidiary. In the Group accounts the investment has been removed and replaced with the assets and liabilities of the subsidiary.

Income and Expenditure Account

All numbers are in £ thousands	Group Accounts*			Trust Accounts**			Trust
	Apr 08 to Feb 09	Mar 09	Total 2008/09	Apr 08 to Feb 09	Mar 09	Total 2008/09	2007/08 restated(2)
Income from activities	363,771	38,896	402,667	360,616	38,710	399,326	374,556
Other operating income	27,799	2,402	30,201	30,180	2,705	32,885	27,498
Operating expenses	(369,768)	(40,029)	(409,797)	(369,393)	(40,176)	(409,569)	(384,498)
OPERATING SURPLUS	21,802	1,269	23,071	21,403	1,239	22,642	17,556
Profit on disposal of fixed assets	382	0	382	382	0	382	(643)
SURPLUS BEFORE INTEREST	22,184	1,269	23,453	21,785	1,239	23,024	16,913
Finance income - Interest receivable	1,364	47	1,411	1,495	55	1,550	1,371
Finance costs - Interest payable	(21)	(1)	(22)	(1)	0	(1)	
Other finance costs - unwinding discount	(80)	0	(80)	(80)	0	(80)	(66)
SURPLUS BEFORE TAXATION	23,447	1,315	24,762	23,199	1,294	24,493	18,218
Taxation(1)	(144)	(7)	(151)	0	0	0	
SURPLUS AFTER TAXATION	23,303	1,308	24,611	23,199	1,294	24,493	18,218
Public Dividend Capital dividends	(10,216)	(929)	(11,145)	(10,216)	(929)	(11,145)	(10,564)
RETAINED SURPLUS	13,087	379	13,466	12,983	365	13,348	7,654

1 £144k tax is netted off against operating expenses in the full accounts of the NHS Trust, as the DH format does not make provision for it to be shown separately.
2 Previous year income reanalysed due to the reclassification of income from the subsidiary, with no impact on total income

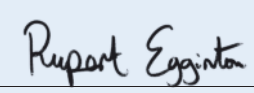
Consolidated (Group) and Trust Balance Sheet

All numbers are in £ thousands	28 Feb 09 Group	28 Feb 09 Trust	31 Mar 09 Group	31 Mar 09 Trust	31 Mar 08 restated Group(1)	31 Mar 08 restated Trust(1)
Fixed assets						
Intangible assets	219	47	260	89	951	58
Tangible assets	285,112	281,866	286,640	283,359	297,341	294,006
Investments	0	1,390	0	1,390	0	2,100
Total fixed assets	285,331	283,303	286,900	284,838	298,292	296,164
Current assets						
Stocks and work in progress	6,080	6,080	6,491	6,491	4,878	4,878
Debtors	27,839	30,848	25,158	27,847	14,674	14,248
Cash at bank and in hand	31,149	30,805	28,096	27,797	26,135	25,919
Total current assets	65,068	67,733	59,745	62,135	45,687	45,045
Creditors falling due within one year	(50,051)	(50,908)	(45,998)	(46,557)	(46,227)	(45,570)
Net current assets/(liabilities)	15,017	16,825	13,747	15,578	(540)	(525)
Creditors falling due > I year	(97)	(22)	(91)	(20)	(2,046)	(22)
Provisions for liabilities and charges	(4,440)	(4,325)	(4,617)	(4,501)	(7,941)	(7,852)
Total assets employed	295,811	295,781	295,939	295,895	287,765	287,765
Financed by: Taxpayers equity						
Public dividend capital	189,400	189,400	189,400	189,400	189,675	189,675
Revaluation reserve	86,596	86,704	86,406	86,517	90,856	90,856
Donated asset reserve	10,867	10,867	10,803	10,803	11,658	11,658
Income and expenditure reserve	8,948	8,810	9,330	9,175	(4,424)	(4,424)
Total taxpayers equity	295,811	295,781	295,939	295,895	287,765	287,765

(1) Balance sheet restatement at 31 March 2008 relates to the clearance of negative revaluation reserves and correction to accounting treatment of a lease.

Signed 

Stuart Bain, Chief Executive

Signed 

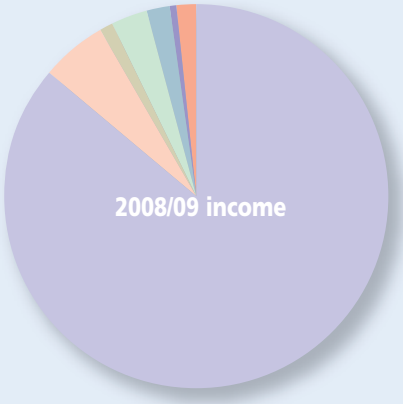
Rupert Egginton, Director of Finance and Performance

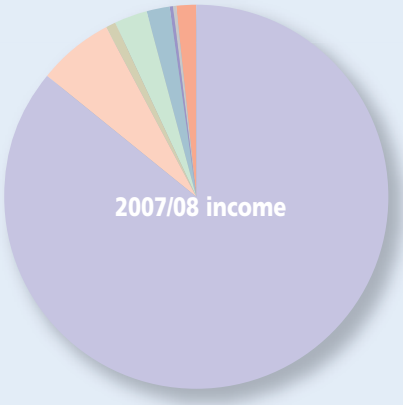
Consolidated Statement of Recognised Gains and Losses

All numbers are in £ thousands	Group Accounts			Trust Accounts			Group
	Apr 08 to Feb 09	Mar 09	Total 2008/09	Apr 08 to Feb 09	Mar 09	Total 2008/09	2007/08
Surplus before dividend payments	23,303	1,308	24,611	23,199	1,294	24,493	18,218
Fixed asset impairment losses	(854)	0	(854)	(854)	0	(854)	(48,110)
Unrealised surplus (deficit) on fixed asset revaluations/indexation	(3,319)	(187)	(3,506)	(3,245)	(187)	(3,432)	25,366
Increase in donated asset and government grant reserve due to receipt of donated and government grant financed assets	337	17	354	337	17	354	2,156
Reduction in donated asset reserve due to depreciation, impairment, and/or disposal of donated assets		(81)	(81)		(81)	(81)	
Reclassification of lease	202			202			
Total gains and losses recognised in the period	19,669	1,057	20,524	19,639	1,043	20,480	(2,370)

Cash Flow Statement

All numbers are in £ thousands	Group		Trust		Group
	Apr 08 to Feb 09	Mar 09	Apr 08 to Feb 09	Mar 09	2007/08
Net cash inflow/(outflow) from operating activities	24,289	5,145	23,980	5,137	56,007
Returns on investments and servicing of finance					
Interest received	1,364	47	1,357	47	1,371
Interest paid	(21)	(1)	(1)	0	0
Net cash inflow from returns on investments and servicing of finance	1,343	46	1,356	47	1,371
Capital expenditure					
Payments to acquire tangible fixed assets	(14,206)	(2,650)	(14,060)	(2,594)	(31,053)
Receipts from sale of tangible fixed assets	1,121	0	1,121		2,410
Payments to acquire intangible assets	0	(43)	0	(43)	(58)
Net cash outflow from capital expenditure	(13,085)	(2,693)	(12,939)	(2,637)	(28,701)
Dividends paid	(5,573)	(5,572)	(5,573)	(5,572)	(10,564)
Net cash inflow/(outflow) before management of liquid resources and financing	6,974	(3,074)	6,824	(3,025)	18,113
Management of liquid resources					
Net cash inflow/(outflow) from management of liquid resources	0	0	0	0	0
Net cash inflow/(outflow) before financing	6,974	(3,074)	6,824	(3,025)	18,113
Financing					
Public dividend capital received	0	0	0	0	7,756
Public dividend capital repaid	(275)	0	(275)	0	(2,606)
Other capital receipts	337	17	337	17	2,156
Loan repaid by subsidiary	(1,982)				
Capital element of finance lease payments	(40)	4			
Loan advanced to subsidiary			(2,000)		
Net cash inflow (outflow) from financing	(1,960)	21	(1,938)	17	7,306
Increase/(decrease) in cash	5,014	(3,053)	4,886	(3,008)	25,419





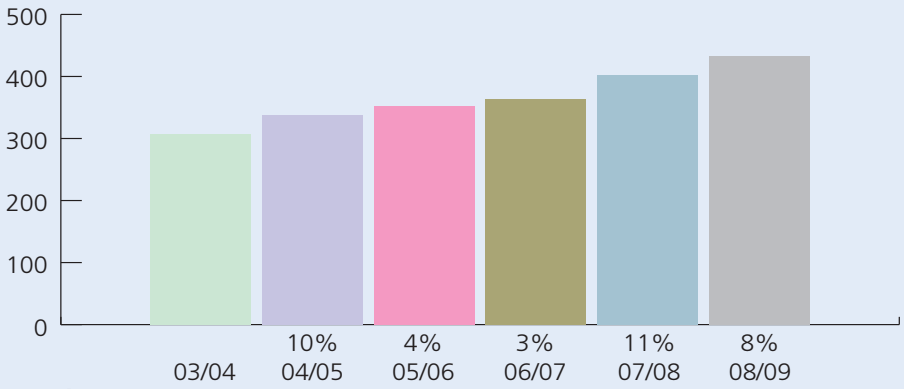
Additional analysis

Income analysis for the year ended 31 March 2009

Key	All numbers are in £ thousands	2008/09 Group	2007/08 Trust (restated)
	Primary Care Trusts	372,944	345,404
	Department of Health	24,084	25,758
	Other income for patient care	5,639	3,394
	Education, training and research	13,047	11,556
	Non-patient care services to other bodies	8,608	7,972
	Charitable and other contributions to expenditure	1,355	697
	Transfers from donated asset reserve	1,011	1,464
	Income generation and other income	6,180	5,809
	Total income	432,868	402,054

Total income for the year of £433m (£391.6m to February and the remainder in March) included £397m of NHS Clinical income, principally from Primary Care Trusts for direct patient care but also including £24m Market Forces factor top up payments from the Department of Health. In 2008/09 94% of income from PCTs came from the Trust's main commissioner, Eastern and Coastal Kent PCT, and this is expected to continue in future years. Trust income for 2008/09 was 7.6% higher than the previous year driven by a 7.5% increase in emergency spells and increased elective work to meet waiting time targets.

Growth in Turnover since 2003/04 (£m and %)



Operating expenses for the year ended 31 March 2009

Key	All numbers are in £ thousands	2008/09 Group	2007/08 Trust
	Staff costs	251,597	229,746
	Directors' costs	1,205	1,103
	Consultancy costs	1,880	1,310
	Clinical supplies /services	77,918	72,350
	Purchase of healthcare from non-NHS bodies*	4,994	833
	Services from other NHS organisations**	2,103	8,342
	General supplies & services	13,547	16,466
	Establishment cost	5,312	5,073
	Transport	3,737	2,963
	Premises	19,129	15,993
	Bad debts	96	234
	Depreciation	19,221	18,878
	Fixed asset impairments	1,127	2,444
	Audit fees	301	254
	Clinical negligence premium	3,957	4,037
	Other and miscellaneous	3,817	4,472
	Total	409,941	384,498

* The main reason for the upward movement in Purchase of Healthcare from non-NHS bodies from 2007/08 to 2008/09 is that referrals to private healthcare from the Trust were charged direct to the Trust in 2008/09.

** In 2007/08 the charge for these referrals was billed to the Trust via the PCT, hence the corresponding downward movement between 07/08 and 08/09 in Services from other NHS organisations.

Total operating expenditure was £410m (£370m for the NHS Trust and £40m for the FT) which is an increase of £25m on the previous years total of £384.5m. Staff costs accounted for 62% of expenditure in 2008/09, with a 9.5% increase year on year from £229.7m to £251.6m.

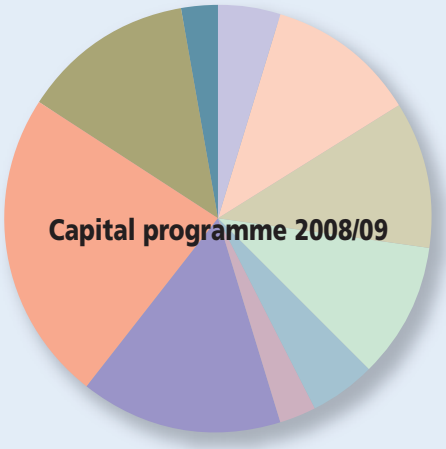
Over the same period the average number of staff increased by 12.3%. Drugs and other clinical supplies (£77.9m) account for 19% of total costs with a £5.6m increase on the previous year.

The 6.5% overall expenditure increase for the Trust represents the cost of delivering the additional activity (net of efficiencies) including work placed in the independent sector where insufficient capacity was available within the Trust.

Primary Care Trusts were charged for this additional activity.

During the year £13.9m was spent on new and upgraded equipment, buildings and facilities (£10.7m as an NHS Trust and £3.2m as a Foundation Trust) offset by donations of £0.4m to give net capital expenditure of £13.5m. At 31 March 2009 the Group owned £286.9m of fixed assets, including £255.4m for land and buildings. Of this total, £223.0m is the value of protected assets from which core (i.e. protected) services are provided. The Trust is not permitted to sell protected assets without Monitor's permission.

As a Foundation Trust we are no longer measured against the NHS Trust duties of the capital resource and external financing limits. The Foundation Trust's capital structure reflects the structure of the former NHS Trust. The Treasury has historically provided capital finance in the form of public dividend capital. In future the Trust will have limited access to new public dividend capital and is expected to finance capital expenditure from internally generated resources (surplus, depreciation charges and asset sales) or to arrange an interest bearing loan with the Foundation Trust Financing Facility or a commercial lender. Foundation Trusts have a Prudential Borrowing Limit (PBL) set by Monitor. The Trust's PBL comprises a maximum of £102.9m cumulative long term borrowing and £31m working capital facility formally in place with the Trust's commercial bankers. The Group has £0.1m of finance leases that count as long term borrowing, and has no plans for any significant borrowing for the foreseeable future.



Fixed Asset summary at 31 March 2009

All numbers are in £ thousands	31/3/2009 Group	31/3/2009 Trust	31/3/2008 Group	31/3/2008 Trust
Tangible assets:				
Land	32,384	32,384	35,605	35,605
Buildings	208,596	205,618	213,984	210,912
Dwellings	14,410	14,410	7,346	7,346
Assets under construction	3,570	3,570	12,191	12,191
Plant and machinery	21,718	21,415	23,723	23,460
Transport equipment	3	3	5	5
Information technology	5,334	5,334	3,756	3,756
Furniture and fittings	625	625	731	731
Intangible assets:				
Software licences	89	89	58	58
Investment		1,390		2,100
Goodwill	171		893	
Total fixed assets	286,900	284,838	298,292	296,164

Of the Group totals at 31 March 2009, £483k related to land at open market value and £987k related to buildings at open market value.

Capital programme for the year ended 31 March 2009

Capital expenditure Key All numbers are in £ thousands	2008/09 Group	2007/08 Trust
Renal/vascular/interventional radiology development	685	7,551
RVH redevelopment	1,582	0
Staff Accommodation scheme	1,529	5,116
Midwifery-led unit WHH	1,427	0
Infection control schemes	694	0
Centralisation of maxillo-facial services	365	0
Other Estates schemes	2,146	4,420
Medical and other equipment	3,278	6,645
IT	1,804	4,256
Assets purchased from donated funds	354	2,156
Other investment	0	2,100
Total capital expenditure	13,864	32,244
Less: donations for capital expenditure	-354	-2,156
Net capital expenditure	13,510	30,088

Charitable Funds

The Trust administers charitable funds, comprising legacies and donations received for the benefit of patients and staff. The Trust Board is the Trustee of the funds; the Charity is registered with the Charity Commission. Income for 2008/09 of £1.0m was in line with the previous year. Although donations reduced by one third to £0.2m, this was offset by increased legacies. The charity spent £0.7m on equipment and facilities, patient welfare and amenities (£0.1m higher than 2007/08) and £0.1m on fundraising. The value of funds held reduced by £0.9m during the year owing to the impact of the economic climate on the investment portfolio.

External charities (Leagues of Friends, lottery funds and the charity shop) also contributed £0.5m during the year for the purchase of specific items for use by the Trust.

The Trust greatly values the generous support of the public and the business community within East Kent, which helps to sustain and enhance the quality of services provided.

Financial projections

Having achieved all key financial targets for the past two years and recovered the deficit made in 2005/06 and 2006/07, the Trust is aiming to deliver a continuing surplus in excess of 2% of income each year, to fund a programme of investment in services and facilities to enhance patient care.

The Trust's financial plan for 2009/10 builds upon a positive financial performance in 2008/09 and the strong underlying financial position that has been established in recent years. A £9.6m surplus is planned. The Trust aims to maintain its financial risk rating of 4 under the Monitor Compliance Framework and achieve at least a 'good' rating for financial control as part of the Care Quality Commission's Annual Health Check.

The generation of funds for investment in the estate and services will require the Trust to continue to improve the efficiency of existing services at least in line with the Tariff assumptions as well as introducing profitable new activity. Even though the Trust can already differentiate itself favourably from its local competitors with its high standards in meeting infection control targets and delivering patient safety, further investment in its estate is seen as key to improving the quality of its infrastructure, services and patient experience.

For 2009/10 the efficiency target is £12.6m. The strategy for delivering cost improvement will follow a similar process to that successfully adopted in 2008/09. A number of major schemes managed on a trust-wide basis but attributed to directorates will comprise a significant proportion of the improvement target. These schemes include length of stay reductions, pathway redesign, theatre efficiencies and procurement.

The Tariff for 2009/10 includes an uplift of 4.7 per cent for inflation and other factors, less 3.0 per cent for efficiency, to arrive at a net uplift of 1.7 per cent. In 2010/11 and 2011/12 it is assumed that the net uplift will reduce to 1.2%.

In 2009/10 the projected level of Clinical income growth is £15.9m. Key factors influencing this level of income growth are:

- The need to maintain and reduce waiting times and the backlog of elective patients waiting for treatments including those patients on either the 18 week or cancer pathways
- An assumed growth in emergency activity of 1.5% in line with trends from previous years
- Assumed growth in direct access services, also linked to recent years' trends.
- Tariff inflation of 1.7%
- Key service developments
- The introduction of payments from PCTs for achievement of quality targets at 0.5% of contract values.

It is assumed that pay costs will increase by 2.5% in 2009/10 and 2010/11, reducing to 2.3% in 2011/12. Drug costs, clinical supplies and other costs are assumed to increase by 5% in each year. Expenditure projections include the impact of energy price increases, drug cost (especially those linked to NICE approvals), significant increases to the clinical negligence premium and further investment in clinical staff to improve quality of care, especially on wards.

The capital programme planned from 2009/10 to 2011/12 is significantly larger than that seen in 2008/09. This reflects the Trust's new Estates Strategy including the proposed new hospital at Dover, in addition to other routine investment to maintain and enhance the Trust's estate asset base. After capital expenditure and payment of the PDC dividend net cash is expected to increase marginally in 2009/10.

Public Interest Disclosures

Payment of Suppliers

The Better Practice Payment Code requires the Trust to aim to pay all undisputed invoices within 30 days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed.

Group performance	Number	Value £000
Trade suppliers: Total invoices paid	76,925	140,778
Paid within target	63,583	118,137
Performance	82.7%	83.9%
NHS suppliers: Total invoices paid	4,345	47,606
Paid within target	3,529	38,864
Performance	81.2%	81.6%

Management costs

Group Management Costs for the year ended 31 March 2009

	2008/09 £000	2007/08 £000
Management costs	20,149	16,610
Relevant Income *	431,122	394,631
Management costs as a percentage of relevant income	4.67%	4.21%

Management costs are defined as those on the management costs website at http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en

** Excludes income for non-patient services provided to other organisations.*

Our Staff

East Kent Hospital University NHS Foundation Trust has over 7000 employees and is an Improving Working Lives Practice Plus accredited Trust. This means it has demonstrated that it has policies and practices in place to improve the working lives of its staff and support their work life balance.

The Trust enjoys healthy working relationships with its recognised trade unions and professional bodies. Over the past year, Trust management and staff representatives have reviewed and agreed the following employment policies and procedures:

- Flexible Working
- Relocation and Associated Expenses
- Honorary Contracts (Research)
- Honorary Contracts (Non Research) replaced by Licence to Operate
- Special Severance Payments
- Post Banding
- Long Service
- Incremental Advancement, Starting Salaries.

Having the Right People in the Right Place at the Right Time

The Trust produces an annual workforce plan to support the recruitment and development of healthcare staff to meet the needs of our patients. The Trust has policies in place to appraise staff, identify areas for development and support staff who are having difficulty in meeting the requirements of their role.

The latest Staff Survey results have East Kent Hospitals University NHS Foundation Trust as a nationally top performing Trust in 11 of the 36 measures.

Communication with staff

Staff are kept informed about key issues within the Trust in a number of ways, including a monthly briefing from the Chief Executive which includes an update on performance, a weekly newsletter and e-mail messages about urgent or clinical issues. Directors regularly 'walk the floor' to talk with staff about their work and experiences. The Chief Executive also holds regular meetings with Trust managers and staff to discuss important issues. During the year, staff committee were engaged in discussion about the Trust's plans for NHS Foundation Trust status. In addition senior executives attended directorate team meetings to brief on the FT application process.

Equality issues

The Trust is committed to ensuring equality of opportunity regardless of race, colour, disability, gender, sexual orientation, age, religious belief, and culture or family commitments. Staff are actively supported by a number of policies, including flexible working,

disability, anti-harassment and equalities policies. The Trust also supports a Black and Minority Ethnic Network of employees as well as a disability forum and a gay, lesbian, bisexual and transgender staff group. The Trust also appointed a practice development nurse with responsibility for patients with learning disabilities during 2008.

We are a 'Positive About Disability' employer. This means that all applicants with a disability who meet the minimum criteria for a vacancy will be interviewed; disabled employees are provided with a mechanism to discuss how they can develop and use their abilities; and the Trust will make every effort to retain employees who become disabled. The Trust's Occupational Health Department works to support staff who suffer accidents at work and deals with work-related health issues.

The staff absence rate during 2008/9 continued to remain relatively low, for the NHS, and was as follows:

- Quarter One – 3.7%
- Quarter Two – 3.5%
- Quarter Three – 4.3%
- Quarter Four – 3.6%

Early retirement on ill health grounds

During 2008/09 there were 5 early retirements from the NHS Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0.44m. The cost of these ill-health retirements will be borne by the NHS Business Services Authority -Pensions Division. All retirements took effect prior to Foundation Trust status.

Emergency preparedness

The Trust protects the public by having a planned, prepared and practised response to incidents and emergency situations, which includes arrangements for business continuity management. The Trust has an established Major Incident Plan which ensures the capability to deal with incidents generating significant numbers of casualties. This is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005 and all associated guidance. We work with our partner organisations to plan for and in responding to major incidents that may occur in or around Kent. The Trust's Emergency Preparedness and Response plans are exercised through major 'live' exercises requiring all aspects of the Trust's Emergency Preparedness and Response procedures to be checked and reviewed. In preparation for the 2009 exercises the Trust has plans in place for key Trust officers and directors to attend training courses at the Cabinet Office Emergency Planning College and other venues.

The Trust's Pandemic Influenza Plan was re-written in December 08 and audited by the Strategic Health Authority and Department of Health resulting in a 96% compliance score.

Health and Safety performance

The Trust's Health and Safety Committee meets quarterly and receives and reviews information on incidents or injuries involving violence and aggression, moving and handling, slips, trips and falls and security. Over the past year there has been a focus on improving the way risk is assessed and how health and safety issues are managed, and as a result a number of key policies have been revised by the Health & Safety team and the Security Manager with a focus on proactive risk assessments to be taken forward in the coming year. Key developments include:

- Development of the management of workplace stress policy and reformation of the Stress Management Working Group who will be responsible for monitoring of this policy. Stress workshops and counselling have been organised by the Occupational Health Team to raise awareness of work related stress
- Health and Safety training sessions for managers and nominated leads continue to raise awareness of the responsibility of line managers for health and safety and will be vital in demonstrating how to complete the new departmental risk assessments forms related to revised policies.

Information Governance Incidents

Annual Report - 01 April 2008 to 31 March 2009 (Data from DATIX)

The Trust takes its responsibility for the care of patients' personal information very seriously. All breaches of patient confidentiality are reported and acted upon within the Trust. During the year, no serious personal data related incidents occurred that had to be reported to the Information Commissioner. A summary of data related incidents in 2008/09 is shown below.

Cat.	Nature of incident	01.04.08 to 28.02.09	01.03.09 to 31.03.09
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises.	6	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises.	1	1
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	3	0
IV	Unauthorised disclosure.	19	1
V	Other.	2	0

Responding to concerns and complaints

In 2008, the Trust participated in one of the pilot projects for implementing changes in the National Complaints Policy responding to the 'Making Experiences Count' consultation. The focus of our work was to ensure that the complainant remains in the centre of the process and it was underpinned by the Parliamentary and Health Service Ombudsman's principles for good complaint handling, administration and remedy. An audit of the complaints process will be carried out in the summer of 2009 to assess compliance with the new guidance and the Ombudsman's Principles.

Ethics, Fraud and Corruption

The Trust Board is committed to maintaining and promoting ethical business conduct as described in the 'Nolan' principles, the NHS Codes of Conduct for Board members, managers and staff, the Trust's documented Governance Arrangements and the Staff Handbook.

The Trust is committed to the elimination of fraud, ensuring rigorous investigation and disciplinary or legal action as appropriate. The Anti-fraud policy has been widely publicised and reinforced with local awareness training, proactive investigations and counter-fraud publicity. Any concerns are investigated by the Trust's Local Counter Fraud Specialist or referred to the NHS Counter Fraud and Security Management Service as appropriate. All suspicions and investigations are undertaken in a confidential manner and cases are reported to the Trust's Audit Committee.

Remuneration report

Remuneration committee

The Remuneration Committee is a formally appointed committee of the Board of Directors. Its terms of reference comply with the Secretary of State's 'Code of Conduct and Accountability for NHS Boards'. The membership of the committee comprises the

Non Executive Directors of the Board. The Head of Human Resources and Chief Executive are in attendance at all meetings (except where the Chief Executive's remuneration is under consideration when he absents himself) to advise the committee and ensure that an appropriate record of proceedings is kept. The remuneration committee met four times during 2008/9 with a membership of Alan Clark (chair), Debbie McKellar, Jonathan Spencer and Nicholas Wells and since 1 March 2009 has become a committee with all the Non-Executive Directors as members.

Remuneration of senior managers

In determining the pay and conditions of employment for senior managers, the committee takes account of national pay awards given to the Pay and Non-Pay Review staff groups, together with external benchmarking data provided in 08/09 by HAY.

Assessment of performance

All Executive and Non Executive Directors are subject to individual performance review. This involves the setting and agreeing of objectives for a 12 month period running from 1st April to the following 31st March. The executive directors are assessed by the Chief Executive, the Chairman undertakes the performance review of the Chief Executive and Non Executive Directors.

Performance pay

In 2008 a system of Performance related pay (PRP) was agreed for Executive Directors. An annual pay uplift and potential performance bonus would be payable depending on the placing of the directors and managers in one of five categories based on levels of performance against agreed objectives. The annual uplift, where agreed, would be consolidated into basic pay. The performance bonus of up to 4% of basic pay is non-recurrent. Assessment of performance for 2008/09 is yet to be completed.

Duration of contracts

All Executive Directors have a substantive contract of employment with a 3 or 6 month notice provision in respect of termination. This does not affect the right of the Trust to terminate the contract without notice by reason of the conduct of the Executive Director.

Early termination liability

Depending on the circumstances of the early termination the Trust would, if the termination were due to redundancy, apply redundancy terms under Section 16 of the Agenda for Change Terms and Conditions of Service or consider severance settlements in accordance with HSG94(18) and HSG95(25).

Salary and pension entitlements of senior managers

The definition of a senior manager for disclosure purposes is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decision of individual directorates or departments'. The Chief Executive has confirmed that, for 2008/09 the definition applies only to those listed in the table of salaries and allowances shown below.

Senior Managers' salaries and other non-cash benefits

	Salary		Other Remuneration		Benefits in kind		Salary	Other	Benefits in kind
	Apr 08 to Feb 09	Mar 09	Apr 08 to Feb 09	Mar 09	Apr 08 to Feb 09	Mar 09	2007/08		
Name	(1)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(2)
Nicholas Wells (8)	20-25	0-5					10-15		
Alan Clark	5-10	0-5					5-10		
Christopher Corrigan (6)	0-5	0-5							
Deborah McKellar	5-10	0-5					5-10		
Valerie Owen (6)	0-5	0-5							
Richard Samuel (5)	5-10	0-5					0-5		
Jonathan Spencer (5)	5-10	0-5					0-5		
Richard Sturt	5-10	0-5					5-10		
Stuart Bain (3) (5)	155-160	10-15			5.8	1.2	100-105		3.8
Rupert Egginton (3)	110-115	10-15					110-115		
Tracey Fletcher (6)	35-40	5-10							
Howard Jones (7)	50-55				2.3		80-85		2.5
Matthew Kershaw (7)	40-45				0.4		95-100		1.2
Neil Martin (5)	115-120	10-15	50-55	0-5			60-65	55-60	
Peter Murphy	85-90	5-10			0.5		80-85		0.5
Julie Pearce (5)	90-95	5-10					60-65		
Elizabeth Shutler	90-95	5-10			4.0	0.4	80-85		2.2
Helen Belcher (4)	25-30				0.3				

All figures are in £ thousands. (1) Bands of £5,000 (2) taxable benefit on lease car

(3) also a director of the Trust's subsidiary companies, Healthex Limited and East Kent Medical Services Limited. No remuneration or other benefit is payable.

(4) total salary whilst acting as a director (5) these Directors were appointed part way through 2007/08
(6) these Directors were appointed part way through 2008/09 (7) these Directors left part way through 2008/09
(8) appointed as Chair part way through 2008/09

Pension Benefits of Senior Managers

	Real increase in pension at age 60		Real increase in pension lump sum at age 60		Total accrued pension at age 60		Lump sum at age 60 related to accrued pension		Cash Equivalent Transfer Value		Opening CETV	Real Increase in Cash Equivalent Transfer Value	
	Apr 2008 to Feb 2009	Mar 2009	Apr 2008 to Feb 2009	Mar 2009	at 28 Feb 2009	at 31 Mar 2009	at 28 Feb 2009	at 31 Mar 2009	at 28 Feb 2009	at 31 Mar 2009	at 31 Mar 2008	Apr 2008 to Feb 2009	Mar 2009
Name	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)					
Stuart Bain	0-2.5	0-2.5	5.0- 7.5	0-2.5	0-5	0-5	5-10	5-10	54	58	3	36	2
Rupert Egginton	2.5-5.0	0-2.5	7.5-10.0	0-2.5	30-35	30-35	100-105	100-105	531	537	370	106	4
Tracey Fletcher	0-2.5	0-2.5	2.5-5.0	0-2.5	20-25	20-25	60-65	60-65	272	277	183	19	3
Howard Jones	0-2.5	n/a	5.0-7.5	n/a	35-40	n/a	115-120	n/a	921	n/a	607	123	n/a
Matthew Kershaw	0-2.5	n/a	2.5-5.0	n/a	20-25	n/a	60-65	n/a	269	n/a	163	24	n/a
Neil Martin	5.0-7.5	0-2.5	15.0-17.5	0-2.5	65-70	65-70	200-205	205-210	1562	1570	1063	330	5
Peter Murphy	0-2.5	0-2.5	5.0-7.5	0-2.5	10-15	10-15	30-35	30-35	200	205	120	54	3
Julie Pearce	5.0-7.5	0-2.5	17.5-20.0	0-2.5	30-35	30-35	100-105	100-105	647	654	416	154	4
Elizabeth Shutler	2.5-5.0	0-2.5	10.0-12.5	0-2.5	20-25	20-25	60-65	65-70	306	312	201	70	3
Helen Belcher (3)	0-2.5	n/a	2.5-5.0	n/a	30-35	n/a	90-95	n/a	592	n/a	408	32	n/a

All figures are in £thousands (1) Bands of £2,500 (2) Bands of £5,000 n/a : not applicable

(3) Total for period of acting up. Non-Executive members remuneration is non-pensionable.

No contribution was made by the Trust to a stakeholder pension

Cash Equivalent Transfer Values

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 payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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 another scheme or arrangement) and uses common market valuation factors for the start and end of the period. A change in the factors used to calculate CETVs came into force in October 2008 due to Occupational Pension Scheme (Transfer Value Amendment) regulations and other updated regulations from the Department for Work and Pensions applicable to Public Sector Pension Scheme CETVs. These changes have resulted in significant increases compared with last year's values.

Signed: *Chief Executive* 

Date: June 2009

Foundation Trust Membership

Constituencies

The Trust has seven Public constituencies six of which are based on Local Authority Areas: Ashford; Canterbury; Dover; Shepway; Swale; and Thanet along with a Rest of England and Wales constituency which allows non East Kent residents who are patients or relatives of local users to become members and stand as a governor. There is no Patient constituency, that role being covered by the Rest of England and Wales public constituency.

Membership size and movements

Public membership grew throughout 2008/09 and when membership losses are taken into account finished the year at 6271.

Public constituency	Last Year (2008/09)
New Members	6,692
Members leaving	421
At year end (March 31)	6,271

Staff constituency	Last Year (2008/09)
New Members	7,177
Members leaving	551
At year end (March 31)	6,626

Analysis of current membership

The age profile of the membership shows a more representative number of public members in the 17-21 year age, due to membership drives amongst the student population of the area. However because of the peripatetic nature of the student body membership drives amongst this sector will have to be continued yearly as students move out of the area.

In common with other Foundation Trusts there is a preponderance of females to males within the membership. To redress this recruiters are continuing to sign up the male member of couples in addition to the female and to approach unaccompanied males.

The membership shows a good percentage of both D and E social grades which are usually considered to be amongst the 'harder to reach' sectors of society. As total membership grows, it is hoped that a closer parity in membership between the social grades will be achieved.

Age	Public Members	Eligible pop.	Public out of catchment	Staff Members	Total	Members % of Total Eligible Population
0 to 16 years	1	9,154	1	0	2	0.01
17 to 21 years	461	41,788	162	83	706	1.30
22 years +	2,228	498,660	176	6,543	8,947	1.76
Not known	3,117		125		3,242	
Total	5,807	549,602	464	6,626	12,897	1.70
Ethnicity	**Public Members**	**Eligible pop.**	**Public out of catchment**	**Staff Members**	**Total**	**Members % of Total Eligible Population**
Not specified	646	0	58	267	971	
White	5,015	671,750	332	5,544	10,891	1.57
Mixed	30	5,418	13	57	100	1.61
Asian or Asian British	56	5,295	26	547	629	11.39
Black or Black British	33	2,250	29	106	168	6.18
Other	27	3,374	6	105	138	3.91
Total	5,807	688,087	464	6,626	12,897	1.81

Board Level Governance for Membership Growth and Engagement

The growth in Membership numbers against the agreed target is reported quarterly to the Trust Board. The Membership Strategy and a further report on progress with numbers and engagement, is also approved at the Trust Board as is the Annual Plan including this chapter on membership.

Election Turnout Rates for the Council of Governors 2009

The Board of Directors of the Foundation Trust confirm that the election to the Board of Governors was held in accordance with the election rules, as stated in the constitution.

Date of election	Constituencies Involved	Members in Constituency	Number of seats contested	Number of contestants	Election turnout %
Feb 09	Ashford	634	3	9	31.7
Feb 09	Canterbury	1,878	3	15	28.6
Feb 09	Dover	710	3	10	35.2
Feb 09	Shepway	640	3	8	38.6
Feb 09	Swale	320	2	3	42.5
Feb 09	Thanet	1,319	3	13	28.7
Feb 09	Staff	6,909	4	8	25.6
Feb 09	Rest of England and Wales	Uncontested	1	1	N/A

Membership Strategy

During the year the membership office carried out the following:

- Setting up (with the Electoral Reform Society) elections for the Council of Governors
- Producing and sending out information packs to the entire membership
- Ensuring that the member database fulfils legal requirements concerning the integrity of such data
- Encouraging members to choose their level of involvement
- Invited members to identify particular areas of interest, to inform future communications
- Analysed membership response to information supplied in order to improve communication
- Set up an editorial board to plan a new membership magazine
- Increased awareness and interest in the out of area constituency through attendance at several events in areas that border the Trust constituency areas.

- Established working relationships with other local Acute and Social Partnership Trusts.
- Developed with the Communications team a dedicated members' section of the Trust website including a section for comments and questions.

Membership Engagement

Membership engagement is good with good voter participation in public and staff governor elections.

Proposals to increase membership in 2009/10

An action plan will be presented to the Council of Governors which will set out proposals to:

- Involve the Council of Governors particularly in the hard to reach areas
- Explore joint ventures with other Foundation Trusts and the South East Coast Ambulance Trust
- Develop with the Trust Practice Development Nurse for Learning Disabilities and others membership forms in alternative formats suitable for those with differentiated needs, to encourage representation of such communities within the membership
- Explore ways of extending membership in the 16 – 20 age sector.

Code of Governance disclosures

Composition of the Board

The Trust successfully completed the Foundation Trust application process during 2008/09. The application process required a review of the balance and appropriateness of the Board of Directors. The Board increased the number of Non Executive posts by one during the year and created two new Executive Director positions.

Following confirmation of Nicholas Wells as substantive Trust Chairman, two further non-executive directors were appointed prior to FT Authorisation, with the aim of ensuring the right balance of qualifications and experience and to ensure, excluding the Chairman, that there were seven independent non-executives to balance with the seven executive directors.

The non-executives bring expertise in Estates, Accountancy, Medicine, Law, Heath Economics and the workings of central Government and the Charity sector. In addition one Non-Executive Director also has experience as a Coroner and is very experienced in emergency planning.

All Executive Director posts are currently filled with executives having between 7 and 15 years experience of operating at Board level. The executives have a good balance of skills and experience. Clinical expertise is provided by a

Trust patient transport for those who need it

registered nurse and a medical consultant; this is further enhanced by a non-executive director medical consultant from a London teaching hospital. The Chief Executive has previously operated at this level in other trusts, as have the Director of Finance and Performance and the Chief Operating Officer. To give it balance, Human Resources, Strategic Development and Capital Planning are also represented on the Board. Thus the Trust has an appropriate, complete and balanced Board of Directors.

Board performance

An independent review of the performance of Board members and the committee structure was an integral part of the Foundation Trust application process and resulted in some changes to governance and committee structures. This fed into the self-certification report that the Board considered in January 2009 as part of its Foundation Trust application and confirmation of governance arrangements.

Code of governance disclosure statement

The detail contained within this report relating to board composition, balance and performance , committee structure, the roles of the remuneration, audit and nominations committees, wider governance, and the Trust' relationship with stakeholders, illustrates how the principles of the NHS and Monitor Code of Governance have been applied. The Trust considers that it complies with the main and supporting principles of the code. There are some areas of the Monitor code, for example, agreeing a statement regarding the resolution of disputes between the Board of Directors and the Council of Governors where work needs to be undertaken during the coming year.

Council of Governors – Foundation Trust

Most Governors come from the membership, but some are nominated from partner organisations. Governors do not hold operational roles, but their views are vital in ensuring that the views of the local community are heard.

The Council of Governors is key to our accountability to the local community. The majority of Governors are elected from the membership, in our case, currently just under 13,000 members.

The Council of Governors have a number of significant statutory responsibilities, including responsibility for the appointment, remuneration and terms and conditions of the Chairman and Non Executive Directors of the Trust, approving the appointment of the Chief Executive, appointing or removing the Trust's auditors and agreeing views to be passed to the Board of Directors on the Trust's proposed forward plans.

Elections for governors concluded in February 2009, for the public and staff constituencies. The names of Governors are shown below, along with the period for which they have been elected or appointed. Since the election one public Governor has resigned from the position and the Trust will be seeking to fill the vacancy.

How the Council of Governors is made up – 32 Governors in total:

The elected public Governors are:

Name	Term of Office
Ashford Borough Council	
Jocelyn Craig	3 Years
Terence Golding	3 Years
John Fletcher	2 Years
Canterbury City Council	
Stuart Field	3 Years
David Shortt	3 Years
Tricia Shephard	2 Years
Dover District Council	
Lorraine Sencicle (Mrs Sencicle Resigned On 26.04.09)	3 Years
Janet Gooch (deceased - died June 2009)	3 Years
Laurence Shaw	2 Years
Shepway District Council	
Molly Hunter	3 Years
Ray Morgan	3 Years
Alan Hewett	2 Years
Swale Borough Council	
Ken Rogers	3 Years
Paul Durkin	3 Years
Thanet District Council	
Jeanne Lawrence	3 Years
Reynagh Jarrett	3 Years
Elizabeth Poole	2 Years
Rest of England and Wales	
Jamie Bennie - Coulson	3 Years

The elected staff Governors are:

Name	Term of Office
John Sewell	3 years
Karen Bisset	3 years
Lesley Long	2 years
Chi Davies	2 years

The nominated Governors are:

Name	Partnership	
Organisation	**Term of Office**	
Marie Dodds	Kent & Medway NHS and Social Care Partnership Trust	3 years
Hazel Colyer	Canterbury Christ Church University	3 years
Amanda Harrison (resigned June 2009)	NHS Eastern & Coastal Kent	3 years
Vacancy	NHS Eastern & Coastal Kent	3 years
Janet Hughes	Kent County Council Social Services	3 years
John Kemp	Local Authorities	3 years
Janet Brierley	South East Coast Ambulance Service	3 years
Claire Mackie	University of Kent	3 years
Michael Lyons	Volunteers working with the Trust	3 years
Jan Stewart	Voluntary sector	3 years

The Chairman and Trust secretaries held introductory meetings with Governors were held immediately after the result of the elections were announced and on the first formal day of operation as a Foundation Trust, 2 March 2009, the Council of Governors met formally. All Governors have completed declarations of interest. This register of governor interests is available to the public on request by contacting the Trust Secretary.

The Council of Governors will meet in public on a quarterly basis, dates for the meetings and copies of the minutes from the meetings are available from our website.

Any member who wishes to contact a Governor, or wishes to discuss any issues about membership and the Council of Governors should make contact via the members section of the webpage governor@ekht.nhs.uk or by contacting Lynda Pearce, Membership Engagement Manager lynda.pearce@ekht.nhs.uk or by telephone 01843 225544 ext 62696.

Below: Our white van nurses delivering chemotherapy care to local communities

High tech pathology services supporting patient care

Statement of the Chief Executive's responsibilities as the Accounting Officer of East Kent Hospitals University NHS Foundation Trust (from 1 March 2009)

The National Health Service Act 2006 states that the Chief Executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed East Kent Hospitals University NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the East Kent Hospitals University NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS foundation trust Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS foundation trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Signed

Stuart Bain, Chief Executive Date: June 2009

Statement of the Chief Executive's responsibilities as the Accountable Officer of East Kent Hospitals University NHS Trust (to 28 February 2009)

The Secretary of State has directed that the Chief Executive shall 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.

Signed

Stuart Bain, Chief Executive Date: June 2009

Statement on internal control 2008/09

East Kent Hospitals University NHS Trust

East Kent Hospitals University NHS Foundation Trust

This statement covers both the period prior to Foundation Trust authorisation, 1 April 2008-28 February 2009 and post authorisation 1 March – 31st March 2009.

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives whilst safeguarding the public funds and the organisation's assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer Memorandum.

Final responsibility for establishing the appropriate accountabilities for risk management rests with the Board of Directors. This was historically exercised through two Board Committees: the Governance Committee and the Audit Committee. The roles of both of these committees were reviewed during the year as part of a wide ranging organisational review to prepare for foundation trust, with the result that from June 2008 the Governance Committee was disbanded and the Audit Committee was fully established as the Board committee with overarching responsibility for all forms of risk.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than 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.

The system of internal control was in place in East Kent Hospitals University NHS Trust until it ceased to exist as a legal entity on 28 February 2009 and continued to be in place in East Kent Hospitals University NHS Foundation Trust from 1st March 2009 to 31st March 2009 and up to the date of approval of the annual report and accounts.

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 accurate updates to Pension Scheme records are submitted to the Pensions Division in accordance with the timescales detailed in the regulations.

3. Capacity to handle risk

As Chief Executive I have ultimate responsibility for the management of risk within the organisation. I devolve executive responsibility for providing assurance on the management of risk to the Director of Nursing, Midwifery & Quality. In support of this role, and recognising that risk management is a corporate responsibility, I also make clear that inherent in the roles of all executive directors is the task of maintaining systems of internal control and providing assurance of their effectiveness.

The Director of Nursing, Midwifery and Quality is supported by a senior risk team and risk management structures at an operational level with nominated directorate risk leads. The Trust has a Risk Management and Governance Group which is chaired by the Director of Nursing, Midwifery and Quality, and is attended regularly by myself.

All staff have been trained and equipped to manage risk in a way appropriate to their authorities and duties. This is achieved through risk management sessions on induction, bi-annual mandatory training for majority of staff and annual mandatory training for senior managers, executive and non-executive directors. This programme aims to support and promote the adoption of risk management and the provision of assurance as part of daily management practices and provides staff with an understanding of the need to practise safely, learn lessons through the sharing of best practice and have the confidence to raise concerns. There is a range of specialist training available to meet clinical, legal, and health and safety needs including risk assessment and root cause analysis training sessions.

Staff awareness of risk is further enhanced through internal publications, and regular directorate reports on adverse incidents, claims and complaints. The directorate risk leads meet as a forum on a monthly basis to share good practice.

4. The risk and control framework

Risk Management Strategy: The Trust's risk management strategy sets out an overall vision and intention for the management of risk across the organisation. The key elements include the identification of risk, evaluation of impact of risk on patients, staff and visitors, and identification of control measures that are put in place to minimise the risk. The strategy describes the key responsibilities of all staff including risk assessment and risk reporting. The key objectives of the strategy are to:

- Ensure appropriate assurance arrangements are in place including effective use of reports from internal and external auditors
- Achieve the standards and requirements of external bodies including commissioners and regulators
- Enhance and strengthen internal risk management processes at all levels of the organisation
- Develop stronger links with external bodies involved with risk management processes including National Patient Safety Agency.

The strategy details the oversight provided by the Board of Directors on integrated governance encompassing risk management, and its delegated authority to the Audit Committee for monitoring and receiving assurance on the management of risk. A revised version of the Risk Management Strategy was approved by the Board in November 2008.

The Assurance Framework and Corporate Risk Register informs the Board of significant risk issues, the control measures in place and provides assurance on the overall effectiveness of the Trust's internal systems.

Assurance Framework: At a corporate level the Assurance Framework serves to identify the key risks associated with the achievement of the Trust's annual objectives and to provide assurance on the controls and monitoring arrangements in place. It underpins this statement. The final report on the 2008/9 Assurance Framework indicates the achievement of all the annual objectives except for the full business case associated with service developments at Dover, which is delayed by additional work which is being undertaken jointly with Dover District Council and The Environment Agency on the assessment of flood risk. Additionally, although the 18 week target from referral to treatment was achieved, a number of gaps in controls and assurances remain to be addressed to ensure that this standard is consistently achieved during 2009/10.

Corporate and Directorate Risk Registers: The completion of risk assessments against a standard matrix at a Corporate and Directorate level contributes to the continuous updating of prioritised risk registers and improves the understanding of operational risks and strategic risks. Directorate management teams discuss key risks and mitigating actions at monthly business meetings. Directorates present their risk registers and action plans to the Risk Management and Governance Group twice a year and discuss their top five risks at the quarterly executive performance reviews.

Trust-wide Adverse Incident Reporting: All staff are encouraged to use the adverse incident reporting system for all incidents and near-misses. In the latest National NHS Staff Survey staff were asked whether they were aware of the procedures for reporting errors, near misses and incidents; to what extent the Trust encourages such reports and treats them fairly and confidentially; and to what extent the Trust takes action to ensure such incidents do not happen again. The Trust's score was in the best 20% of acute trusts in England and showed a statistically better score than the previous year. A business case has been agreed to implement an electronic reporting system. The system has been purchased and implementation will begin in May 2009. Trends and themes on adverse events are reported to the Board of Directors and the Clinical Management Board on a monthly basis. This includes the reporting of all serious untoward incidents.

Data security: The Trust recognises the importance of having robust systems to safeguard personal and other sensitive information, and successfully appointed an Information Governance Manager, effective from January 2009. In March 2009, the Trust completed its self assessment using the Information Governance toolkit to determine compliance against the required standards. This assessment identifies the need for targeted actions relating to 3 out of 20 required core standards to be completed by July 2009. A detailed action plan aimed at improving compliance and progress will be monitored by the Information Governance Steering Group. The Director of Nursing, Midwifery and Quality has been identified as the Senior Information Risk Owner (SIRO) to fulfil the requirements to have an Executive Director responsible for Managing Information Governance and associated risks at Board level.

Progress in risk areas: Good Progress has been made in a number of significant areas of risk. These include: -

- The Trust was not fully compliant with one of 24 core standards set by the Healthcare Commission. This was standard C4e on waste management. All relevant actions have now been completed to ensure that all elements of this standard will be fully compliant for 2009/10
- The Trust continues to have very low infection rates when compared to other trusts and met the 'stretch targets' set by commissioners for MRSA and C.difficiles. During 2008/9 the Trust had a successful inspection by Healthcare Commission against 4 duties within the Hygiene Code. Full Registration with the newly formed Care Quality Commission has been granted
- The Patient Safety Board is developing a comprehensive improvement programme and has been successful in demonstrating continued improvements in hospital standardised mortality rates which are low in comparison with other trusts nationally. Further work continues to reduce any avoidable healthcare associated harm events such as falls in hospital and medication errors
- Firm control of the Trust's financial position for the twelve months to 31st March 2009, resulting in a 3% surplus for re-investment in service developments
- Introduction of stronger organisational governance and risk management structures and processes in preparation for Foundation Trust including greater involvement of patients, members of public and staff with the long term business plan for the foundation trust
- Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

5. Review of economy, efficiency and effectiveness in use of resources

The trust employs a number of internal mechanisms and external agencies to ensure the best use of resources;

Executive directors and managers have responsibility for the effective management and deployment of their staff and other resources to optimise the efficiency of their directorates;

Board of Directors: A Non-Executive Director chairs the Audit Committee with regular attendance by representatives of internal and external audit. The Committee reviewed and agreed the audit plans of both the internal and external auditors, against which progress is reviewed at each Audit Committee meeting. A Non Executive Director chairs the Finance and Investment Committee which reviews the Trust's finance plans and performance. The Board of Directors receives both performance and financial reports at each of its meetings and receives reports from its committees to which it has delegated powers and responsibilities.

6. Key actions 2009/10

The Trust is committed to continually improving its systems of control and provision of assurance and has identified the following key actions in terms of internal control for the Foundation Trust in 2009/10

- Develop an Assurance Framework for the year's objectives supplemented by a robust ongoing corporate and directorate risk register framework
- Review the governance and performance management arrangements of the Foundation Trust to ensure that they remain fit for purpose
- Develop a regular reporting and monitoring system which ensures the Trust is compliant with its Terms of Authorisation
- Develop its relationship more fully with the Council of Governors who will have the opportunity to review the Trust's business plan and strategy, and appoint its external auditors
- Continue to ensure patient safety is given equal priority and attention by Board of Directors as finance and operational targets
- Maintain and improve the Trust's compliance with the Care Quality Commission Standards
- Maintain and improve the Trust's compliance with standards within the Information Governance Toolkit
- Sustain the performance on 18 week referral to treatment standard
- Complete the detailed planning and phasing of the estates strategy
- Prepare for assessment at level 3 against the Clinical Negligence Scheme for Trusts/NHS Litigation Authority general risk management standards; and assessment at level 2 for the maternity risk management standards.

7. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of effectiveness of the system of internal control is informed by the work of the internal auditors and executive directors within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board has received regular reports on patient safety and experience, the Corporate Risk Register and reports of the Assurance

Framework 2008/9. It additionally receives individual reports on areas of concern to ensure it provides appropriate leadership and direction on key matters arising.

The Audit Committee, reviewed work in key areas during the year. This included:

- Preparation of the Trust's declaration against the Healthcare Commission's standards and progress with implementing the Hygiene Code
- Approval of auditor plans, reports, and scrutiny of the Trust's response to agreed actions
- Review of progress against the Trust's Standards for Better Health declaration
- Review of requirements to ensure the Trust achieves NHSLA level 3 during 2009/10
- Oversight of the adequacy of controls relating to the provision of services to the Trust by the Finance and Payroll Consortia and Health Informatics Service.

The head of internal audit provided me with an opinion of full assurance on progress against the Assurance Framework and on controls reviewed as part of the internal audit work. He additionally provided me with an opinion of significant assurance in support of the Statement on Internal Control. Internal audit now attend the Chief Executive Group meeting to review all audit reports and progress against recommendations made.

Executive directors within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. Review of the Assurance Framework provides me with evidence of effectiveness of controls and management of the risks associated with achieving annual objectives. The lead executive committee for reviewing risk is the Risk Management and Governance Group chaired by the Director of Nursing, Midwifery and Quality.

My review is also informed by the assurance provided by external review bodies on the effectiveness of systems of internal control. In the past year such assurance has been provided by the Healthcare Commission and Audit Commission.

All breaches of core standards are classified by the Healthcare Commission as significant control issues. Although full compliance with the core standards could not be declared because standard 4e, Waste Management, was not met for the full year, all the work to ensure compliance has been completed and will allow a fully compliant declaration against C4e for the whole of 2009/10.

The Foundation Trust will continue the programme of embedding Risk Management and Governance within the organisation with a view to ensuring the necessary assurances are provided to underpin the Statement on Internal Control for 2009/10.

8. Conclusion

Based upon available Department of Health guidance, guidance from Monitor, and the Trust's internal and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time.

Stuart Bain
Chief Executive June 2009

Audit Committee

Names of members of the Audit Committee are:
Deborah McKellar – Non Executive Director & Committee Chair

Alan Clark - Non Executive Director

Richard Samuel - Non Executive Director (until March 2009)

Jonathan Spencer - Non Executive Director

Valerie Owen - Non Executive Director (from December 2008)

There was no FT Audit Committee meeting in March 2009. The Committee meets every other month and last met on 15 April 2009 when all members were present.

The role of the committee is to scrutinise and review the Trust's systems of governance, risk management, and internal control. It reports to the Board of Directors on its work in support of the Statement of Internal Control, specifically commenting on the fitness for purpose of the Assurance Framework, completeness of risk management arrangements, and robustness of the self-assessment against the Standards for Better Health.

The Committee is a non-executive committee of the Board and has no executive powers. Its key responsibilities are to:

- monitor the integrity of the Trust's published financial statements
- review the Trust's internal financial controls, including internal control and risk management systems
- monitor and review the effectiveness of the Trust's internal audit and external audit functions including counter-fraud arrangements
- develop and implement policy on the engagement of the external auditor in the supply of non-audit services
- report to the Council of Governors, identifying any matters within their remit which it feels require their action
- review arrangements by which staff within the Trust may raise confidentially concerns over financial control and reporting, clinical quality, patient safety and other matters
- Make recommendations to the Council of Governors regarding the appointment, re-appointment, and removal of the external auditor. Approve the remuneration and terms of engagement of the external auditor
- Review and approve annual internal and external audit plans.

Monitor's Audit Code for NHS Foundation Trusts (October 2007) sets out the process by which Foundation Trusts appoints its auditors. It is the responsibility of the Council of Governors to appoint the Trust's External Auditors. The Council of Governors met on 02 March 2009 to approve the recommendation with regard to the appointment of the Trust's external auditors.

The committee will meet six times per year and is attended by the Trust's Finance Director, Director of Nursing, Midwifery and Quality, internal and external auditors and the local counter fraud specialist. The Chief Executive is invited to attend the committee at least annually.

At the beginning of every meeting there is a closed session between the Audit Committee members with the internal and external auditors to ensure that the independence of both has not been compromised.

External Audit

The Trust's external auditors are the Audit Commission, based at Sevenoaks. The District Auditor is Andy Mack. In 2008/09 the cost of audit work performed by the Audit Commission was £301k. No non-audit services were provided.

Independent auditor's report to the Board of Governors of East Kent Hospitals University NHS Foundation Trust in respect of East Kent Hospitals University NHS Trust

Opinion on the financial statements

I have audited the financial statements of East Kent Hospitals University NHS Trust and its group for the period ended 28 February 2009 under the Audit Commission Act 1998. The Trust and Group financial statements comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, Statement of Total Recognised Gains and Losses and the related notes together with the group accounts. These financial statements have been prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service set out within them. I have also audited the

information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Governors of East Kent Hospitals University NHS Foundation 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' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Trust and Group financial statements give a true and fair view in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I report whether the Trust and Group financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England. I also report to you whether, in my opinion, the information which comprises the commentary on the financial performance included within the Operational and Financial Review, included in the Annual Report, is consistent with the financial statements.

I review whether the directors' Statement on Internal Control reflects compliance with the Department of Health's requirements, set out in 'Guidance on Completing the Statement on Internal Control 2008/09' issued 25 February 2009. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the directors' Statement on Internal Control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword, the unaudited part of the Remuneration Report and the remaining elements of the Operating and Financial Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Trust and Group financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Trust and Group financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

the Trust and Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and

- the Trust and Group financial statements and the part of the Remuneration Report to be audited have been properly prepared.
- In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the Trust and Group financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 28 February 2009 and of its income and expenditure for the period then ended;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England; and
- information which comprises the commentary on the financial performance included within the Operational and Financial Review, included within the Annual Report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Andy Mack, Officer of the Audit Commission
Audit Commission, 16 South Park, Sevenoaks, Kent TN13 1AN
Date: 4 June 2009
Note: These Auditor's statements do not apply to charitable fund accounts which are subject to separate audit.

Independent auditor's report to the Board of Governors of East Kent Hospitals University NHS Foundation Trust

I have audited the Trust and Group financial statements of East Kent Hospitals University NHS Foundation Trust for the period ended 31 March 2009 under the National Health Service Act 2006. The Trust and Group financial statements comprise the Trust and Group Income and Expenditure Account, the Trust and Group Balance Sheet, the Trust and Group Cash Flow Statement, the Trust and Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Governors of East Kent Hospitals University NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Board of Governors those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator of NHS Foundation Trusts (Monitor) are set out in the Statement of

Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the Trust and Group financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I report whether the Trust and Group financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information which comprises the Directors' Statement and Operating and Finance Review, included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Financial Reporting Manual 2008/09. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I are aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited Trust and Group financial statements. This other information comprises the Foreword, the Board, Structure of the Business, Operating and Financial Review, Public Interest Disclosures, Membership and Governance and the un-audited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the Trust and Group financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, which requires compliance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Trust and Group financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Trust and Group financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the Trust and Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the Trust and Group financial statements and the part of the Remuneration Report to be audited have been properly prepared.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the Trust and Group financial statements give a true and fair view of the state of affairs of East Kent Hospitals University Foundation Trust as at 31 March 2009 and of its income and expenditure for the period then ended in accordance with the accounting policies adopted by the Trust;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- information which comprises the Directors' statement and the Operating and Financial Review, included in the annual report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

Andy Mack, Officer of the Audit Commission
Audit Commission, 16 South Park, Sevenoaks, Kent TN13 1AN
Date: 4 June 2009
Note: These Auditor's statements do not apply to charitable fund accounts which are subject to separate audit.

Tell us what you think

We want to know what you think of our annual report – whether you think it gave you a good insight into our year or whether it could have been presented better. Please give us your views by completing this short questionnaire and returning it to:

Communications Department, Trust Offices,
Kent & Canterbury Hospital, Ethelbert Road, Canterbury, Kent CT1 3NG
Fax: 01227 868662

1. In general, do you think the Annual Report was written in a way that was easy to understand?

Yes ☐ Middle ☐ No ☐

2. In general, do you think the Annual Report gave you enough information about the Trust's activities and performance in 2008/09?

Yes ☐ Middle ☐ No ☐

3. Is there any other information you would have liked it to include? *(please write in)*

4. Please use this space to make any further comments you would like about our Annual Report:

East Kent Hospitals University NHS
NHS Foundation Trust

East Kent Hospitals University NHS Foundation Trust Headquarters
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