

East Kent Hospitals University



NHS Foundation Trust



annual report 2009/10



Putting patients first

East Kent Hospitals University NHS Foundation Trust

Annual Report and Accounts 2009/10

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

chairman's and chief executive's statement

2009/10 was our first full year as a Foundation Trust and saw many exciting developments.

Becoming a Foundation Trust has meant greater local accountability, and we are delighted that our public membership grew by 32% from 6,271 to 8,282 by the end of the year. Including our staff members, the total membership of the Trust is now 14,966.

The Council of Governors has carried out its statutory functions, connected with members and undertaken valuable work through its committees, and we want to take this opportunity to thank the Governors for all their hard work and support over the last 12 months.

During the year, we have added to the services we offer and have continued to improve the quality of our buildings and equipment. The new midwifery-led birthing unit at William Harvey Hospital is one example, and has significantly improved the choice we can offer expectant women in the area. Many of our facilities and services would not be as good as they are without the generosity of the hospitals' Leagues of Friends and the hard work of all our volunteers, and we are extremely appreciative of their continued commitment to us.

The volume of the work we do has continued to grow throughout the year. For example, we have had 5.5% more hospital admissions this year than last year, and 4.4% more people attended our AGE departments. We are proud to say that despite being busier,



**Trust Chairman
Nicholas Wells**



**Trust Chief Executive
Stuart Bain**

our hospitals are still among the safest in the country. For example, the number of healthcare acquired infections remains low. We had just 15 cases of MRSA infection compared with 25 last year, and 94 cases of C difficile infection compared with 98.

Not everything has been smooth sailing – meeting our 18 weeks from referral to treatment target and our 62 day cancer access target was problematic in the second half of the year. As you would expect, we have worked hard and taken on board advice from other organisations to develop plans that will resolve these difficulties early in 2010/11.

As we close 2009/10 and start a new financial year we know that more difficult financial times are ahead. We are already working on ways to deal with these and other challenges and we are confident we will succeed, not least because of the outstanding dedication and efforts of all the staff at East Kent Hospitals University NHS Foundation Trust.

**Nicholas Wells, Chairman
Stuart Bain, Chief Executive
April 2010**

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Front cover photograph courtesy of the Isle of Thanet Gazette: pioneering keyhole surgery in progress.

about us

East Kent Hospitals University NHS Foundation Trust is one of the largest acute Trusts in the country.

We have an income of £462.5m and employ over 7000 staff. We care for a population of around 720,000 people.

We provide hospital services from three large hospitals in Ashford, Canterbury and Margate as well as two community hospitals in Dover and Folkestone.

We became a Foundation Trust on 1 March 2009. This gives us greater freedom in making decisions about how we develop our hospital services and makes us more accountable to our local community.

We are also a University Trust and deliver an excellent teaching programme for junior doctors and provide placements for many medical students.

Care Quality Commission report

We achieved a 'good' rating for the quality of our services and an 'excellent' rating for financial management in the latest annual assessment of the NHS by the Care Quality Commission in 2009.

Dr Foster Good Hospital Guide

We were one of the top 15 Trusts for patient safety (out of 146 Trusts) published in the Dr Foster *Good Hospital Guide*, *How safe is your hospital?*

Hospital Standardised Mortality Ratio

The Hospital Standardised Mortality Ratio (HSMR) is an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than you would expect.

A score lower than one hundred means the hospital Trust has a lower than expected death rate, which is an indicator that safety at the Trust is good. In 2009/10, East Kent Hospitals achieved a score of 70.2.



Stroke service wins national award

Our stroke and IT teams won an award for making the best use of IT in the health service.

They won it for putting telemedicine in the hospitals' emergency departments so people who have had a stroke can be assessed quickly.

People with a certain type of stroke need a life saving treatment which is a clot busting drug. But this has to be given to patients within three hours of their stroke beginning and a specialist doctor needs to see them first to check that it will be safe for them to have the drug.

Sometimes the doctor is not in the hospital when a patient is brought to the emergency department. The telemedicine means they can still assess the patient straight away using a laptop computer, no matter where they are.



Members of the Stroke and IT teams receive their award.

Spotting kidney disease early

Kent & Canterbury Hospital's kidney research team won a prize for their work in helping doctors spot kidney disease early.

Spotting kidney disease early is very important because early treatment can help to slow down or even halt its progression.

The research team check people who have been asked by their doctor to have a blood test to assess their kidney function.

By reviewing the information the doctor's surgery has about that patient's health, the team can work out whether the patient has kidney disease, the stage it is at and how serious it is. They can then help the doctor treat their patient.

This means fewer people will need hospital treatment because their condition can be managed by their GP.



a service that is **efficient**

The Trust is working hard to improve the efficiency of its services – we aim to provide safe, high quality services for patients in the most efficient way in all our hospitals.

Two key areas we are working on are how we make best use of our valuable operating theatres and our Service Improvement Programme, which is a structured way of assessing how we run our services now and what changes we can make to working practices to become more efficient.

Making better use of our operating theatres

A team of staff from all areas of the hospital are looking at ways to increase the use of our operating theatres. At the moment, the booking process for operations is too complicated and this is one of the reasons why operating 'slots' are not always filled. The team aims to streamline the process by taking out steps that add little to the patient journey process. We are also looking at improving our pre-operative assessment process to make sure that everyone is fit for their operation when they arrive, and give the patient a choice of date – both these measures will help to reduce cancellations by ensuring patients are fit for surgery and are available on their date of surgery.

The Service Improvement Programme

The Service Improvement Programme encourages staff from all areas and all professions to look at individual care pathways from the patient perspective. This helps to identify where there are delays or difficulties and to identify solutions. Patients and their relatives are encouraged to participate as well as share their views.

In 2009/10, this Programme focused on A&E services at William Harvey Hospital and the lower GI (gastro/intestinal) patient pathway across the Trust.

This has resulted in very practical changes, such as the introduction of an assessment of lower GI patients within 48 hours of receipt of referral by a GP. The patient can then be booked immediately for a colonoscopy or given an outpatient appointment. In A&E at the William Harvey Hospital, one change has been to ensure that all patients are assessed by a senior doctor within 20 minutes of arrival, which enables treatment to start more quickly.

a service that is **innovative**

Another use for the tummy button!

Another new operation was tested at Queen Elizabeth The Queen Mother Hospital in Margate this year.

It enables patients to have their gall bladder removed through only one small hole - in their tummy button.

The operation is carried out as a day case - in other words, patients can go home the same day. What's more, they have no visible scars to tell the tale and the operation is less painful than the normal keyhole surgery.

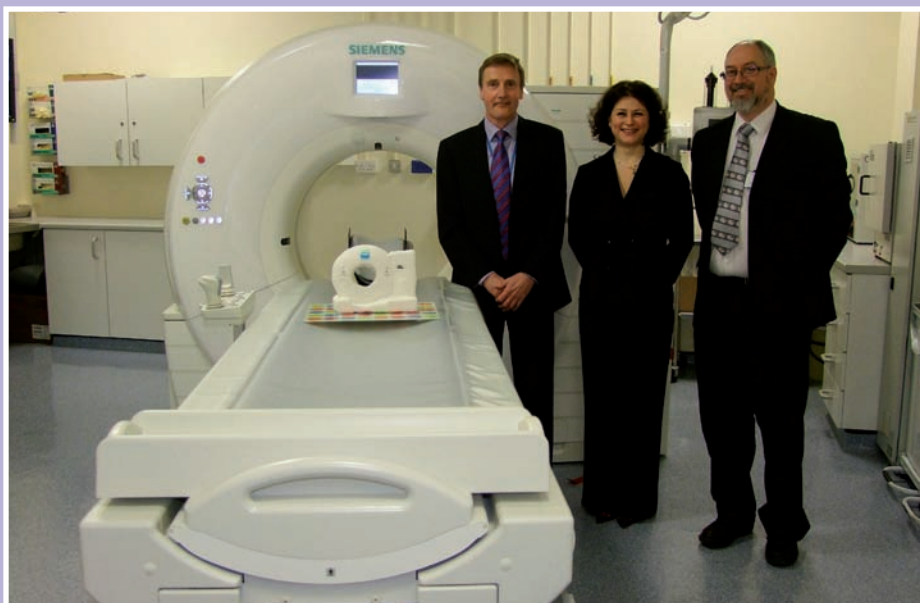
Mr George Tsavellas was the first surgeon in Kent to do the operation, called single incision laparoscopic cholecystectomy.



New CT scanners Opened March 2010

We spent £2.5million on two Computerised Tomography (CT) scanners (large X-ray machines) - one for William Harvey Hospital in Ashford and one for Queen Elizabeth The Queen Mother Hospital in Margate.

The scanners are extremely fast, which means pictures of complex organs in the body can be taken much more quickly. This is a significant benefit as it means the amount of radiation patients are exposed to is relatively low.



Pioneering clinical trial

Kent & Canterbury Hospital was one of just two hospitals in the UK to be chosen for the European trial of a new treatment for long-term high blood pressure.

During the operation, a wire is inserted through the groin to the arteries entering the kidneys. The nerves in these arteries have been known for years to affect blood pressure, and the new treatment works by frying the nerves with microwaves, which brings the blood pressure down.



"I was just the third person in the UK to have this operation"



**Peter Milberry,
Capel Le Ferne**

"It was just another appointment with the doc to try to get my blood pressure down, but as he'd been trying for the last five years, I wasn't very hopeful.

"But when I got there, he told me about a new operation they had just started to do at Kent & Canterbury Hospital. He said maybe it would be the answer for me - was I interested? I certainly was! I was taking 11 tablets in the morning and five at night - I'd try anything.

"The operation itself was a bit strange because the regional television stations were filming it! It was big news because I was only the third person in the UK to have the op.

"It was all done under a local anaesthetic, so I was awake all the time and could see the wires travelling through my body on the TV screen next to me! Luckily, it wasn't very painful.

"My blood pressure started coming down the very next day, and is now consistently low.

"I was happy to be a guinea pig for this op. I hope it will one day be available to everyone who has high blood pressure."

a service that is **responsive**

Singleton Unit, William Harvey Hospital, Ashford Opened July 2009

The Singleton Unit is a calm place within the hospital where women can give birth to their babies naturally. They are looked after only by midwives, with no doctors and without much of the medical equipment usually found on a labour ward.

Opening this unit at William Harvey Hospital gave women in the local area more choice about where and how they give birth.

"My wife and I attended the Singleton Unit after she began labour. I was amazed by the truly caring and professional attitude of all the staff. They quickly gained our trust."

"When my wife's labour became complicated we were taken upstairs for a caesarean. The midwives who had been attending us in the Singleton Unit came with us and explained everything that was going on, calming us both down."

"After our beautiful baby boy was born we were able to go back to the Singleton Unit. The midwives gave us a couple of hours much needed rest and introduced Sebastian to Gaelic music, which he apparently likes!"

"I think every one of your staff went above and beyond their duty and I am truly grateful to them."

"Thank you, from one very proud father."



Access to our services

Despite a huge demand upon our emergency services during the difficult winter of 2010, we were able to maintain our target of 98% of patients arriving at our A&E, Emergency Care and Minor Injuries departments being treated, admitted or discharged within 4 hours of arrival.

Charity walk

Hundreds of us descended on the wild animal park at Port Lympne, near Folkestone, for the first East Kent Hospitals Charity 'walk on the wild side'.

Staff and families walked around the park, stopping frequently to admire the elephants, tigers, gorillas and dozens of other rarely seen animals.

After our fund-raising walk, we could relax, have our faces painted like the animals we had just seen and face our fears by stroking snakes or holding tarantulas!

This was the first fund raising event for the registered charity.

Since the walk took place, new digital mammography machines for diagnosing women referred to hospital by their GP have been chosen as the target for the East Kent Hospitals Charity Appeal.

East Kent Hospitals Charity is a registered charity to hold and manage charitable money given to East Kent Hospitals University NHS Foundation Trust. These gifts allow East Kent Hospitals Charity to help the hospitals with additional support. Voluntary donations can help us to provide additional equipment, facilities and training to support our patients, visitors and staff. You can find out more about us at www.ekhuft.nhs.uk/eastkenthospitalscharity



Tigray Health Partnership

East Kent Hospitals has committed to a partnership with The Tigray Health Bureau in Ethiopia.

Ethiopia has some of the worst neonatal and maternal mortality rates in the world. For the last three years, midwives from the Trust have travelled to Tigray to help train midwives and health workers there as part of the Health for All partnership, set up by Bridge Health Centre.

Now the Trust has committed to supporting doctors, nurses, midwives and other health professionals who want to visit Tigray regularly to teach health workers there and will also host learning visits for health workers in Ethiopia.

Work by Trust staff so far has focused on reducing neonatal death and maternal death, through teams of midwives, supported by Paediatrician David Long, teaching over 1000 health workers in Tigray the basics of neonatal resuscitation and obstetric emergencies and donating basic equipment and training tools.

This work will continue, and now we also want to support Tigray Health Bureau's goal to start reducing infant mortality in a similar way.

Foundation Trust membership

Working together

One of the real benefits from being a Foundation Trust is that we have a large number of public members from whom we can obtain ideas about the best ways in which we can develop our services.

We ask anyone who is interested in what we do to become a member of our Foundation Trust. We tell members what is going on at our hospitals, invite them to special members' events and ask them to tell us what they think about decisions we need to make.

Talking about hospital meals

Foundation Trust members helped hospital managers look at the way meals are provided for patients this year. Members who told us that they are interested in the issues around food and nutrition in hospitals took

part in workshops where they talked about how food is provided for patients and how patients who need help eating are supported.

Talking about talking!

We held two events where we talked with seldom heard groups to find out their priorities for the way we run our hospitals and how we can communicate with these groups better.

Trust Membership

Constituency	Membership at 31/03/2010
Ashford	853
Canterbury	2546
Dover	970
Shepway	778
Swale	462
Thanet	1660
Rest of England and Wales	992
Staff	6685
Total	14946*

*20 public members declined to give postal addresses and are not included in this breakdown.

The Council of Governors

The Council of Governors comprises 32 elected and appointed representatives whose responsibilities include overseeing the work of the Trust board, appointing the Chair and non-executive Directors and undertaking specific activities relating to the good governance and overall strategic direction of the Trust. The

Council of Governors meets formally four times a year. The meetings (to which the public are very welcome) comprise lively debates and presentations on specific areas of interest or concern. We also have several away-days for training and going into topics of particular interest in greater depth. In addition, several committees

have been formed to undertake statutory tasks and projects.

It has been a fascinating first year, when we have been finding our feet but feel we have started to make a real difference and a major contribution to the future of healthcare in East Kent.

David Shortt, Vice Chair, Council of Governors

Taking health on the road

Our NHS at the Kent County Show

We ran the first ever East Kent NHS stand at the Kent County Show this year.

We wanted to create a welcoming event that would both tell people about the excellent work we do here at East Kent but also give them a chance to talk directly to some of our front line staff and experience some of our services for themselves.

Around 400 staff from all the NHS organisations in East Kent manned the 'Your NHS' stand over the three days of the show. We had around 15,000 visitors every day, who had basic health checks and got information about the services and conditions they were interested in.



Visitors to the stand went home with their arms plastered...

Health roadshows

This year we launched our 'health roadshows' - events for Foundation Trust members and members of the public where health professionals from different specialties demonstrate and talk about their service.

The first membership roadshow, 'Focus on Pain', was held in Canterbury. Over 200 members and their guests attended and had the chance to talk to professionals and support groups about managing chronic pain, as well as listening to talks by pain specialist Dr Neil Collighan and chronic pain nurse Val Conway.



Members of the public drop in to learn more about chronic pain services.

East Kent Hospitals University NHS Foundation Trust is one of the biggest hospital Trusts in the country, serving a local population of around 720,500 people.

Our hospitals

The Trust runs the following hospitals:

- Buckland Hospital, Dover
- Kent & Canterbury Hospital, Canterbury
- Queen Elizabeth The Queen Mother Hospital, Margate
- Royal Victoria Hospital, Folkestone
- William Harvey Hospital, Ashford.

We also provide many health services from other NHS facilities across East Kent, including Child and Adolescent Mental Health services, and renal services in Medway and Maidstone.

We have a national and international reputation for delivering high quality specialist care, particularly in cancer, kidney disease and vascular services.

As a teaching Trust we play a vital role in the education and training of doctors, nurses and other healthcare professionals, working closely with local universities and Kings College University in London.

Our history

The Trust was formed in 1999. It was awarded University NHS Hospital status by the University of London (Kings College) in 2007 and became an NHS Foundation Trust on 1 March 2009.

Our 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.

Our 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.

Our values

Taking pride in delivering quality and putting patients first

Acting with integrity by:

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

about the trust

Our services

	K&C	WHH	QEQM	RVH	BHD	Other
Accident and Emergency		●	●			
24-hour Emergency Care Centre	●	●	●			
Minor Injuries Unit	●	●	●		●	
Critical Care (ITU/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	●	●	●			
Ortho 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	●	●	●			
Diagnostic and interventional Cardiac services		●	●			
Inpatient Respiratory	●	●	●			
Inpatient Neurology	●	●	●			
Inpatient Gastroenterology Services	●	●	●			
Endoscopy Services	●	●	●			
Neurophysiology Services	●					
Inpatient Diabetes Service	●	●	●			
Inpatient Rheumatology	●	●	●			
Inpatient Neuro-rehabilitation	●					
Inpatient Orthopaedic Services		●	●			
Inpatient Child Health Services		●	●			
Inpatient obstetrics, gynaecology and consultant led maternity		●	●			
Day case surgery	●	●	●			
Midwifery led birthing units	●	●			●	
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	●					●

Key

BHD - Buckland Hospital, Dover

RVH - Royal Victoria Hospital, Folkestone

K&C - Kent & Canterbury Hospital, Canterbury

QEQM - Queen Elizabeth The Queen Mother Hospital, Margate

WHH - William Harvey Hospital, Ashford

Other - we hold outpatient clinics in many community sites

1 Moving to William Harvey Hospital next year

2 Also provided by East Kent Hospitals University NHS Foundation Trust at Maidstone and Medway Maritime hospitals

Summary of contractual relationships

Contracts are in place with Commissioners who fund patient care services as well as a broad range of organisations that provide goods and services to the Trust.

Healthcare income

Over 92% of the Trust's income comes from clinical activities.

A single contract covers most patient activity provided by the Trust for people living in Kent and Medway. Contracts are based on the national model version; 2009/10 was the second year of a 3-year contract (adjusted annually to reflect current activity and referral assumptions and the latest prices). Haemophilia services are managed through a consortium led by Croydon PCT.

Trust contract income by Commissioner is shown in the following table:

Primary Care Trust	2009/10 income	
	£m	%
Eastern & Coastal Kent	395.1	94.9
West Kent	9.1	2.2
Medway	5.0	1.2
Croydon	7.2	1.7
Total	416.4	100.0

Other income

Financial support for the cost of training medical staff is covered under a contract with the Strategic Health Authority. Kent & Medway Partnership Trust pay for use of the Arundel Unit at William Harvey Hospital.

Income and expenditure

Long-term contractual arrangements are in place covering payment for clinical and other services provided to and by the former subsidiary (East Kent Medical Services Limited).

Expenditure

Service agreements are in place for clinical and general support services supplied by other local NHS organisations, including:

- Health Informatics hosted by Maidstone Trust
- Payroll hosted by Kent & Medway Partnership Trust
- Shared Financial Services hosted by Eastern & Coastal PCT
- Renal and breast screening facilities in Maidstone and Medway
- Outpatient facilities at Deal and Coastal hospitals.

A programme of work is ongoing to upgrade these service agreements to full commercial contracts.

Nationally, the Trust incurs significant costs with the NHS Blood Authority,

NHS Professionals (for temporary staff especially nursing), the NHS Litigation Authority (insurance and clinical negligence premiums), the Prescription Pricing Authority, and NHS Shared Business Services.

Procurement

The Trust manages procurement through the Estates and Facilities Departments. The Trust supports the use of National Contracts and Frameworks Agreements which ensures that there is a rigorous process in place as part of tendering. This means that suppliers will have been scrupulously evaluated against a range of sustainable and environmental criteria and will have been asked also to provide evidence of this by way of reference to environmental and sustainable policies and accreditations.

Internal Audit

Internal audit reviews the procurement team's performance annually as a minimum. Supply and service contracts are in place for more than 80% of all purchases and are generally awarded for periods of between two to five years, in accordance with the terms and conditions published by the NHS Purchasing and Supply Agency (PASA). Where appropriate the process complies with the Official Journal of the European Union (OJEU) Legislation. The department also utilises national contracts, awarded by PASA and the Office of Government Commerce. Medical and surgical consumables used on a routine basis are purchased through the NHS supply chain.

Joint ventures and partnership arrangements

For three years the “Kent Partnership”, comprising public, private, voluntary and community sector representatives, has guided progress on the countywide community Strategy – the ‘Vision for Kent’. In addition there are nine Local Strategic Partnerships (LSPs) and twelve Crime and Disorder Reduction Partnerships led, or facilitated, by District Councils, each with their own plans and strategies. The Kent and District Compacts are enabling public services to work more boldly and creatively with the thriving community and voluntary sector.

The Trust is working actively with partners to improve health and reduce inequalities including contributing appropriately and effectively to nationally recognised and statutory partnerships. The following are the areas of partnership:

Patients and the community

The Trust works closely with its patients on an individual and organised group basis and has developed further community and external links through its membership and network of charitable donors and fundraisers and volunteers.

East Kent LSP

The Trust is a member of the East Kent Local Strategic Partnership (LSP). The Partnership champions the economic, social and environmental regeneration of East Kent (covering the area of Canterbury, Shepway, Dover and Thanet Councils). In broad terms, the LSP is an umbrella partnership that brings together organisations

from public, private, community and voluntary sectors in a local authority area.

Compacts

EKHUT is a signatory to most of the Local Compacts, a local agreement that sets out the principles for working together across the statutory, voluntary and community sectors, to improve their relationships for mutual advantage. It aims to recognise the contribution the voluntary and community sector makes to society.

Primary Care Trust

The Trust works closely with the Eastern and Coastal Kent PCT. For example, the Elective Care Strategy Service Improvement Group has developed a long term view of supply and demand for elective care pathways in a ‘whole system’ approach. These relationships are reflected in other areas such as emergency services, mental health and public health. The Trust is a member on all the PCT planning boards. The Trust also attends and contributes to regular GP cluster group meetings. The Trust has worked in detail with the Acute Contracting Team (ACT) who lead for Local Delivery Plans (LDPs) negotiations for the PCT.

This has improved relationships with commissioners significantly and has underpinned developments such as the 18 week early achiever and repatriation of cardiac work to East Kent from London. The Planning Boards include:

- Urgent Care Programme Board
- Delayed Transfer of Care Board
- Kent Cardiac Network Board
- Kent Pathology Network Board
- Health System Wide HCAI.

Neighbouring Trusts

Strong links already exist with the Trust’s neighbours, notably Maidstone and Tunbridge Wells NHS Trust which is responsible for the Oncology service, Dartford and Gravesham NHS Trust and Medway NHS Foundation Trust. EKHUT continues to work collaboratively with these Trusts in relation to service provision whilst understanding that there is also competition between the organisations.

Commissioners

Through the Local Delivery Plan (LDP) the Trust works with PCTs and other commissioners including practice based commissioners to ensure that the service development strategy is in line with local public health priorities including waiting time targets. Monthly Performance Review meetings are held with ACT.

Educational partners

The Trust is committed to health care education and works closely with higher education institutes including the University of London, the University of Kent and Canterbury Christ Church University. The Director of Medical Education works closely with the Kent, Surrey and Sussex Deanery to oversee the education and training of over 390 junior doctors. The university hospital link with Kings College, London has enabled Kings’ medical students to take up placements in the Trust.

Clinical networks

The Trust holds integral roles in a significant number of clinical networks through senior managers and clinicians. This is evidenced by work within critical care, cancer, pathology, stroke, vascular, neonatal and radiology networks.

Black and Minority Ethnic (BME) Network

The Trust provided support to the BME network first set up in the NHS in East Kent in 2003 and hosted its launch event. Since then the Chair of the Network has attended the Trust Board and as a result the Chairman has met regularly with the Chair of the Network. The Trust, more recently, has been disappointed by the decision of the South East Coast BME network that the East Kent group should be broken down into organisation specific groups but is actively supporting the creation of a group specifically for hospital staff. The Trust very much values the role that the BME network can play in providing support to staff and guidance for service providers.

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.

Medirest

Medirest provides catering, cleaning, security, reception for the front desks, pest control, window cleaning and portering services for the Trust. The Trust has a seven year association with Medirest. We work closely with Medirest to ensure standards of service delivery are fully met on all the sites.

Polkacrest

Polkacrest provides a total waste management contract to the Trust which covers all the waste produced by the Trust including numerous recycling streams and clinical waste.

Other partnerships

The Trust works closely with the Children's Trust, Social Care, Police, Air Ambulance, Fire and Prison Services and has a productive working relationship with senior colleagues at the SHA. The Trust can evidence many other areas of good practice, including partnership

Quality Report Part 1 – Quality Narrative from the Chief Executive

Current view of the Trust's position and status on quality

East Kent Hospitals University NHS Foundation Trust is committed to the provision of safe, high quality care. The 2009/10 annual objectives for the organisation reflected the importance assigned to patient safety, clinical effectiveness and patient experience. The Trust has made good progress over the last year and experienced significant improvements in key quality measures used to support the Trust's vision to be known as one of the top ten hospitals in England. This has culminated in the Trust attaining a level 3 accreditation under the National Health Service Litigation Authority (NHSLA) Risk Management Standards for Acute Trusts; the highest possible level. Progress towards a level 2 accreditation in relation to the NHSLA maternity standards is on-going and the Trust retained level 1 accreditation this year.

The Trust has experienced challenges with meeting some of the national priorities and existing commitment targets, in particular, the cancer and 18-week targets. The position has improved recently, however these form definite priorities for improvement in 2010/11.

The quality of our clinical services is a high priority and we take pride in "putting our patients first". The Trust has made good progress and put in place a number of initiatives which have enabled us to strengthen our culture and capability in delivering safe and effective services. These initiatives are encapsulated within the strategic and annual objectives, which drive the overall quality

strategy for the organisation. The Board devotes considerable time on considering and acting upon quality and safety issues. Clinical Quality and Patient Safety is the first agenda item for every meeting of the Board of Directors. The Board has built on the success of 2008/9 and has added additional areas for quality improvement during 2009/10. These have led to tangible improvements in safety, effectiveness and experience for patients and their families.

The Trust has been able to demonstrate its commitment to working with Commissioners and the Public to create services that meet the health needs of the local population and demonstrate better health outcomes for patients. Good examples include the development and implementation of a new service for primary Percutaneous Coronary Intervention (pPCI) for patients experiencing myocardial infarction (heart attack); significant improvements in the Stroke care-pathway including stroke thrombolysis; and the expansion of the Endovascular Aortic Repair (EVAR) service saw improved outcomes for patients using a minimally invasive technique for the repair of aortic aneurysms. Each of these services will continue to support the reduction in mortality and complications associated with cardiovascular disease.

The Trust has strengthened the ability of ward teams to demonstrate evidence of quality improvement at a ward level through the NHS Institute Productive Ward Programme and has established a programme of quality metrics to assess the quality of nursing care reported to the Board of Directors via an electronic reporting system. This has enabled

rapid feedback to ward teams and fostered a keen motivation towards continuous quality improvement.

The Trust has achieved significant improvement in patient experience by virtually eliminating mixed-sex sleeping accommodation, improved the care environment and the provision of dignified care. Patient feedback via hand held electronic devices enabled the Board to monitor the improvements and identify aspects of care for further improvement.

Our hospital standardised mortality ratio (HSMR) continues to decrease and in 2009/10 was significantly below the national level at 70.2. The end of year national re-baseline is yet to be applied and this figure may change after data lock down. MRSA bacteraemia rates and Clostridium difficile rates continue to fall faster than the national target levels and the organisation is one of the best performing acute trusts in the country for these targets.

The data underpinning the measures of performance outlined in this report is, to the best of my knowledge, accurate.

East Kent Hospitals University NHS Foundation Trust was registered without conditions with the Care Quality Commission (CQC) against all services on each of our hospital sites. This followed a declaration of full compliance against the interim declaration for the CQC Standards for Better Health.



Stuart Bain, Chief Executive
26 May 2010

Quality Report Part 2 – Priorities for improvement

In 2008/9 the Quality Improvement programme focused on three priority themes:

- a) Patient Safety First campaign, which focused on reducing mortality and patient harm and included: reduction in Hospital Standardised Mortality; in falls resulting in harm and in the incidence of hospital acquired pressure damage or ulcers (skin).
- b) Patient Experience Improvement Programme to improve quality from a patient perspective by providing better information about clinical care; enabling patients to feed back their experience in a timely way, and resolving concerns and complaints locally without referral to the Parliamentary and Health Service Ombudsman.
- c) Healthcare Associated Infection Reduction Programme which resulted in continued reduction in infection rates; high levels of cleanliness in clinical environments; successful inspection against the Hygiene Code by the Healthcare Commission; and Registration with the Care Quality Commission.

In 2009/10 the quality improvement programme continued to focus on these themes and added additional areas for improvement which were agreed by Eastern and Coastal Kent PCT as part of the Commissioning for Quality and Innovation (CQUIN) Programme. These have been organised into the improvement of safety, effectiveness and experience as priority themes.

Priority 1

Ongoing development and delivery of the patient safety programme and embedding of improvements across local services to the benefits of patients

The quality of our clinical services is a high priority and we take pride in “putting our patients first”. The Trust made good progress over the last year and put in place a number of additional 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;
- a good experience for patients, carers and their families – responsive;
- available to those who need it when they need it – responsive;
- provides good value for money – efficient and productive;
- is innovative.

The Trust aims to be one of the top 10 best performing acute hospitals in England across a variety of indicators including reduced mortality rates and reduced harm events occurring to patients. Mortality is reviewed using the Hospital Standardised Mortality Ratio (HSMR), Risk Adjusted Mortality Index (RAMI) and as a crude figure. There was a target to reduce HSMR to 75 by 2011. The year end figure to date is 70.2, although this must be interpreted with caution as the final figure has yet to be verified and re-based through the national system.

We continued to focus on reducing the number of falls in hospital resulting in harm to patients. The risk is higher in specific groups of patients including the frail elderly and patients who are rehabilitating from a stroke. The Trust demonstrated better controls in risk assessment and timely interventions to reduce the risk of falling. The Trust found that a combination of risk assessment,

education and training of staff, the use of ‘pressure sensor alarms’, the use of low level beds for vulnerable patients, and investigation of each fall using root cause analysis led to a three per cent reduction in the number of falls. This indicator was part of the CQUIN programme and was fully met.

We continued to focus on reducing the incidence of hospital acquired pressure damage/ulcers to the skin. The number of pressure sores reported varies month by month and includes patients admitted with pre-existing ulcers. Overall, the severity of the skin damage has further decreased from those reported in 2008/09. Results of a clinical audit identified that we had a problem with the number of heel ulcers. We launched a campaign to reduce the incidents of heel ulcers. The programme was extremely successful and virtually eliminated grade 3 and 4 heel ulcers through better risk assessment, use of specialist heel protectors, and effective use of appropriate mattresses. The interventions greatly reduced the severity of harm to patients. It also raised awareness with ward teams and increased the overall reporting of pressure damage through the risk management system. The indicator to reduce grade 3 and 4 pressure ulcers was part of the CQUIN programme and was fully met.

We achieved excellent performance in comparison with national targets in reducing the rate of MRSA bacteraemia and Clostridium difficile infections and achieved full Registration with the Care Quality Commission (CQC) against the cleanliness and infection control outcome.

Priority 2 Ongoing development and delivery of the Patient Experience Improvement Programme including Patient and Public Involvement and its use in leading and directing changes to local services

The Trust aims to improve the quality of service delivered from a patient perspective by providing improved information about clinical care; helping patients to feedback on their experience and responding to concerns and complaints in an effective and timely way.

The real-time reporting of patient experience using a hand-held feedback tool allowed us to be responsive to direct feedback from patients. The tool used a series of five questions covering clinical care, local environment, staff behaviour and delivering same sex accommodation. The data was analysed weekly and local performance was reported to the Board monthly. The set of five questions formed part of the CQUIN programme and the improvement agreed by commissioners was fully met.

The Board was able to demonstrate that the Trust had 'virtually eliminated' mixed-sex accommodation and this statement was supported by Eastern and Coastal Kent PCT. This indicator formed part of the CQUIN programme and was fully met.

In July 2008 a Patient Experience Team was established to merge the complaints and Patient Advocacy Liaison teams, in order to reflect changes in the local and national policy on the management of complaints. The Trust received fewer formal complaints - 687 in

comparison with 731 received in 2008/09. The Trust received 5,532 compliments during the same period. Performance in future will be assessed as a ratio of compliments to complaints. The change in the national complaints procedure makes direct comparison between the results published last year difficult. Overall, 58 per cent of formal complaints met the agreed response time. The number of complaints referred to the Parliamentary and Health Service Ombudsman (PHSO) since April 2009 was seven cases, two of these cases have been closed, two have been referred back for local resolution with the Trust and three are in the early stages of investigation by the PHSO.

An additional indicator agreed by the PCT that formed part of the CQUIN programme was to carry out an audit against standards of care provided by the Trust for patients in the end stages of life. The clinical audit was scoped and agreed and forms part of the clinical audit programme for 2010/11. The requirement to scope the audit was fully met.

Priority 3 The Trust can demonstrate continuous improvement in the provision of clinically effective care through clinical audit and monitoring the outcomes achieved in specific services

The Trust has a system in place to check that its services are compliant with the 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. The Trust focused on demonstrating continuous improvement in the stroke clinical pathway which has led to evidence-based improvement in outcomes for patients. The indicator agreed with the PCT, as part of the CQUIN programme, focused on improving the proportion of patients who received a brain scan within 24 hours of the onset of symptoms. Clinical audit at two points in the year demonstrated more than a 10 per cent improvement and the CQUIN target was fully met.

During 2009/10 the Trust was commissioned to develop and provide a new service - primary Percutaneous Coronary Intervention (pPCI) for patients for the treatment of myocardial infarction (heart attack). The service was developed and commenced on 10 April 2010 for the whole population of Kent and Medway. The development of the service formed part of the CQUIN programme and this indicator was fully met.

The Trust and PCT are jointly committed to improving the communication with General Practitioners (GPs) following an episode of care. The Trust was required, as part of the contract with the PCT, to ensure that GPs received timely letters and discharge summaries following in-patient stay (after 48 hours), visit to A&E (after 48 hours), or attendance at an outpatient clinic (after 72 hours). The level of improvement in GP communication within 48 hours from in-patient discharge was from a baseline of 60 per cent to 80 per cent; improvement in GP communication within 48 hours of A&E attendance was from a baseline 74 per cent to 92 per cent. These indicators formed part of

the CQUIN programme and the Trust was able to demonstrate the required level of improvement in two of the three indicators. Less improvement was made in the timeliness of letters received from outpatient clinics, which remained around 30 per cent within 48 hours and this will continue to be an area for improvement during 2010/11.

Looking forward into 2010/11, the priorities for the forthcoming year are to build on the achievements and progress of the established programme. A further three priorities are planned.

**Priority 4
Commissioning for Quality and Innovation Programme 2010/11 (CQUIN)**

The Trust as part of the Contract and Service Level Agreement with Eastern and Coastal Kent has agreed a new programme of quality improvement for 2010/11 which reflects national, regional and local improvement priorities. It includes the Regional Enhancing Quality programme which aims to improve the effectiveness of five specific clinical pathways: hip and knee replacements, myocardial infarction, community acquired pneumonia, and heart failure.

**Priority 5
Continue to recognise the needs of vulnerable patients and the need to maintain access to services which safeguard their wellbeing**

The Trust aims to strengthen compliance with the requirements under the Mental Capacity Act 2005 with specific reference to consent to treatment. The Trust also aims to ensure that all staff responsible for safeguarding the welfare of children and young people have access to required training at level 2.

**Priority 6
Ongoing provision of assurance on the effectiveness of systems of internal control and the financial operating framework**

The Trust aims to achieve and sustain the required access standards on 18 weeks referral to treatment; and across existing and new cancer targets.

The Trust also aims to strengthen its approach to the achievement of an annual 5% reduction in costs whilst maintaining safety and quality of service provision.

The initiatives supporting existing and future priorities are outlined in the strategic and annual objectives, which drive the overall quality strategy for the Trust as well as supporting the individual strategies relating to patient safety, patient experience and clinical effectiveness.

The delivery of safe, quality care remains the Trust's core value for the future; there is an on-going challenge to fulfil the commitment to meet national priorities and other targets as well as meeting financial savings.

Statements of assurance from the Board

During 2009/10 the East Kent Hospitals University NHS Foundation Trust provided and/ or sub-contracted 30 NHS services.

The East Kent Hospitals University NHS Foundation Trust has reviewed all the data available to them on the quality of care in 30 of these NHS services.

The income generated by the NHS services reviewed in 2009/10 represents 100 per cent of the total income generated from the provision of NHS services by the East Kent Hospitals University NHS Foundation Trust for 2009/10.

Clinical Audit

Participation in clinical audits

The Trust does not participate in every national audit, with the exception of those classified as mandatory. A formal value judgement is applied to each audit to assess the overall benefits and resources required to participate.

During 2009/10, 12 national clinical audits and five national confidential enquiries covered NHS services that the East Kent Hospitals University NHS Foundation Trust provides.

During that period the Trust participated in 38% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits that the Trust participated in during 2009/10 are:

Myocardial Infarction Audit Programme (MINAP)
Sentinel Stroke Audit (organisational)
British Cardiovascular Intervention Society (BCIS)
Cardiac Rhythm Management Audit (Cardiac Pacemaker)
Intensive Care National Audit and Research Centre (ICNARC)
National Joint Registry (Hip and Knee replacement)
National Lung Cancer Audit (NLCA)
National Head and Neck Cancer Audit (DAHNO)
Patient Outcomes in Surgery Audit (POIS) Patient Reported Outcome Measures
National Care of the Dying Audit (NCDAH)
Audit of the use of red cells in neonates and children
National Inpatient Diabetes Audit

The national confidential enquiries that the East Kent Hospitals University NHS Foundation Trust was eligible to participate in during 2009/10 are as follows:

1. Acute Kidney Injury – adding insult to injury (published 2009)
2. Deaths in Acute Hospitals – Caring to the end (published 2009)
3. Confidential Enquiry into Maternal and Child Health (Peri-natal mortality) (published 2009).
4. Parenteral Nutrition (Data collection January 2009 – December 2009). Not yet published.
5. Elective and emergency surgery in the elderly (EESE) study (Data

collection October 2008 – December 2009). Not yet published.

The national clinical audits and national confidential enquiries that the Trust participated in, and for which data collection was completed during 2009/10 are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National confidential enquiries and national audits

National audit/Enquiry	Percentage of cases included
Acute Kidney Injury– adding insult to injury	50%
Deaths in Acute Hospitals – Caring to the end	5.9%
Confidential Enquiry into Maternal and Child Health (Peri-natal mortality)	100%
Parenteral Nutrition	64.8%
Elective and emergency surgery in the elderly (EESE) Study	89.7%
Myocardial Infarction Audit Programme (MINAP)	100%
Sentinel Stroke Audit (organisational)	100%
British Cardiovascular Intervention Society (BCIS)	100%
Cardiac Rhythm Management Audit (Cardiac Pacemaker)	100%
Intensive Care National Audit and Research Centre (ICNARC)	100%
National Joint Registry (Hip and Knee replacement)	100%
National Lung Cancer Audit (NLCA)	100%
National Head and Neck Cancer Audit (DAHNO)	100%
Patient Outcomes in Surgery Audit (POIS) Patient Reported Outcome Measures	100%
National Care of the Dying Audit (NCDAH)	100%
Audit of the use of red cells in neonates and children	100%
National Inpatient Diabetes Audit	100%

The reports of eight national clinical audits were reviewed by the provider (the Trust) in 2009/10 and the East Kent Hospitals University NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided; the actions include those from the Inflammatory Bowel Disorder (IBD) Audit which was reported in 2009/10:

Actions identified following national audits

Audit	Action
Stroke Audit	Ensure stroke patients are admitted directly to a bed on an acute stroke unit
Stroke Audit	Increase stroke patients' access to a CT brain scan on admission
Stroke Audit	Appoint a lead nurse for stroke care
Stroke Audit	Appoint a neuropsychologist
Stroke Audit	Improve access for stroke patients for the following services: <ul style="list-style-type: none"> • orthoptics • orthotics and • podiatry.
Stroke Audit	Commission an early supported discharge service for stroke patients
Stroke Audit	Implement a system to ensure patients referred with a high risk transient ischaemic attack (TIA) are seen within 24 hours
Stroke Audit	Increase access to a carotid Doppler's service for stroke patients in hospital
Audit of the use of red cells in neonates and children	Recruit three blood transfusion practitioners
Audit of the use of red cells in neonates and children	All staff setting up blood transfusions to participate in annual blood transfusion training and have their competency assessed
Irritable Bowel Disease (IBD) Audit	Commission an Irritable Bowel Disease (IBD) nurse (either within the hospital or the community)
IBD Audit	Provide dedicated dietician support to patients suffering from gastrointestinal disorders
IBD Audit	Develop a pathway for easier access to psychological support for patients with IBD
IBD Audit	Provide IBD patients with written information on how to obtain advice at an early stage in event of a relapse
IBD Audit	Improve capacity within outpatients to ensure that relapsing patients with IBD are seen within five working days

The reports of 162 local clinical audits were reviewed by the provider in 2009/10 and the East Kent Hospitals University NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

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A full list of actions can be provided on demand but for the purposes of this report it was felt inappropriate to list all the actions as the number is considerable, therefore, a sample of actions identified through the clinical audit programme are listed below:

Actions identified following local audits

Audit	Action
Consent to treatment – Mental Capacity Act (2005) compliance	Ensure clinical policies adhere to the Mental Capacity Act.
Consent to treatment – Mental Capacity Act (2005) compliance	Introduce clear pathways and use multi-disciplinary teams to support vulnerable adults.
Consent to treatment – Mental Capacity Act (2005) compliance	Action to improve consent training to all clinical staff
Pain in Children audit	Improve the recording of pain scores within healthcare records
Audit of discharges and transfers of children and babies	Copy of discharge or transfer forms to be stored in the patient's healthcare record
Audit of discharges and transfers of children and babies	Re-audit to be undertaken to assess compliance with current policy
Audit of newer anti-epileptic drugs in clinic	Provide clinical staff updates clarify the minimum requirements for healthcare records, specifically documentation following clinic appointments
Audit of newer anti-epileptic drugs in clinic	All patients to be commenced on the older forms of anti-convulsant therapy. Patients on newer forms of anti-convulsant therapy must have the reason for use clearly documented
Clinical decision to thrombolyse audit	Liaise with other healthcare professions within East Kent in regard to the monitoring of treatment and management of risk factors utilising their local educational sessions
National Sentinel Stroke audit (organisational)	Explore opportunities to develop access to supporting clinical services for stroke teams
Use of Ivabradine audit	Raise awareness of identified best practice through presentation of audit results at audit meetings
National IBD audit	Explore the opportunity to develop access to sessions to allow a specific dietician to be dedicated to gastrointestinal disorders
Do Not Attempt Resuscitation audit	Review of the Trust's information leaflet linked in with the regional development group
Use of the transfer checklist for inpatients to Radiology unit	Standardise the transfer forms used between A&E, Clinical Decision Units and ECC
Wound care audit	Provide relevant training and education in the prevention of all wound care types, particularly, moisture lesions, leg ulcers and traumatic wounds
Feedback of routine antenatal screening results re-audit	Review system for documenting routine antenatal booking tests
Maternity discharge planning documentation audit	Use effectively the discharge check list to increase accuracy of information

Research

Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by the Trust in 2009/10 that were recruited during that period to participate in research approved by a research ethics committee was 976.

Goals agreed with commissioners

Use of the CQUIN payment framework

A proportion of the East Kent Hospitals University NHS Foundation Trust income in 2009/10 was conditional on achieving quality improvement and innovation goals agreed between the Trust and NHS Eastern and Coastal Kent through

the Commissioning for Quality and Innovation payment framework.

The Trust agreed the following CQUIN measures with NHS Eastern and Coastal Kent:

CQUIN payments

Indicator	Contract value £k	Expected payment £k	Variance £k
End of life			
Audit of patients admitted in the end stages of life	206.8	206.8	0
Cardiovascular			
Stroke patients given a brain scan within 24 hours	206.8	206.8	0
Treatment of STEMI patients with reperfusion by primary percutaneous Coronary Intervention (pPCI)	206.8	206.8	0
Clinical communication			
Discharge communication received by GP 48 hours from admission	206.8	206.8	0
Discharge communication received by GP 48 hours from A&E attendance	206.8	206.8	0
Discharge communication received by GP 72 hours from outpatient appointment	206.8	0	- 206.8
Patient experience			
Experienced being in a mixed sex bay	41.4	41.4	0
How members of staff treated you and your family	41.4	41.4	0
Cleanliness and neatness of the department	41.4	41.4	0
Treatment plan explained in a way I could understand	41.4	41.4	0
Got enough help from staff to eat your meals	41.4	41.4	0
Patient Safety			
Hospital acquired pressure damage rate	206.8	206.8	0
All patient falls within hospital resulting in an injury	206.8	206.8	0
Total	1,861.5	1,654.6	-206.8

East Kent Hospitals University NHS Foundation Trust received £1,654.6k income in 2009/10 upon achieving the quality improvement and innovation goals outlined above. The total monetary value available was £1,861.5k.

Further details of the agreed goals for 2009/10 and for the following 12 month period are available on

request from:

East Kent Hospitals University NHS
Foundation Trust Headquarters
Kent and Canterbury Hospital
Ethelbert Road
Canterbury
Kent
CT1 3NG

e-mail: general.enquiries@ekht.nhs.uk
Phone: 01227 766877
Fax: 01227 868662

Information relating to registration with the Care Quality Commission (CQC) and periodic/special reviews

The East Kent Hospitals University NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is fully registered for all services across all sites.

The East Kent Hospitals University NHS Foundation Trust has no conditions on registration. The Care Quality Commission has not taken enforcement action against the East Kent Hospitals University NHS Foundation Trust during 2009/10 as of 31 March 2010.

The East Kent Hospitals University NHS Foundation Trust is not subject to periodic reviews by the CQC.

The East Kent Hospitals University NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

Data quality

NHS Number and General Medical Practice Code Validity

The East Kent Hospitals University NHS Foundation Trust submitted records during 2009/10 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was: 99.1% for admitted patient care; 99.5% for outpatient care; and 96.3% for accident and emergency care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

100% for admitted patient care
100% for outpatient care; and
100% for accident and emergency care.

Information Governance Toolkit attainment levels

The East Kent Hospitals University NHS Foundation Trust score for 2009/10 for Information Quality and Records Management, assessed using the Information Governance Toolkit, was 73%.

Clinical coding error rate

The East Kent Hospitals University NHS Foundation Trust was subject to the Payment by Results Data Assurance Framework Admitted Patient Care Clinical Coding Audit.

The Audit Commission mandated the areas included in the audit which was carried in January 2010 on cases and data submitted from 1 July to 30 September 2009. The audit of clinical coding included 291 records and the results showed the following clinical coding error rates:

Primary Coding Diagnoses Incorrect	20.9%
Secondary Coding Diagnoses Incorrect	9.0%
Primary Coding Procedures Incorrect	6.7%
Secondary Coding Procedures Incorrect	10.9%

The services reviewed as part of the audit were restricted to the following areas. The results of the audits should not be extrapolated further than the actual sample audited;

General Medicine (92 cases)
Midwifery episodes (100 cases)
Hepatobiliary and pancreatic system surgery (69 cases); and
Major hip procedures for non-trauma category 1 with CC (30 cases).

The financial value associated with these errors was £16.6k from an audit sample of £511.8k, or 3.2 per cent. The net impact is that the Trust undercharged commissioners by £9.4k or 1.8 per cent of the sample value. The Trust places great emphasis on coding accuracy and aims to learn from audits and to continually improve the accuracy and consistency of clinical coding.

Part 3 – Other information

The following table outlines the performance of the Trust against the indicators to monitor performance with the stated priorities. These metrics represent core element of the corporate dashboard and annual patient safety programme presented to the Board of Directors on a monthly basis.

Metrics to monitor performance with stated priorities

	Data Source	Target 2009/2010	Actual 2009/2010	Actual 008/2009
Patient safety				
C difficile – reduction of infections in patients > 2 years, post 48 hours from admission	Locally collected and nationally benchmarked	110	94	98
MRSA bacteraemia – new identified MRSA bacteraemias post 48 hours of admission	Locally collected and nationally benchmarked	25	15	25
Inpatient slip, trip or fall, includes falls resulting in injury and those where no injury was sustained	Local incident reporting system	2,190	2,121	2,265
Pressure sores – all hospital acquired pressure sores (grades 1-4)	Local incident reporting system	166	250	179
Clinical effectiveness				
Hospital Standardised Mortality Ratio (HSMR) – overall target of 75 by 2011	Locally collected and nationally benchmarked	On-going reduction	70.2	78
HSMR for patients following a Stroke	Locally collected and nationally benchmarked	Target to be established	63.1	74.6
HSMR for patients following repair of abdominal aortic aneurysm	Locally collected and nationally benchmarked	Target to be established	47.7	81.9
GP communications:				
Discharge summaries dispatched within 48 hours discharge from hospital	Locally collected from PAS and EDN	100%	80%	60%
GP communications: letter dispatched within 48 hours of A&E attendance	Locally collected from PAS	100%	92%	74%
GP communications: letter dispatched within 72 hours of attendance at outpatient clinic	Locally collected as part of audit	90%	30%	30%
Patient experience				
The ratio of compliments to the total number of complaints received by the Trust (compliment : complaint)	Local complaints reporting system	10:1	8:1	8:1
Patient experience – composite of five survey questions from national in-patient survey	Nationally collected as part of the annual in-patient survey	68.15%	65.6%	65.3%
Single sex accommodation – mixing for clinical need only	Locally collected	100%	100%	NA

All data classified as nationally collected are governed by standard national definitions. All data collected locally are reported via nationally recognised incident and complaints management systems, or internal reports generated from Patient Administration System (PAS).

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The metrics developed around clinical effectiveness were limited to one indicator, the overall HSMR in the 2008/09 Annual Report. This section has been further developed to cover six indicators for this section. The rationale for this development with the CQUINs programme agreed with Eastern and Coastal Kent PCT.

The metrics included in the patient experience section have developed since the publication of the 2008/09 Annual Report. These are now aligned to the measures agreed by the Board of Directors' to monitor the strategic objective for providing an excellent patient experience.

Existing Commitments and National Priorities

Each year the Department of Health sets out national priorities for the NHS. The table below shows the Trust's performance against these indicators and compares the Trust's performance against 2008/09.

Summary of East Kent Hospitals' performance against national priorities and existing targets in 2009/10

	Target 2009/2010	Actual 2009/2010	Actual 2008/2009
Regulatory			
CQC core standards	24	24/24	23/24
CQC registration	16	14/16 (declared – no conditions on registration imposed by CQC)	NA
Controlling infection			
Clostridium difficile year on year reduction	110	94 cases	98 cases
MRSA – to reduce infections by 50% of baseline with year on year reductions	25	15 cases	25 cases
Treating cancer			
Maximum waiting time of two weeks from urgent GP referral to last outpatient appointment for all urgent suspected cancer referrals/2 week wait from referral to date first seen: all cancers	93.00%	94.95%	98.80%
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments	96.00%	97.31%	96.00%
Maximum waiting time of 62 days from all referrals to treatment for all cancers	85.00%	71.98%	99.30%
Waiting times			
18-week maximum wait from point of referral to treatment (admitted patients)	90.00%	89.93%	90.6%
18-week maximum wait from point of referral to treatment (non-admitted patients)	95.00%	98.23%	98.3%
Access			
Maximum waiting time of four hours in A&E from arrival to admission, transfer or discharge	98.00%	98.61%	98.00%
People suffering heart attack to receive thrombolysis within 60 minutes of call (where this is the preferred local treatment for heart attack)	68.00%	82.70%	93.80%
Rapid access chest pain – 2 weeks	98.00%	100%	99.80%
Revascularisation 13 weeks maximum (breaches)	0.00%	0.00%	0.00%
Elective – 26 weeks maximum (breaches)	0.13%	0.16%	0.05%
Outpatients – 13 weeks maximum (breaches)	0.03%	0.002%	0.00%
% diagnostic achieved within 6 weeks	NA	97.50%	96.50%
Cancellations			
As a % of elective admissions	0.80%	0.507%	0.65%
Breaches of the 28 day standard	5.00%	4.233%	1.70%
Delays			
Delayed transfer of care	3.50%	1.80%	3.60%

Data protection

The Trust takes its responsibility for the care of patient's personal information very seriously. Any reported breaches of patient confidentiality are investigated and appropriate action taken and lessons learnt.

During the year there were no serious personal data related incidents (as defined by DH).

A summary of data related incidents in 2009/10 is shown below.

Incidents	2009-10	2008-09
Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	5	6
Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	1	2
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0	3
Unauthorised disclosure	9	20
Other	6	2

Our aims and objectives

Strategic objectives

- To provide an excellent patient experience
- To deliver safe care to patients
- To guarantee staff are able, empowered and responsible for the delivery of effective care
- To deliver efficient services that generate funding to enable future investment in local services
- To deliver effective care with excellent patient outcomes
- To deliver innovation through the services we provide.

How we did

Achieving our annual objectives 2009 / 2010

Objective

Get the basics right and maintain and improve the Trust's compliance with Standards for Better Health, leading to improvements in patient safety and experience

Implement second year of Patient Safety Programme, taking the learning from the National Patient Safety First Campaign and embedding the principles through systems improvement

Develop a robust three year financial plan with an explicit savings programme for 2009/10, 2010/11 and 2011/12 with growth of EBITDA* margin levels between 10%-15% by ensuring our services are correctly, safely and efficiently planned, managed and delivered

**Earnings Before Interest, Taxation, Depreciation and Amortisation*

Sustain a maximum referral to treatment time of 18 weeks from referral to start of hospital treatment, so that 95% of non admitted patients and 90% of admitted patients are treated within 18 weeks and work towards further reduction in referral to treatment times during 2009/10 and 2010/11

Embed the Foundation Trust financial modelling and business planning in the Trust's systems

Complete the current estate and business case programmes for the development of services and feed this into the estates strategy

Progress

End of year declaration to the Care Quality Commission was compliant for all standards.

Patient Safety and Patient Experience Boards have been established and a programme of work extended.

The planned EBITDA for 2009/10 was £45.6m and £33.7m (74%) was achieved. Savings projects delivered £10.9m of the £12.6m target. The year proved to be extremely challenging in terms of meeting patient access targets whilst maintaining quality standards. Following the economic downturn and changes to NHS planning guidance, the Trust's growth assumptions have been scaled back with an average EBITDA margin of between 6.9% and 8.3% for the next few years and savings targets have been increased.

The target for non-admitted patients was fully met, with a performance of 98.23% against the 95% target. The target for admitted patients was not met, with 89.93% performance against a target of 90%.

The Trust continues to evolve and develop its planning systems to meet new contingencies and allow the Trust to be more responsive to external and internal challenges.

The Trust has completed its building and refurbishment programme for 2009/10.

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

Work is ongoing as part of the annual programme. Major changes to the network at Kent & Canterbury Hospital are being made to improve the resilience of the system and reconfiguration work to the main computer room at Queen Elizabeth The Queen Mother Hospital will be completed by August 2010. The Trust continues to enhance and improve the software systems that support clinical care.

Ensure that the Trust has a workforce that is fit for purpose and congruent with the Annual Plan

During the year the Trust has increased the workforce by approximately 200 whole time equivalents. This is above the requirements of the Annual Plan partly because of activity levels which were above plan.

During the year staff appraisal rates improved, as did numbers of staff receiving Personal Development Plans, and were among the best in the country. Over 96% of staff had also undertaken training in the year with c65% attending courses, c40% receiving on the job training, c20% having a mentor, 94% receiving e-learning and c70% attending seminars/workshops.

Implement an Estates Strategy for the Trust that supports the clinical models of care and the Service Strategy to ensure best use of this limited resource

As part of the ongoing Estates Strategy plan the Trust is working through the models of care strategies and carrying out an infrastructure survey and ecology and topographical studies on all three acute hospital sites.

Work with Primary Care and other relevant local organisations to promote local services and establish

The Trust is working closely with our partners in primary care through a number of groups which examine optimal pathways greater virtual integration of care across a number of service improvement networks. During the year liaison with GPs has been enhanced with the Trust being invited to a series of GP events.

Operational Performance

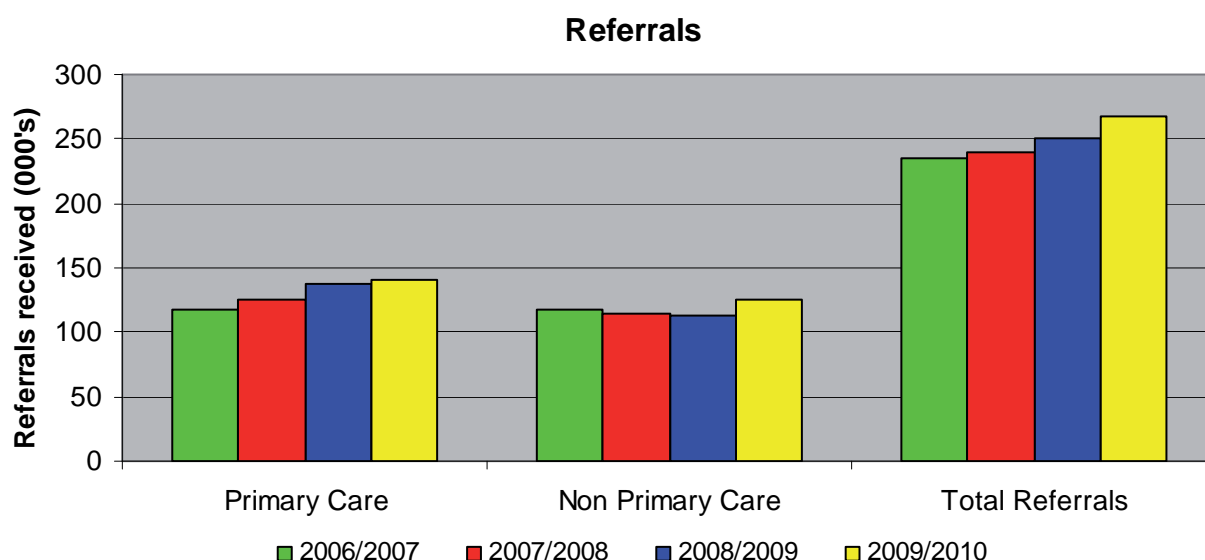
The number of patients seen/treated during 2009/10 (as defined within contracts with PCTs) is shown in the following table, compared to the plan for the year and actual numbers for the previous financial year.

Operational Performance and Key Performance Indicators

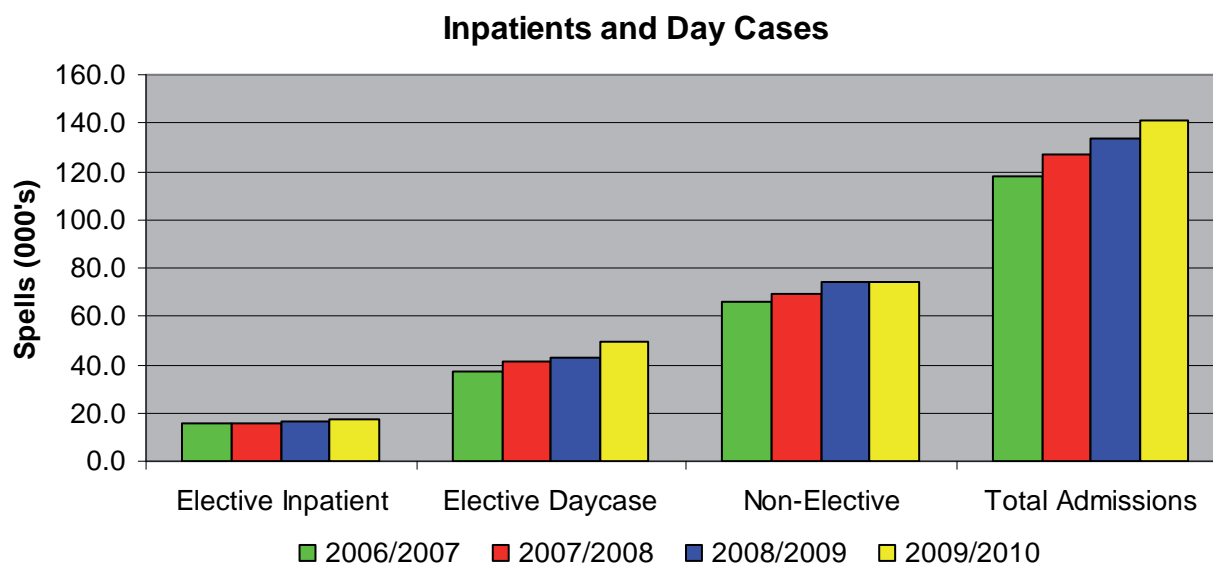
	Plan 2009-10	Actual 2009-10	Actual 2008-09	Actual Year Year %age change
GP Referrals	143,780	141,290	137,020	3.12
Total Referrals	256,136	267,184	250,080	6.84
Elective Spells	60,929	66,733	59,162	12.80
Emergency Spells	75,074	74,376	74,539	-0.22
Outpatient Attendances	575,409	579,971	559,311	3.69
A&E Attendances	197,712	199,501	191,168	4.36

Operational performance

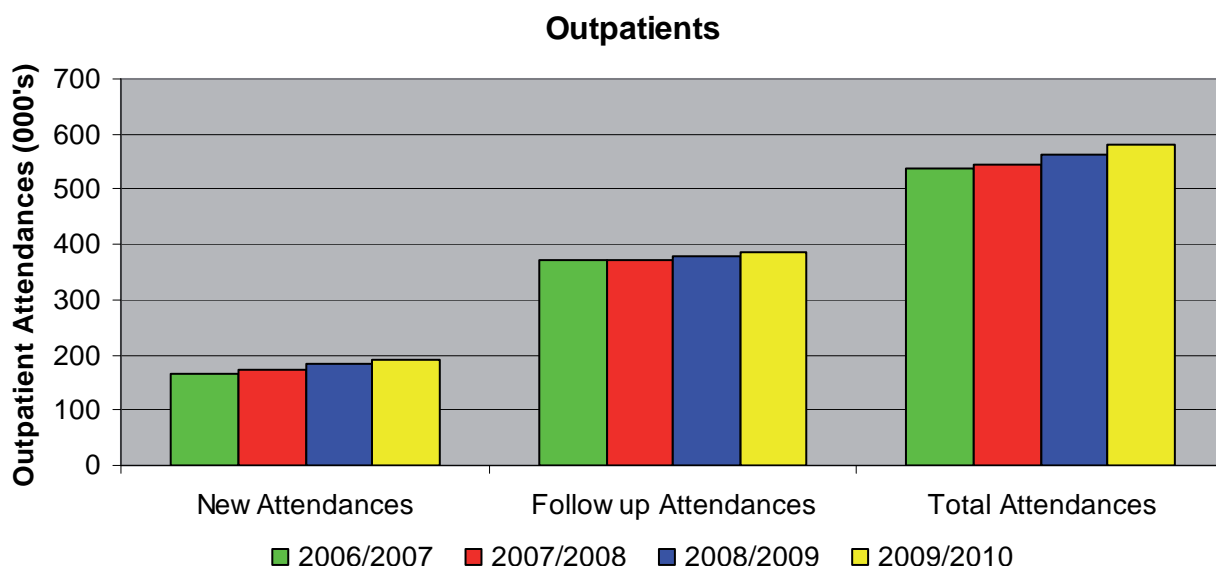
The Trust has continued to see demand for its elective services grow, receiving over 267,000 referrals during the year, a 6.8% increase on the previous year. Primary Care referrals grew by 3.1% to 141,290, whilst non-primary care referrals grew by 5%, in large part attributable to the rising demand for oncology services.



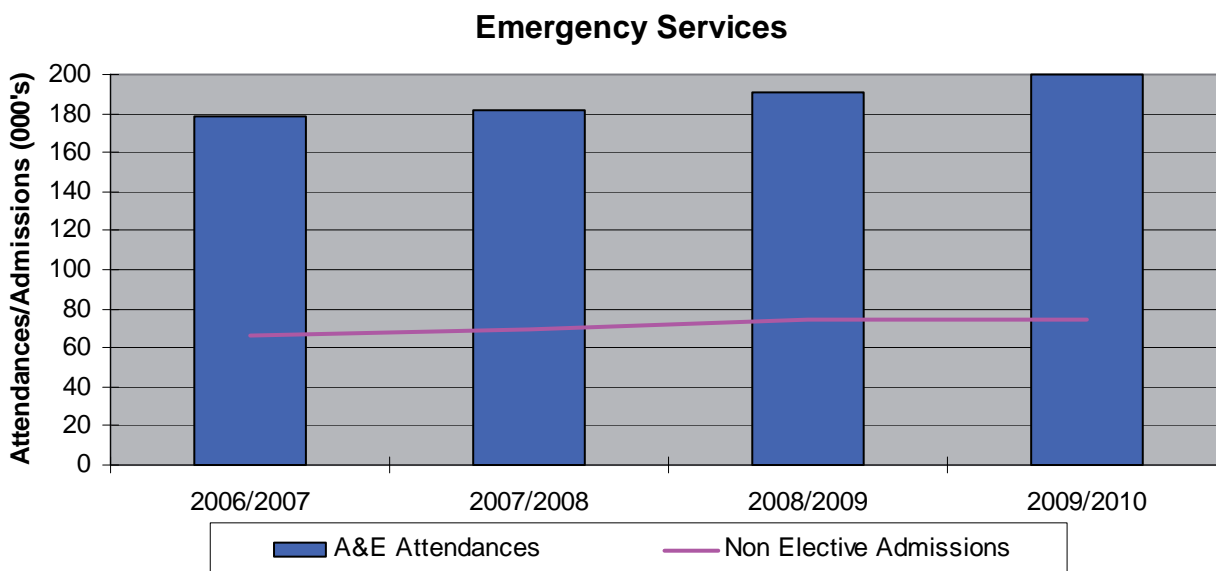
Total admissions grew in 2009/10 to just over 141,000, an increase of 5.5% on the previous year. Elective Inpatient admissions grew by 4.1% to 17,300, whilst non-elective admissions fell back very slightly (0.2%) from 2008/09 levels, to 74,376. Day case activity grew significantly during the year (16.2%) to 49,400 admissions from just over 42,000 in the previous year.



Total outpatients attendances in 2009/10 stood at just under 580,000, an increase of 3.7% over 2008/09. New attendances grew by 5.2% over the year to 193,000, whilst follow-up attendances grew less rapidly to 387,000, an increase of 3.0% over the previous year.



A&E attendances grew in the year to 199,500, an increase of 4.4% on the previous year. However, the total number of emergency admissions remained fairly stable at 74,400, with an increase in the proportion of these admissions being treated with short stays in hospital.



External reporting and assessment

Care Quality Commission report

We achieved a 'good' rating for the quality of our services and an 'excellent' rating for financial management in the latest annual assessment of the NHS by the Care Quality Commission in 2009.

Dr Foster Good Hospital Guide

We were one of the top 20 Trusts for patient safety, published in the *Dr Foster Good Hospital Guide, How safe is your hospital?*

Regulatory ratings

NHS Foundation Trusts are required to report quarterly to Monitor, the independent organisation that oversees Foundation Trusts. The in-year submissions cover performance in the most recent quarter and year-to-date against the annual plan. Monitor evaluates the returns to verify that the NHS Foundation Trust is continuing to comply with its authorisation.

Monitor provides risk ratings for finance, governance and mandatory services on a quarterly basis. The table below describes the risk ratings for the Trust during the last year:

The Annual plan for 2009/10 described the top five risks facing the Trust in the coming year, they were:

1. Possible failure to meet the 18 week admitted referral to treatment target in orthopaedics and other areas, resulting in sub-optimal patient service provision and financial risk
2. Possible failure to meet 62 day cancer compliance targets following changes in reporting methodology
3. The age and design of the Trust's estate is variable, reflecting differing investment patterns over the years. Whilst some investment has provided new facilities, parts of the estate are old and may act as a constraint to the Trust being one of the top ten hospitals in England
4. The Trust could face a (worst case scenario) increase of £3.1 million in the revenue payments it makes for its soft FM contract due to Agenda for Change
5. Ability to maintain continuous improvement in the reduction of Healthcare Acquired Infections in the presence of existing low rates.

A number of the risks described materialised through 2009/10 and affected the Trust's governance risk rating with Monitor accordingly. During quarter one, the Trust had one more case of C difficile than the target tolerance allowed, this led to an amber rating. The Trust was

required to report performance with the prevention of C difficile to Monitor on a monthly basis to Monitor. The one month reported was the only month where the target was not met and performance with the prevention of C difficile has greatly improved. The year end position is 94 cases against a target maximum of 110.

The key performance issues affecting the Trust's governance rating relate to the 62 day targets for Cancer and the 18 week admitted referral to treatment target. As detailed above, the Trust recognised these as risks at an early stage. However, we were unable to take sufficient action to ensure we would meet these targets before the end of 2009/10, but action plans are in place to ensure that these targets are met early in 2010/11. The Trust failed to meet the targets in quarter two, three and four of 2009/10.

Monitor's compliance framework sets out the process of escalation when Trusts are rated amber or red. In line with this escalation process the Trust has been reporting on a monthly basis to Monitor to give them assurance that the Trust action plans will deliver sufficient and time agreed improvement in delivery of the failed targets. Monitor's board have considered the Trust's position and advised that they do not consider the Trust to be in significant breach of its terms of authorisation.

Risk ratings

	Q4 2008/09	Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial risk rating	4	4	4	4	4	3
Governance risk rating	Green	Green	Amber	Red	Amber	Red
Mandatory services	Green	Green	Green	Green	Green	Green

Development of services

Service Improvement Programme

The aim of the Service Improvement Programme is to change the way patients are seen, assessed and treated at our hospitals so we treat them more efficiently and they have better outcomes.

The first pathways redesigned were the:

- Lower gastro – intestinal pathway from GP referral via rapid access to treatment outcome and;
- Emergency pathway focusing initially on the pathway through A&E at the William Harvey Hospital.

Funded developments during 2009/10 were:

Completed service developments

There were a number of service development plans that were identified in the five year plan (2008/09 – 2013/14) which included Vascular & Interventional Radiology, Renal and Maternity services. These are now well developed through a capital investment programme and the successful implementation of the new models of care which delivers better access to services, offer more choice to patients and delivers care in an improved environment.

Over the year we have made progress on a number of service developments including:

Vascular & Interventional Radiology

The Trust has been linking in with local GPs to raise awareness of and increase use of the new Vascular

Centre at Canterbury

Maternity

The Trust has developed the Midwifery Led Birthing Units at Ashford (opened in July 2009) and Margate hospitals (due to open in 2010) and is promoting choice for pregnant women. These units are co-located alongside obstetric birthing units. Now that this development is in place the Trust is able to offer women a better choice of environment in which to give birth, along with the knowledge that consultant delivered care is available on site if required.

Renal services

The Home Haemodialysis programme is expanding and the number of transplants has increased significantly, especially live donor transplants and we now repatriate patients from London post transplant surgery within four weeks.

Cardiac services

The Trust has been preparing to offer a pioneering new treatment for patients who have suffered a particular type of heart attack. The treatment, called pPCI (primary Percutaneous Coronary Intervention), involves patients undergoing an angiogram so any blockages or narrowing of the arteries can be identified and opened up using a balloon. The artery can then be remodelled by leaving a stent in situ. Clinical evidence suggests that this treatment can lead to better survival rates, faster recovery and a better quality of life after the heart attack. The William Harvey Hospital, Ashford, has been chosen at the pPCI centre for Kent.

Financial review

Position of business at end of accounting period

East Kent Hospitals first full year as a Foundation Trust has proved financially challenging. Income for clinical activity was £12.1m higher than planned, but the cost of providing the extra capacity exceeded the amount payable by Primary Care Trusts. By the autumn the Board recognised that the year end surplus would be less than the planned level of £9.6m - the final result is a £3.7m surplus for the year for the Trust; £3.6m for the Group (ie, including the subsidiary to date of sale). Financial performance is assessed by Monitor using the Financial Risk Rating (FRR); the reported results for the year are set out in the following table:

Financial Risk Rating 2009/10

	Plan	Actual
EBITDA margin (% of income)	10.2%	7.3%
EBITDA achieved (% of plan)	100%	73.9%
Return on assets	8.8%	5.1%
Surplus margin (% of income)	3.6%	1.3%
Liquidity ratio	28 days	33 days
Overall rating	4.0 (max)	3.5

EBITDA: Earnings before Interest, Taxation, Depreciation and Amortisation

Financial statements for 2009/10

The annual accounts have been prepared under a Direction issued by Monitor (Independent Regulator of NHS Foundation Trusts). Under the Code of Governance for Foundation Trusts, the Board of Directors is responsible for presenting a balanced assessment of the Trust's position and prospects. After making enquiries, the directors have a reasonable expectation that the 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.

For each individual who is a director at the time that the report is approved, the directors have confirmed that, so far as each is aware, there is no relevant audit information of which the Trust's auditor is unaware, and each director has taken all 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 Trust's auditor is aware of that information.

The Trust has ensured that the

the full annual accounts. Accounting policies for pensions and other retirement benefits are set out in note 1.3 to the accounts. Details of senior employees' remuneration can be found on page 69-71 of this report.

During 2009/10 the NHS implemented International Financial Reporting Standards (IFRS), with effect from 1 April 2008. The 2008/09 accounts were restated and audited in accordance with national deadlines. The impact of the change to IFRS on the financial position at 1st April 2008, 1st March 2009 and 31st March 2009 was not material. The move to IFRS involved changes to accounting terminology and the format of the annual accounts, with a Statement of Comprehensive Income and Statement of Financial Position replacing the Income & Expenditure Account and Balance Sheet.

During the year the Trust sold its 100% holding in Healthex Limited, the parent company of East Kent Medical Services Limited which runs the Spencer Wing at the Queen Elizabeth the Queen Mother Hospital and some services at William Harvey Hospital. This action was taken in order to ensure that the Trust remained within its Terms of Authorisation for private patient income which must not exceed 0.6% of total clinical income. The post-tax loss for the Healthex Group up to the date of sale (30/10/09) was £0.1m. However, a £2.5m profit on sale of the investment is included in the Trust's surplus for the year.

The financial statements are those of the East Kent Hospitals University NHS Foundation Trust to 31 March 2010 and of its subsidiary

financial statements meet the requirements of Monitor's Foundation Trust Financial Reporting Manual as agreed with HM Treasury. The accounts of the subsidiary group to the date of sale are in compliance with these policies and with Companies Act requirements. The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

Accounting policies are set out in

undertakings to the date of sale. The income and expenditure of the subsidiary has been consolidated with the Trust's for the relevant period, and inter-company transactions were eliminated. As the Trust no longer owns the subsidiary, the Statement of Financial Position at the 31 March 2010 is that of the Trust only.

For the published accounts the Trust

is only required to state comparative information for the month of March (i.e. as a Foundation Trust) rather than the whole year.

Summary Financial Statements

The financial statements set out in this annual report are a summarised version, and might not contain sufficient information for the reader to gain a full understanding of the

entity's position and performance. A full set of annual accounts can be obtained through the Trust's Freedom of Information Office (e-mail FOIrecordsoffice@ekht.nhs.uk). A £20 copying charge may be levied to non-members. The information can also be found on the Trust's website at www.ekhuft.nhs.uk or telephone 01227 766877 ext 73636.

Statement of Comprehensive Income				
All numbers are in £ thousands	Group Apr 09 to Mar 10	Trust Apr 09 to Mar 10	Group 1 to 31 Mar 09	Trust 1 to 31 Mar 09
Operating Income from continuing operations	462,476	462,590	41,298	41,415
Operating expenses from continuing operations	(450,329)	(450,437)	(40,029)	(40,176)
Operating Surplus/(deficit)	12,147	12,153	1,269	1,239
Finance costs				
Finance income	271	323	47	55
Finance expense - financial liabilities	(5)	0	(1)	0
Finance expense - unwinding of discounts on provisions	(78)	(78)	0	0
Public Dividend Capital dividends payable	(8,709)	(8,709)	(929)	(929)
Net Finance Costs	(8,521)	(8,464)	(883)	(874)
Corporation Tax expense/ (credit)	19	0	(7)	0
Surplus/(deficit) from continuing operations	3,645	3,689	379	365
Surplus/(deficit) of discontinued operations and the gain/(loss) on disposal of discontinued operations	0	0	0	0
Surplus for the period	3,645	3,689	379	365
Other comprehensive income				
Revaluation gains/(losses) and impairment losses on property, plant and equipment	(25,547)	(25,547)	(187)	(187)
Increase in donated asset reserve due to receipt of donated assets	643	643	17	17
Reduction in the donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	(949)	(949)	(81)	(81)
Additions/(reduction) in other reserves	0	0	0	0
Other recognised gains and losses	0	0	0	0
Actuarial gains/(losses) on defined benefit pension scheme	0	0	0	0
Total comprehensive income/(expense) for the period	(22,208)	(22,164)	128	114

Statement of Financial Position			
All numbers are in £ thousands	Trust 31 Mar 2010	Group 31 Mar 2009	Trust 31 Mar 2009
Non-current assets			
Intangible assets	224	260	89
Property, plant and equipment	252,161	286,441	283,160
Investment in subsidiary	0	0	1,390
Trade and other receivables	9,749	3,968	5,862
Other non-current assets	0	0	0
Total non-current assets	262,134	290,669	290,501
Current assets			
Inventories	6,903	6,491	6,491
Trade and other receivables	31,362	21,190	21,985
Other financial assets	0	0	0
Non current assets held for sale and assets in disposal groups	0	250	250
Cash and cash equivalents	24,401	28,096	27,797
Total current assets	62,666	56,027	56,523
Total assets	324,800	346,696	347,024
Current liabilities			
Trade and other payables	(40,272)	(38,308)	(39,088)
Borrowings	0	(45)	0
Other financial liabilities	0	0	0
Provisions	(2,561)	(2,561)	(2,445)
Tax payable	(3,173)	(5,600)	(5,424)
Other current liabilities	(2,713)	(2,045)	(2,045)
Total current liabilities	(48,719)	(48,559)	(49,002)
Total assets less current liabilities	276,081	298,137	298,022
Non-current liabilities			
Trade and other payables	0	(20)	(20)
Borrowings	0	(71)	0
Other financial liabilities	0	0	0
Provisions	(2,299)	(2,056)	(2,056)
Tax payable	0	0	0
Other non-current liabilities	0	0	0
Total non-current liabilities	(2,299)	(2,147)	(2,076)
Total assets employed	273,782	295,990	295,946
Financed by: Taxpayers' equity			
Public dividend capital	189,400	189,400	189,400
Revaluation reserve	61,505	86,418	86,529
Donated asset reserve	9,570	10,803	10,803
Income and expenditure reserve	13,307	9,369	9,214
Total taxpayers' equity	273,782	295,990	295,946

The former subsidiary was sold on 30/10/09. Therefore, 'Group' figures are not applicable at 31/03/10

The accounts and summary financial statements were approved by the Board of Directors on 26 May 2010.



Stuart Bain, Chief Executive
26 May 2010

Consolidated (Group) Statement of Changes in Taxpayers Equity

All numbers are in £thousands	Public Dividend Capital	Revaluation Reserve	Donated Asset Reserve	Income & Expenditure Reserve	Total
Taxpayers equity at 1 April 2009	189,400	86,418	10,803	9,369	295,990
Surplus/(deficit) for the year	0	0	0	3,645	3,645
Revaluation gains /(losses) and impairment losses on property, plant and equipment	0	(24,620)	(927)	0	(25,547)
Increase in donated asset reserve due to receipt of donated assets	0	0	643	0	643
Reduction in donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	0	0	(949)	0	(949)
Additions/(reductions) in other reserves	0	0	0	0	0
Other recognised gains and losses:					
Transfers to the income and expenditure account in respect of assets disposed of	0	(4)	0	4	0
Transfers of the excess of current cost depreciation over historical cost depreciation to the income and expenditure reserve	0	(289)	0	289	0
Other transfers between reserves	0	0	0	0	0
Movement on other reserves	0	0	0	0	0
Taxpayers equity at 31 March 2010	189,400	61,505	9,570	13,307	273,782

Note: A Trust Statement of Changes in Taxpayers Equity is included in the full annual accounts.

Statement of Cash Flows				
All numbers are in £ thousands	Group Apr 09 to Mar 10	Trust Apr 09 to Mar 10	Group 1st to 31st Mar 2009	Trust 1st to 31st Mar 2009
Cash flows from operating activities				
Operating surplus/(deficit) from continuing operations	12,147	12,153	1,269	1,239
Operating surplus/(deficit) of discontinued operations	0	0	0	0
Operating surplus/(deficit)	12,147	12,153	1,269	1,239
Non-cash income and expense:				
Depreciation and amortisation	19,424	19,309	1,594	1,573
Impairments	4,297	5,056	0	0
Loss/(profit) on sale of assets	(2,167)	(2,057)	0	0
Transfer from donated asset reserve	(950)	(950)	(81)	(81)
(Increase)/decrease in Trade and other receivables	(12,126)	(10,164)	2,682	3,001
(Increase)/decrease in Other assets	0	0	0	0
(Increase)/decrease in Inventories	(412)	(412)	(411)	(411)
Increase/(decrease) in Trade and other payables	(182)	(3,190)	(85)	(360)
Increase/(decrease) in Other liabilities	552	668	0	0
Increase/(decrease) in Provisions	262	281	177	176
Tax paid/received	(71)	0	0	0
Increase/(decrease) in borrowings	0	0	0	0
Movement in operating cash flow from discontinued operations	(340)	0	0	0
Other movements in operating cash flows	111	0	0	0
Net cash generated from/(used in) operations	20,545	20,694	5,145	5,137
Cash flows from investing activities:				
Interest received	271	323	47	47
Purchase of Intangible assets	(166)	(166)	(43)	(43)
Sales of Intangible assets	0	0	0	0
Purchase of Property, plant and equipment	(16,705)	(16,641)	(2,650)	(2,594)
Sales of Property, plant and equipment	226	226	0	0
Cash flows attributable to investing activities of discontinued operations	0	0	0	0
Cash from acquisitions of business units and subsidiaries	0	0	0	0
Cash from (disposals) of business units and subsidiaries	0	0	0	0
Net cash generated from/(used in) investing activities	(16,374)	(16,258)	(2,646)	(2,590)
Cash flows from financing activities:				
Loans received	0	0	0	0
Loans repaid	0	0	0	0
Capital element of finance lease rental payments	(29)	0	4	0
Interest paid	0	0	0	0
Interest element of finance leases	(5)	0	(1)	0
Public Dividend Capital dividend paid	(8,475)	(8,475)	(5,572)	(5,572)
Cash flows attributable to financing activities of discontinued operations	0	0	0	0
Cash flows from /(used in) other financing activities	643	643	17	17
Net cash generated from/(used in) financing activities	(7,866)	(7,832)	(5,552)	(5,555)
Net increase /(decrease) in cash and cash equivalents	(3,695)	(3,396)	(3,053)	(3,008)
Cash and cash equivalents at start of period	28,096	27,797	31,149	30,805
Cash and cash equivalents at end of period	24,401	24,401	28,096	27,797

Financial analysis

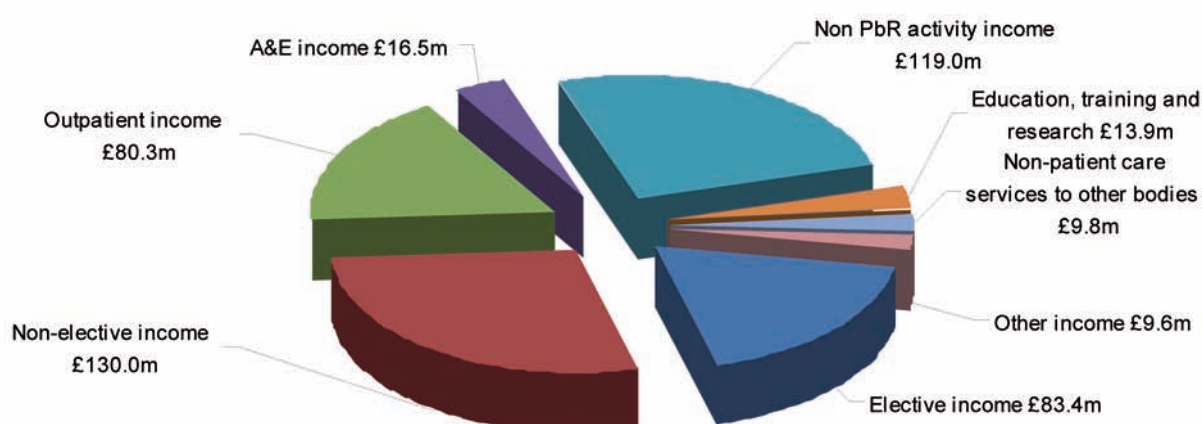
Income: Contracted activity for 2009/10 was based on commissioning intentions. Prices were based on the national tariff (which increased by 1.7% from 2008/09), with some services still on either local activity-based prices or historic 'block' fixed-price contracts.

The Trust planned for activity to be higher than the contract, due to rising referral rates into the Trust, and national targets to reduce waiting times. Activity levels have generally exceeded contracted levels.

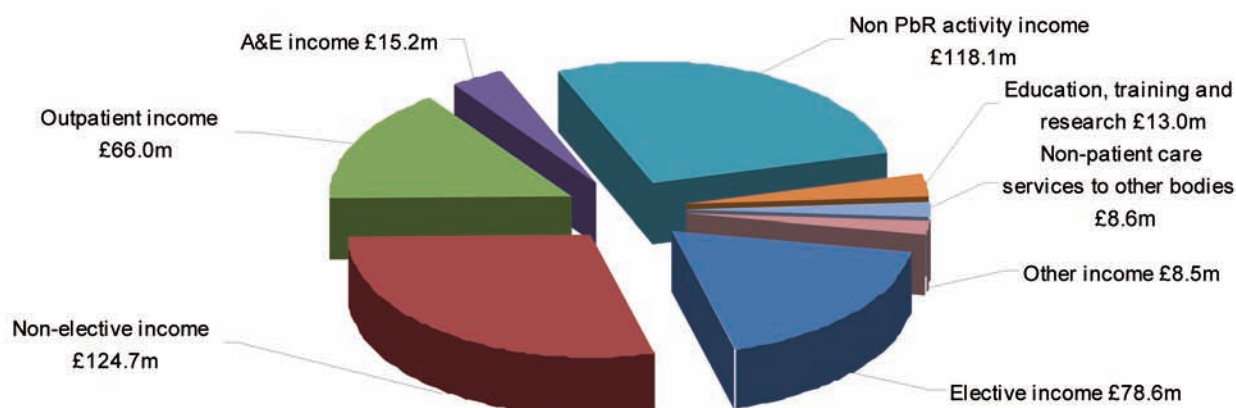
Total income increased by £29.6m

(6.8%) in 2009/10 to £462.5m; income for patient care increased by 6.6%. The main categories of income are shown in the following chart, with comparative information for the whole of 2008/09. 'Other income' for 2009/10 includes the profit on disposal of the subsidiary, car parking charges and staff accommodation rentals.

Breakdown of Group 2009/10 income



Group 2008/09 income



Expenditure: Despite ongoing work to improve efficiency by containing costs, increasing throughput and refining patient pathways, operating costs increased by £40m (9.9%) compared to the previous year. Service developments and excess activity (including payment for work that had to be referred to the independent sector where the Trust's own capacity was fully utilised) were the main cause of rising costs. During the year the number of staff working for the Trust increased by 3.6% and the use of temporary staff was high; total pay costs were 8.6% higher than 2008/09, due to nationally-agreed pay awards and incremental progression, and additional staff to meet activity targets.

Operating expenses for the year ended 31 March 2010

	2009/10 Group	2008/09 Group
Staff and directors costs	274,517	252,802
Medicines	31,800	27,682
Other clinical supplies and services	61,018	55,230
General supplies and services	46,846	43,828
Depreciation and impairments	24,133	20,302
Other and miscellaneous	12,015	10,051
Total	450,329	409,895

Capital programme: The Trust invested £18.6m before donations in enhancing and replacing non-current assets (buildings and equipment):

Capital expenditure programme for the year	2009/10 Group	2008/09 Group
All numbers are £thousands		
RVH Folkestone redevelopment	1,871	1,582
QEQM Staff Accommodation scheme	3,712	1,529
Midwifery-led unit WHH	353	1,427
Centralisation of maxillofacial services	595	365
Other Estates schemes	3,141	3,525
Medical and other equipment	2,924	3,278
IT	2,136	1,804
Assets purchased from donated funds	643	354
Endoscopy - Accreditation & Expansion	173	0
Breast Screening Equipment	543	0
CT Scanners	2,483	0
Total capital expenditure	18,574	13,864
Less: donations for capital expenditure	-643	-354
Net capital expenditure	17,931	13,510

During the year the basis for valuing the estate (for the accounts) was changed from depreciated replacement cost to a 'modern equivalent asset' (MEA) basis. This reduced asset values on the balance sheet by £29.8m; £25.5m of this was covered by the revaluation reserve

and the balance was charged as a revenue cost. This is treated as an exceptional item and does not affect the Financial Risk Rating.

The Trust holds its operating cash with the Government Banking Service and RBS Natwest. Cash not required

for day to day operations is invested from time to time with approved institutions under strict guidelines set by the Trust's Treasury Policy. The Trust currently uses an external firm of cash investment managers to ensure appropriate returns (given current market conditions) with minimal risk.

The Trust has a £90.3m Prudential Borrowing Limit set by Monitor; there were no borrowings other than the subsidiary company's finance leases. In addition, a £31m overdraft facility is held with the Trust's main commercial bank; there was no call on these funds 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.

Early retirement on ill health grounds

During 2009/10 there were 6 early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0.4m. The cost of these ill-health retirements will be borne by the NHS Business Services Authority Pensions Division.

Ethics, Fraud and Corruption

The Board of Directors 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.

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

Opinion on the summary financial statements

I have examined the summary financial statements for the year ended 31 March 2010 which comprise:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Taxpayers Equity
- Statement of Cash Flows

This report is made solely to the Council 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 Council 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

Trust Performance 2009/10	Number	Value £000
Trade suppliers		
Total invoices paid	82,719	147,820
Paid within target	72,583	127,803
Performance	88% (83%)	86% (84%)
NHS suppliers		
Total invoices paid	3,958	48,336
Paid within target	3,711	45,190
Performance	94% (81%)	93% (82%)

Last year's performance is shown in brackets

Group Management Costs for 2009/10		
	2009/10 £000	2008/09 £000
Management costs	20,310	20,149
Relevant Income *	460,756	431,122
Management costs as a percentage of relevant income	4.39%	4.67%

* Excludes income for non-patient services provided to other organisations. Management costs are defined as those on the management costs website at <http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAnd-Planning/NHSManagementCosts/fs/en>

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 statements 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 statements. The other information comprises part 1 of the annual report and the remainder of part 2.

I conducted my work in accordance with Bulletin 2008/03 'The auditor's statement on the summary financial statement in the United Kingdom' issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of my opinion on those financial statements.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of the foundation trust for the year ended 31 March 2010.

Andy Mack, Engagement Lead
Officer of the Audit Commission
16 South Park, Sevenoaks, Kent
TN13 1AN
Date: 28 May 2010

Our staff

East Kent Hospital University NHS Foundation Trust has over 7000 employees and management have worked with staff representatives of recognised trade unions and professional bodies to agree 40 policies relating to these employees. These are regularly reviewed and amended by the same groups to ensure that they remain current and effective.

As part of this process Equality Impact Assessments are completed for all new and revised workforce policies to ensure that they do not adversely impact on any group of the Trust's workforce.

The Trust is also 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 effectiveness of these policies are also assessed each year by the results of the National Staff Survey.

The Trust enjoys healthy working relationships with recognised trade unions and professional bodies and over the past year the following employment policies and procedures have been reviewed and agreed:

- Agenda for Change On Call Policy and Procedure
- Annual Leave Policy
- Capability Policy
- Dignity at Work Policy and Procedure
- Disciplinary Policy and Procedure
- Employment Check Policy
- Induction Policy
- Lone Worker Policy
- Maintaining High Professional Standards
- Policy on Alcohol and Drug Substance Misuse
- Procedure for Rewarding Staff

who take on different duties on a temporary basis

- Recruitment Policy (non-medical)
- Sickness Absence Policy.

In addition the following guidance documents were discussed and reviewed with the Staff Committee:

- Managers Guidance on Fixed Term Contracts
- Managers Guidance on Taking Statements from Employees
- Managers Guidance on the Retirement Process
- Managers Guidelines on the Application of the Dignity at Work Policy
- Managers Guidelines on the Application of the Disciplinary Policy.

During the year Trust management have also undertaken numerous formal consultations with staff and their representatives to change working practices, these have included the restructuring of facilities' management, the outsourcing of decontamination services, and the extending of the working day in a number of services.

Having the right people in the right place at the right time

The Trust produces an annual workforce plan linked to service needs within the financial envelope available to the Trust. This plan prioritises and supports the recruitment and development of healthcare staff to meet the needs of patients. The Trust has policies in place to appraise all staff, identify areas for their development to support service needs and help staff who are having difficulty in meeting the requirements of their role.

Staff Engagement

The Trust management believe that

it is important to work together on changes which effect patients or staff and that this is a key issue in securing the success of the Trust. It is important that management, trade unions and staff work together to ensure that staff are motivated, developed and find job satisfaction in their work, in order to improve patient care. To achieve this 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 organisational performance, supplemented by a brief on local issues provided by the Directorate and team leaders. There is also a feedback process which allows individuals to communicate back through their managers to the Chief Executive or directly if they wish.

A bi-monthly 16 page magazine is distributed to staff and the public covering developments and initiatives in the Trust, as well as show casing examples of innovation and best practice. This is supplemented by a weekly newsletter, and daily messages about urgent or clinical issues are communicated electronically to all staff.

The Trust website has a section devoted entirely to staff issues and a "bright ideas" initiative has been rolled out which encourages staff at all levels to feed back their views on how to improve patient care and organisational performance. Directorate level web editors are trained centrally to maintain and develop Directorate sections on the Trust website in order to keep staff informed of more local issues and policies.

Directors regularly 'walk the floor' to conduct patient safety rounds to talk with staff about their work, experiences and clinical issues.

The Chief Executive also holds meetings every two months with Trust managers and staff to discuss important issues.

During the year, staff committee were also engaged in discussion about the Trust's plans for the future and included on numerous working groups. Senior executives attended directorate team meetings as requested to brief on and discuss matters of importance. Further feedback is gained annually through the national staff survey which samples the view of c800 Trust staff, supplemented every second year by the Trust extending the survey to include all staff so that meaningful feedback can be provided at directorate and team level.

If staff wish to highlight any specific issues around governance or safety they also have access to a Raising Concerns Policy which gives instructions on what they can do. All of this work is part of the organisational approach to staff engagement which can be summarised under the Trust Value of "achieving great things when we work together".

Results from the NHS staff survey

Each October the Trust takes part in the National Survey of NHS staff, with the results being published in the following March. This year the response rate in the Trust had increased from 48% in 2008 to 52% in 2009, due probably to a concerted promotion campaign. In addition in 2009 the Trust went beyond the national requirements by surveying all staff, and not just a percentage, so that more accurate and detailed feedback could be gained at directorate and departmental level in order to prepare more tailored and relevant actions to meet the needs

of staff. The key results obtained in March 2010 from the 2009 staff survey are shown in the table below. A report on the staff survey results, including a description of the resultant action plans, is presented to the Board each year for monitoring purposes. Furthermore some of the quarterly reported Trust annual objectives are used by the Trust Board to monitor progress against improved staff survey results.

In total and compared to all other Acute Trusts, East Kent Hospitals University NHS FT was classed as top performing in eight of the 40 measures, with another 11 scored as better than average. We were poor performing in two with another seven below average. As a result of the survey a number of actions will be initiated. These will include a re-doubling of efforts to promote the zero tolerance culture to inappropriate behaviour in the Trust. As part of this the dedicated security manager will continue to work with local Police and Community Support Officers to increase a uniformed security presence on the sites, as well as prosecuting individuals who are aggressive to staff. In addition trained workplace mediators will be made available to staff in an effort to help them resolve issues amongst themselves. In terms of reporting near misses, errors or incident a number of initiatives will be started by the Patient Safety Group in order to enhance a reporting culture within the Trust. This will include the introduction of a new electronic system for reporting, recording and monitoring clinical issues.

The results of the survey also showed that staff experience had significantly improved in five areas:

- Percentage of staff using flexible working options (in the previous survey the Trust was a poor performer in this area and is now average).

- Work pressure felt by staff (in the previous survey the Trust was a poor performer in this area and is now better than average).
- Percentage of staff appraised in the last 12 months (in the previous survey the Trust was average and is now a top performer).
- Percentage of staff saying hand

washing materials are always available (in the previous survey the Trust was below average and is now an average performer).

- Percentage of staff saying they intended to leave their jobs (in both surveys the Trust was a better than average performer in this area)
- Conversely staff experience had

deteriorated in only two areas:

- Perceptions of effective action from the employer towards violence and harassment, though overall the Trust score was average
- The fairness and effectiveness of incident reporting procedures, though the Trust was still an above average performer in this area.

	08/09 Trust (%)	08/09 National Average (%)	09/10 Trust (%)	09/10 National Average (%)	Trust Improvement Deterioration
Response Rate	48	52	52	52	Improved by 4%
Top 4 Ranking Scores in 09/10					
Staff receiving job-relevant training	80	80	84	78	Improvement not statistically significant
Staff witnessing potentially harmful incidents	32	38	31	37	Improvement not statistically significant
Staff receiving health and safety training	87	76	90	78	Improvement not statistically significant
Staff receiving equality and diversity training	60	27	61	35	Improvement not statistically significant
Bottom 4 Ranking Scores in 09/10					
Staff agreeing their role makes a difference to patients	92	89	88	90	Deterioration not statistically significant
Staff experiencing bullying, harassment or abuse from staff	19	19	21	18	Deterioration not statistically significant
Staff experiencing bullying, harassment or abuse from patients	24	22	23	21	Improvement not statistically significant
Staff reporting incidents	93	95	93	95	No change

Valuing people: equality and diversity report

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. This is part of a Human Rights approach to Equality and Diversity and is a priority for the Trust, in line with Equality Commission recommendations, whereby all staff and service users are treated as individuals with specific needs. Furthermore staff are actively supported in this area by a number of policies, including flexible working, disability, anti-harassment and equalities policies.

In line with statutory obligations every year the Trust Board monitors performance in this area by receiving and publishing separate equalities monitoring reports with action plans, on the services it provides and the workforce it employs. During this year the Trust reviewed its published Race and Disability Equality Schemes with local community and staff groups to republish updated versions in the new financial year. The Gender Equality Scheme is also published and will be reviewed next year. Results of Equality Impact Assessments were also published on the Trust web-site. The Trust Equality, Diversity and Human Rights Steering Group also oversaw the implementation of an annual action plan.

As a result the Trust has this year met its targets: to re-enforce diversity and Human Rights issues in a new customer care course; include a requirement for each clinical directorate to complete an equality review of its services as part of the financial year 2010/11 business

planning process; improve user involvement by issuing a toolkit to service providers and meeting with local equality groups to engage them in the business planning process; increase the diversity of the workforce; and improve the recording of patient ethnicity. Next year the Trust aims to improve engagement and consultation with equality groups; further develop training in the completion of Equality Impact Assessments; and use the 2011 census classifications when monitoring race equality issues. The Board lead for all these issues in the Trust is the Director of Human Resources and Corporate Affairs.

In addition the Trust has also this year worked with legal experts to understand how it can improve and develop further its approach to equality, diversity and human rights. The Trust has also supported a Black and Minority Ethnic network of employees as well as a disability forum and a gay, lesbian, bisexual and transgender staff group.

As a 'Positive About Disability' accredited employer all applicants with a disability, who meet the minimum criteria for a vacancy, are interviewed; disabled employees are provided with a mechanism to discuss how they can develop and use their abilities to further their career; and the Trust will make every effort to retain employees who become disabled, through the application of policies on equality, sickness absence and redeployment.

The Trust's Occupational Health Department works to support staff who suffer accidents at work, have work-related health issues or become disabled. They also provide this service to staff in the local Primary

Care and Mental Health Trusts. In addition to support all staff the Trust pay for a contract with a local counselling organisation to provide a free service on an Occupational Health or self-referral basis.

The staff absence rate during 2009/10 continued to remain relatively low, for the NHS, and was as follows:

- Quarter One – 3.4%
- Quarter Two – 3.9%
- Quarter Three – 4.2%
- Quarter Four – 4.1%

The Trust is also required, by central Government, to submit sickness absence data in a form that permits aggregation across the NHS. This data is calculated nationally from the Electronic Staff Record data warehouse and is for the 2009 calendar year.

Total Days Lost - 54,743
Total Staff Years - 6,304
Average Working Days Lost - 8.7

This compares favourably with the average for all NHS organisations in England of 9.8 Average Working Days Lost.

Workforce statistics

In line with the majority of NHS organisations the Trust workforce is predominately female, though it is becoming more diverse as this figure fell from 79% in 2008/09 to 78% this year, with no one declaring themselves as transgender. This is compared to an East Kent population of 51% female and 49% male. The profile of the staff in the Trust is shown in the table below and compared to that of overall membership:

	Staff (Head Count) 08/09	% 08/09	Staff (Head Count) 09/10	(%) 09/10	Members 08/09	(%) 08/09	Members 09/10	(%) 09/10
Age								
<16	0	0.0	0	0.0	2	0.01	6	0.04
17-21	95	1.0	99	1.0	706	5.5	906	6.1
22+	6,971	99.0	7,418	99.0	8,947	69.4	10,483	70
Other					3,242	25.1	3,557	23.8
Ethnicity								
White	5,876	83.0	6,266	84.0	10,891	84.3	12,661	84.5
Mixed	63	1.0	72	0.5	100	1.0	137	0.9
Asian	608	8.0	676	9.0	629	4.9	772	5.2
Black	119	2.0	149	2.0	168	1.2	248	1.7
Other	400	6.0	354	4.5	1,109	8.6	1,148	7.7
Gender								
Male	1,484	21.0	1,654	22.0	3,668	28.5	4,251	28.4
Female	5,582	79.0	5,863	78.0	9,159	71.0	10,638	71.1
Trans-gender	0	0.0	0	0.0	0	0.0	0	0.0
Not Specified	0	0.0	0	0.0	71	0.5	77	0.5
Recorded Disability	71	1.0	158	2.1	772	6.0	833	5.7
Total	7,066	100	7,517	100	12,899	100	14,966	100
NB "Other" includes not stated								

As would be expected with an increasingly graduate workforce the numbers of staff aged below 21 do not reflect that of the local population. It is however intended to increase these numbers in future through the use of apprenticeship schemes. In terms of ethnicity the Trust workforce is far more diverse than the local population when compared to the KCC 2007 Ethnic Population Estimates (2008 data is not yet available).

Of the staff employed 2.1% have formally declared a disability, compared to 1.0% in 2008/09. However the staff survey results would indicate that more staff consider themselves disabled and as a result staff censuses were conducted in Oct 2009 to try to improve the quality of our disability recording.

Health and safety

The Trust has a strong safety culture. The Trust operates an integrated

and open incident reporting system, enabling trend analyses to be reported through clinical and corporate governance routes.

The Health and Safety Committee meets quarterly and fulfils its statutory duty of providing a joint management and union approach to Health and Safety issues. The committee receives information on incidents or injuries involving violence and aggression, moving and handling, slips, trips and falls and security. Issues arising from the committee are reported to the Trust Clinical Governance and Risk Group.

There has been an increased focus on identifying indicators of safety to support the development of a staff safety framework that will aim to reduce avoidable harm and absence from work associated with work related injuries and illness.

The main safety themes include stress, muscular skeletal injuries, security, needle stick and sharp

injuries, slip, trips and falls and water management. The safety framework will be monitored through the Health & Safety Committee and suitable performance indicators developed and monitored as part of the quality arrangements of the Trust.

The Trust has a robust incident reporting and learning system. The table (below) represents a summary of the current levels of reported incidents related to staff, visitors and contractors.

The Trust has various non-clinical policy processes which incorporates Health & Safety policies. The table provides a summary of the key policies reviewed in the last year.

- Health & Safety Policy
- Water Systems Management
- Falls, Slips and Trips Policy
- Incident Reporting, Investigation and Learning Policy
- Lone Working Policy
- Physical Security Policy
- Violence & Aggression Policy.

Non Clinical Health and Safety Incidents

Incidents by Category

Accident that may result in personal injury	562
Breach of confidentiality / data protection / computer misuse	126
Equipment / facilities	158
Fire including false alarm	45
Manual handling	266
Security	602
Transport issues	176
Incorrect disposal of waste	19

Involving our patients and public

Patient and public engagement

Two high profile public engagement projects were undertaken during the year. One related to obtaining views about patient nutrition. The other was focused on gaining the views of 'seldom heard' groups in relation to the Trust's business plan and also about how they felt Trust could engage with these groups more effectively in the future.

Reducing our impact on the environment

Sustainability/climate change

The Government's strategy for sustainable development "Securing the Future" and the Department of Health's strategy "Taking the Long Term View" provide the mandate for the NHS to engage in sustainable development. The strategies focus on four areas:

- Sustainable development and production
- Climate change and energy
- Protecting natural resources and environment
- Creating sustainable communities

The NHS Carbon Reduction Strategy

produced by the NHS Sustainable Development Unit establishes that the NHS should have an initial target of reducing its 2007 carbon footprint by 10% by 2015. The Trust Board has an obligation to support the implementation of the carbon reduction and sustainable development agendas.

A Carbon Reduction Group involving key staff from across the Trust and chaired by the Director of Strategic Development and Capital Planning has been established. The Group reports to the Clinical Management Board and has the purpose of developing and implementing a Sustainable Development Management Plan (SDMP).

An action plan has been developed to enable adoption of the SDMP in 2010/11. The priorities for the coming year will be:

- Complete baseline assessment of Trust carbon emissions
- Establish carbon reduction milestones for 2013, 2015, 2020, 2030 and 2050
- Develop carbon reduction strategy
- Establish financial implications
- Sign up to NHS Good Corporate Citizenship
- Complete Sustainable Development Action Plan (SDAP)

Actions already implemented include:

- Site surveys and preparation of Carbon Management Energy Efficiency Reports by the Carbon Trust
- The development of initial proposals for the carbon reduction strategy
- Training of an Estates Manager to be an accredited assessor under the Display Energy Certificate regulations

Energy performance

All new developments include low carbon options for electricity, gas and water consumption. Detailed surveys have been commissioned through the Carbon Trust to identify opportunities for energy and carbon reduction.

Our annual energy bill for 2009/10 was £3.5m (electricity £2.15m, gas £1.35m) and water £0.35m. There has been a marked decrease in our energy bill (2008/09 was £4.62m) of £1.12m over the previous year due to the highly volatile market prices. The cost of water has risen by £22k as the standard unit costs have risen.

The Trust continues to work on reducing its carbon footprint and will promote energy and carbon reduction measures in each of these areas during 2010/11.

Despite the introduction of regular flushing of all water outlets as a

Legionella control measure, water consumption remained constant although costs increased due to higher tariffs.

Electricity consumption increased 1.8% mainly due to the increased use of mobile scanners and new scanning equipment which uses more power than the equipment replaced. Despite the increased consumption costs reduced substantially due to the reduction in tariffs.

The 0.6% reduction in gas consumption was achieved, despite the long cold winter, as a result of energy saving engineering work carried out last year. Again, costs reduced because of lower tariffs.

	Non financial data (tonnes) 2008/09	Non financial data (tonnes) 2009/10	Financial data (£k) 2008/09	Financial data (£k) 2009/10
Absolute values for total amount of waste produced by the Trust	2808	2862	631	688
Methods of disposal (optional)				
Landfill	651	158	-	-
High Temperature Incineration	157	236	-	-
Alternative Treatment	940	925	-	-
Energy from Recovery	524	1003	-	-
Electrical	9	10	-	-
Recycling (including confidential waste)	527	530	-	-
Total	2808	2862	-	-
Total Non Recyclable	1748	1319	-	-
Total Recyclable	1060	1543	-	-

Future Priorities

The six key areas on how the Trust is developing and monitoring sustainable policies and procedures:

The organisation prides itself on the 'whole trust' approach to sustainable development. The NHS Good Corporate Citizenship Assessment Model is used to monitor progress, identify gaps and develop the work programmes.

Energy and carbon management

Priorities include:

- Report regularly to the Board, staff, public and other stakeholders on energy efficiency and carbon reduction
- Carbon measurements to replace energy measurements as the target for reduction
- Develop plans for more renewable energy sources
- Low carbon solutions for all new developments
- Encourage staff to take responsibility for energy consumptions and carbon reduction

Procurement and food

Priorities include:

- The Supplies & Procurement Department continue to work to support the Purchasing and Supplies Agency and Office for Government Commerce environmental footprint
- Reviewing the use of the tendering process to ensure suppliers have been evaluated against a range of sustainable and environmental criteria
- Undertake further research into the carbon footprint of pharmaceuticals
- Continued role out of electronic web requisitioning facilities to increase efficiencies by reducing the use of paper

- Ongoing implementation of a print management strategy to eliminate stand-alone printers in favour of grouped multi-functional devices. This will reduce the amount of printing consumables used
- Use of local contractors and suppliers on the estate and service developments
- Promotion of sustainable food and nutrition

Low carbon travel, transport and access

Priorities include:

- Conclude the Travel Plans for each of the five primary sites
- Recruiting a Travel Coordinator to develop and coordinate the sustainable green travel plan of all forms of transport access for patients, staff and visitors to Trust facilities.
- Use of the planning software which will continue to reduce the miles travelled each day by the fleet of 18 Patient Transport Service ambulances across East Kent
- Video conferencing facilities saving travel time, expense and energy
- Increase the number of patients transported in a single journey

Water

- Integrate efficient use of water in the design of building developments
- Measure water costs and consumption
- Immediately identify leaks and fix immediately
- Avoid the purchase of bottled water

Waste

Priorities include:

- The Total Waste Management contract to manage safe disposal

and further encourage recycling and reduce our domestic waste further

- Monitor quantity and cost of all waste streams and set targets for reduction
- Set targets for reducing clinical waste, domestic waste to landfill and to increase recycling

Designing the built environment

- The development of the Estates Strategy will enable the Trust to change from providing services in old and inefficient estate to offering care in low carbon, local, modern fit for purpose facilities
- All new facilities to consider the impacts on transport
- Buildings to have a lower carbon impact not only in construction but also in use over their lifetime
- All new buildings to achieve a BREEAM 'excellent' rating and a 'very good' rating for refurbishment projects

Organisational and workforce development

- Include sustainability and carbon reduction in all job descriptions
- Provide information to staff on carbon reduction and opportunities to use low carbon travel options
- Promote audio and video conferencing

Governance and Finance

- Produce a Sustainable Development Management Plan with clear measurable milestones to measure, monitor and reduce direct carbon emissions
- Set targets to achieve the requirements set out in the Climate Change Act
- Take advantage of schemes which support investment in energy efficiency initiatives
- Understand the financial implications of the Carbon Reduction Commitment

The future

The Trust needs to respond to many different issues when planning its future development, for example:

- National and local policy changes
- Competition from other healthcare providers
- Population growth, particularly in the elderly
- Financial stability and effects of the national economic down turn
- Developments in medical technology
- Deprivation and meeting the needs of vulnerable and hard to reach patient groups
- Training, teaching and research needs
- Increasing expectations from patients, GPs, other NHS organisations and members of the public
- Introduction of new service models
- Compliance with guidance from Royal Colleges and other such bodies
- Maintenance of economies of scale.

We must work with the wider health economy and key stakeholders, eg, local authorities, to ensure that we join up thinking and make the best decisions for the patients and carers that we serve.

Building for the future

The Trust has a long-term plan to bring all of its healthcare buildings up to 21st century healthcare standards. This includes:

- Improving privacy for patients by putting half of all hospital beds in single ensuite rooms and half in four-bed bays, each with their own sanitary facilities
- Adding two more isolation rooms, to make a total of ten isolation rooms

- Making sure all of the Trust's buildings are Disability Discrimination Act compliant
- Reviewing the current accommodation within which community health services are delivered, and where appropriate, re-provide these services in modern, fit-for-purpose facilities
- Refurbishing outpatient departments at the Kent & Canterbury and William Harvey Hospitals and introducing diagnostic facilities within the areas.

In order to support such a significant investment in its estate, the Trust will need to continue to deliver financial efficiency savings in a very challenging financial environment for public services. We currently plan to start making these changes over the next few years which will involve significant investment.

Buckland Hospital, Dover

The Trust has fully reviewed a number of options over the last year for the future of hospital services in Dover. This has included a site at Whitfield and a detailed study on the town centre option to understand the flood risk. These options have now been discounted and in partnership with the PCT the Trust is now reviewing the option of building on Buckland Hospital site.

Kent and Canterbury Hospital, Canterbury

- A six-bed extension to the Urology Ward (Clarke Ward)
- A major refurbishment of the Oncology Department
- A major refurbishment of the Outpatients Department.

Queen Elizabeth The Queen Mother Hospital, Margate

- A new midwifery-led birthing unit to sit alongside the traditional labour ward
- Refurbishment of the Endoscopy Unit and a new minor procedures suite
- A major refurbishment of outpatients
- A new nursery
- Laminar flow theatre and obstetric theatre.

William Harvey Hospital, Ashford

- A new Head and Neck facility to enable the centralisation of inpatient maxillofacial services at William Harvey Hospital
- Refurbishment of the Endoscopy Unit.

Objectives 2010-2011

Objective summary	Comment
Sustain a maximum referral to treatment time of 18 weeks	The Trust has plans in place to address the shortfall in capacity required to enable all patients on an admitted pathway to be treated within 18 weeks. The Trust plans to meet this access standard by end of Quarter 1 for all pathways except for maxillofacial and orthopaedic services which will be compliant by end of Quarter 2 and Quarter 3 respectively
Achieve and maintain all the cancer targets progress	The Trust will redesign the pathways for patients to through the system in collaboration with partners
Maintain A&E target for treatment, admission or discharge within four hours of arrival	The Trust plans to continue to meet the access standard for emergency and urgent care. The Lean Improvement programme continues to focus on improving emergency care pathways at WHH and QEQM. A systematic whole system review is planned in collaboration with partners.
Continue to upgrade and develop the Trust's estate	Plans include: an extension to the urology ward at Kent & Canterbury Hospital; upgrading the endoscopy facilities at William Harvey and Queen Elizabeth The Queen Mother hospitals; improving the oncology facilities at Kent & Canterbury Hospital; transferring maxillofacial services to a dedicated Head & Neck unit at William Harvey Hospital; finalising proposals for the redevelopment of the services at Buckland Hospital.
Continue to upgrade and develop the Trust's IT infrastructure	The Trust will continue the programme of network upgrades at William Harvey and Queen Elizabeth The Queen Mother hospitals and make a test results ordering system available to GPs.
Extend the Trust's Lean Service Improvement Programme	The Trust has set an ambitious programme over four clinical pathways to improve the efficiency and effectiveness of the services we provide.
Agree a long term capacity model that ensures maximum use of estate	We have commissioned a project to deliver a model outlining the implications of the Trust implementing a "two week wait" for first outpatient appointment. This will be for all specialities with 80% of services provided locally within a community setting.
To guarantee staff are able, empowered and responsible for the delivery of effective care	We are aiming to reduce staff turnover, improve staff training, improve the fill rate in Deanery posts and to reduce bullying and harassment as measured in the staff survey. The Trust also intends to improve the management of all Trust policies, introduce web based consultant job planning system and complete transfer of SAS (staff grade and associate specialist) doctors to new contract.

Objectives 2010-2011

Objective summary	Comment
Support the development of the Research & Development strategic plan	We intend to work with the Director of Research and Development to increase research and innovation and external links within the University Trust.
Maintain full registration without conditions against the Care Quality Commission's Essential Standards of Quality and Safety and improve patient safety, experience and engagement	<p>We intend to achieve full registration with no conditions in the Care Quality Commission Quality rating and develop and publish an agreed 'Quality Account' in collaboration with service users, which is aligned with local needs and local priorities.</p> <p>The Trust will also participate in national audit on Patient Reported Outcome Measures (PROMs) for General Surgery and Trauma and Orthopaedics and embed the principles of 'Making Experiences Count' in resolving patient concerns, complaints and improving patient experience.</p>
Implement third year of Patient Safety Strategy Programme to continue to reduce mortality and harm events	This will be achieved by developing and implement Clinical Metrics Strategy and build ward to board reporting capability, developing trend 'harm events' rates through Trigger Tool and use to embed changes within clinical pathways through systems improvement. The Trust will improve on low rates of Healthcare Associated Infection agreed with commissioners as part of 'Quality Account' and improve on successful mortality reduction trend.
Develop a robust three year financial plan with an explicit Cost Improvement Programme for 2010/2011 and with growth of EBITDA margin levels up to 8%	This will involve working with directorates to develop cash releasing savings according to target and negotiating contracts with commissioners that deliver sufficient activity and finance to meet financial targets. We want to improve the surpluses we make to re-invest back into services and improve our estate.
Develop a reporting and analytic framework to support the Trust in delivering operational and corporate objectives	This will include implementation of appropriate analysis tools and techniques to support the interpretation of key data issues and trends, including the use of benchmarks and comparative measures. In addition, a reporting framework will be developed to effectively support monitoring and performance management.

Council of Governors

The Board of Directors works closely with the Council of Governors to ensure that it understands the views of Governors, and through them, the views of members.

To support this process:

- The Lead Governor attends the performance section of Board of Directors meetings each month and reports to the Council of Governors
- Executive and Non Executive Directors attend Council of Governors meetings
- Council of Governors committees are attended by Non Executive Directors and Executive directors of the Board as necessary.

The Council of Governors has a number of statutory duties, including appointing the Chairman and Non Executive Directors and ratifying the appointment of the Chief Executive. The Council of Governors also determines the remuneration and terms and conditions of the Chairman and Non Executive Directors, receives the Trust's Annual report and accounts and auditor's report, and appoints the Trust's external auditor.

The public and staff members of the Council of Governors are elected from the Foundation Trust membership by the members and serve for terms of office between two and three years. Elections for those positions originally took place in February 2009. A further election took place in September 2009.

A by-election was held in the Dover Constituency in September 2009, 31.9% of eligible members voted. Stephen Collyer and Liz Rath were elected from the six candidates standing for the two vacant seats.

There were three changes in the partnership governors during the past year. Geraint Davies replacing Janet Brierly representing South East Coast Ambulance Services NHS Trust, Anne Tidmarsh replacing Janet Hughes for Kent County Council Social Services and Clare Mackie, as representing the University of Kent, resigning from her position in March 2010. Two representatives of the Eastern and Coastal Primary Health Care Trust also joined the Council, these are Philip Greenhill and Karen Benbow.

A full list of the Council of Governors is presented on the next page.

The Council of Governors has established a number of working groups which meet during the year outside the formal meetings of the full Council to focus on specific issues such as: engaging and communicating with members, patient and staff experience projects and providing advice and views on national consultations.

Council of Governors' meetings

The Council of Governors meets in public on a quarterly basis. You can find dates for the meetings and copies of the minutes and reports on the Trust's website – www.ekhuft.nhs.uk.

A register of Governors' interests is maintained and is available on request from the Membership Office.

Contacting your governors

Members of the Council of Governors may be contacted via the Membership Office, 01843 225544 ext 62696, or through the membership area of the Trust's website www.ekhuft.nhs.uk/membership or by emailing governor@ekht.nhs.uk

The Council of Governors – terms of office

Constituency	Name	Term of Office Ends 28/02/
Elected Governors		
Ashford Borough Council	Jocelyn Craig	2012
	Terence Golding	2012
	John Fletcher	2011
Canterbury City Council	Stuart Field	2012
	David Shortt	2012
	Tricia Shephard MBE., DL	2011
Dover District Council	Liz Rath	2012
	David Collyer	2012
	Laurence Shaw	2011
Shepway District Council	Molly Hunter	2012
	Ray Morgan MBE	2012
	Alan Hewitt	2011
Swale Borough Council	Ken Rogers	2012
	Paul Durkin	2012
Thanet District Council	Jeanne Lawrence	2012
	Reynagh Jarrett	2012
	Elizabeth Poole	2011
Rest of England and Wales	Jamie Bennie-Coulson	2012
Staff	John Sewell	2012
	Karen Bisset	2012
	Lesley Long	2011
	Chi Davies	2011
Partnership Governors		
Kent & Medway NHS & Social Care Partnership Trust	Marie Dodd	2012
Canterbury Christ Church University	Hazel Colyer	2012
NHS Eastern and Coastal Kent	Karen Benbow	2012
Eastern and Coastal Kent Community Services	Philip Greenhill	2012
Kent County Council Social Services	Anne Tidmarsh	2012
Local Authorities	John Kemp MBE	2012
South East Coast Ambulance Services NHS Trust	Geraint Davies	2012
University of Kent	Clare Mackie	2012
Volunteers working with the Trust	Michael Lyons	2012
Voluntary Sector	Jan Stewart	2012

Council of Governors attendance

		24 Apr 09	14 May 09	14 July 09	29 Sept 09	14 Jan 10
Karen Benbow*	Partnership Governor Eastern & Coastal Kent PCT					
Jamie Bennie-Coulson	Rest of England & Wales	x	✓	✓	x	x
Karen Jean Bissett	Staff Governor	✓	✓	✓	✓	✓
Stephen Collyer	Elected Governor Dover				✓	x
Hazel Colyer	Partnership Governor Canterbury Christ Church University	✓	x	x	x	x
Jocelyn Craig	Elected Governor Ashford	✓	✓	✓	✓	✓
Chi Davies	Staff Governor	✓	✓	x	✓	✓
Geraint Davies	Partnership Governor SECAMBS			✓	x	x
Marie Dodd	Partnership Governor Kent & Medway NHS & Social Care Partnership Trust	x	✓	x	x	✓
Paul Durkin	Elected Governor Swale	✓	✓	x	✓	✓
Stuart Field	Elected Governor Canterbury	✓	x	✓	✓	✓
John Thornton Fletcher	Elected Governor Ashford	✓	✓	x	x	✓
Terence J.P. Golding	Elected Governor Ashford	✓	✓	x	✓	✓
Philip Greenhill	Partnership Governor Eastern & Coastal Kent Community Services					✓

how the Trust is run

		24 Apr 09	14 May 09	14 July 09	29 Sept 09	14 Jan 10
Alan Hewett	Elected Governor Ashford	✓	✓	✓	✓	✓
Molly Hunter	Elected Governor Shepway	✓	✓	✓	✓	✓
Reynagh Henry Jarrett	Elected Governor Thanet	✓	✓	✓	✓	✓
John Kemp MBE	Partnership Governor Local Authority	✓	✓	✓	x	x
Jeanne Lawrence	Elected Governor Thanet	✓	✓	✓	✓	x
Lesley Long	Staff Governor	✓	✓	x	✓	✓
Michael Lyons	Partnership Governor Volunteers working with the Trust	✓	x	x	x	x
Clare Mackie	Partnership Governor University of Kent	x	x	x	x	x
Ray Morgan	Elected Governor Shepway	✓	✓	✓	✓	✓
Elizabeth Poole	Elected Governor Thanet	✓	✓	x	x	x
Liz Rath	Elected Governor Dover				✓	x
Ken Rogers	Elected Governor Swale	✓	✓	✓	✓	x
John Sewell	Staff Governor	✓	✓	✓	✓	✓
Laurence Shaw	Elected Governor Dover	x	x	✓	✓	x
Tricia Shepherd MBE.DL	Elected Governor Canterbury	✓	✓	✓	✓	x
David John Skey Shortt	Elected Governor Canterbury	✓	✓	✓	✓	✓

		24 Apr 09	14 May 09	14 July 09	29 Sept 09	14 Jan 10
Jan Stewart	Partnership Governor Voluntary Sector (KentCAN)	x	x	✓	x	x
Anne Tidmarsh	Partnership Governor Kent County Council Social Services			✓	x	x
Past Governors						
Amanda Harrison		✓				
Janet Brierley		✓				
Janet Gooch		✓				
Lorraine Sencicle		✓				
Janet Hughes		x	x	x	x	✓
* Joined the Council of Governors on January 2010						

Nominations and Remuneration committee

The nominations and remuneration committee makes recommendations to the Council of Governors on the appointment and/or removal of the Chairman and Non Executive Directors. The committee also provides advice to the Council of Governors on levels of remuneration for the Chairman and other Non Executive Directors. The committee works with the Lead Governor and Senior Independent Director to determine to process for and outcome of the appraisal for the Chair.

The appointment of one new Non Executive Director was confirmed by the Council of Governors last year and we are delighted to welcome Richard Suthers to the Trust.

Table of membership and attendance at Nominations and Remuneration committee.

Council of Governors - Nomination and Remuneration Committee

	5.6.09	2.7.09	7.8.09	9.9.09	5.11.09	1.12.09	31.3.10
Jeanne Lawrence	✓	✓	✓	✓	✓	✓	✓
John Fletcher	✓	✓	✓	x	x	x	x
Ray Morgan	✓	✓	✓	✓	✓	x	x
Elizabeth Poole	x	✓	✓	x	✓	x	x
Jan Stewart	✓	✓	x	x	x	x	x
Reynagh Jarrett	✓	x	✓	✓	✓	✓	✓
Alan Hewett*							✓
Molly Hunter*							x

* Joined the Committee in March 2010

Membership

Membership of the East Kent Hospitals University NHS Foundation Trust is open to anyone over the age of 16 years who lives in England or Wales.

Constituencies

The Trust has seven public constituencies. Six are based on Local Authority Areas: Ashford;

Canterbury; Dover; Shepway: Swale and Thanet. The seventh, Rest of England and Wales constituency, allows non-East Kent residents who are patients, or relatives of local users, to become members and elect a governor. There is also a staff constituency, which represents staff interests on the Council of Governors. All staff on permanent contracts or who are in continuous contracted employment with the Trust for over a year are opted in to this

constituency. Staff members cannot be concurrent members of any public constituency.

Membership by Constituency as 31st March 2010

Constituency	Membership at 31/03/2010
Ashford	853
Canterbury	2546
Dover	970
Shepway	778
Swale	462
Thanet	1660
Rest of England and Wales	992
Staff	6685
Total	14946*

**20 public members declined to give postal addresses and are not included in this breakdown.*

Foundation Trust membership continued to grow throughout 2009/10. The Trust recruited over 1,700 new public members during 2009/10; 524 public members were removed during the year, giving the Trust an overall public membership of 8,282.

With the establishment of the Council of Governors, in March 2009, membership engagement, in addition to recruitment, has become an important focus of membership activity. Governors have been involved in a number of membership recruitment and engagement events over the past year, which have allowed individual members to give their views on a number of topics related to the Trust. The Council of Governors have expressed their intention to extend their participation in local events over the forthcoming year.

The first of several planned membership related events, a Health Road Show focused on Chronic Pain, was held in Canterbury in November 2009 in partnership with Community Health Services and Pfizer. Over 200 members attended; similar events are scheduled to be held around the East Kent area in 2010. In addition, members who expressed an interest have been contacted by the Membership Office with invitations to become involved with consultations on several of the Trust's services including Learning Disabilities, Psychiatric Liaison services, Meal Services and Equality Issues.

The format of the Membership magazine has now been agreed and members are receiving this from March 2010. The membership section of the Trust's website has been achieving an average of over 1,500 hits a month.

The membership still has a higher preponderance of female to male members approximately 2:1 despite attempts by recruiters to encourage more males to join. The Membership Office and governors are targeting a number of membership initiatives towards males to address this.

Over 6% of the membership stated that they consider they have a disability. The membership manager and governors are continuing to support the Trust's Equality and Diversity Lead to establish links with East Kent communities who are designated 'difficult to engage' though a series of consultations and by participating in health related events around the area. The ethnicity profile of the membership has increased within all categories over the past year, see below; however, the Trust recognises that

they must continue to monitor this closely and, in addition, are continuing to develop a pro-active engagement strategy with those communities and health groups whose opinions are sometimes not easily heard in open public consultations.

Membership

Age	Public Members	Eligible pop.	Public out of catchment	Staff members	Total	Members % of Total Eligible Population 31/03/2010	By % of Eligible Population 31/03/2009
0 to 16 years	4	9,154	2	0	6	0.04	0.01
17 to 21 years	509	41,788	308	89	906	1.43	1.30
22 years +	3,362	498,660	527	6,568	10,483	2.00	1.76
NK	3,414		155		3,557		
Total	7,289	549,602	992	6,685	14,966		
Ethnicity	Public Members	Eligible pop.	Public out of catchment	Staff members	Total	Members % of Total Eligible Population 31/03/2010	By % of Eligible Population 31/03/2009
Not specified	655	0	100	242	997		
White	6,355	671,750	596	5,710	12,661	1.80	1.57
Mixed	51	5,418	37	49	137	1.85	1.61
Asian or Asian British	127	5,295	157	488	772	11.61	11.39
Black or Black British	59	2,250	81	108	248	7.42	6.18
Other Ethnicity	42	3,374	21	88	151	3.85	3.91
Total	7,289	688,087	992	6,685	14,966		
Socio-economic Groupings	Public Members	Eligible pop.	Public out of catchment	Staff members	Total	Members % of Total Eligible Population 31/03/2010	By % of Eligible Population 31/03/2009
ABC1	5,630	269,318	20	4,992	10,615	3.94	3.43
C2	206	85,627	1	170	377	0.44	0.39
D	718	90,219	1	619	1,338	1.48	1.29
E	693	88,144	0	522	1,215	1.38	1.22
Not assigned	44		971	390	1,405		
Total	7,289	533,308	992	6,685	14,966		
Gender	Public Members	Eligible pop.	Public out of catchment	Staff members	Total	Members % of Total Eligible Population 31/03/2010	By % of Eligible Population 31/03/2009
Male	2,561	260,092	357	1,333	4,251	1.50	1.35
Female	4,663	289,510	624	5,351	10,638	3.46	3.06
Not specified	65	0	11	1	77		
Total	7,289	549,602	992	6,685	14,966		
Do you consider you have a disability	Public Members	Eligible pop.	Public out of catchment	Staff members	Total	Members % of Total Eligible Population 31/03/2010	By % of Eligible Population 31/03/2009
Total	833	0	0	0	0	0	

Source: Capita Membership Database as at 31 Mar 10.

Note: the figures calculating the eligible population/total population are drawn from a number of different data sets, leading to some variation.

Board of Directors

The Board of Directors is responsible for the management and governance of the Trust. It provides leadership within a framework of controls that enables risk to be addressed and managed. The Board of Directors is responsible for ensuring compliance with the terms of authorisation, mandatory guidance issued by Monitor, statutory requirements and contractual obligations.

The Board of Directors comprises the Chair, seven Non Executive Directors and seven Executive Directors. All Board directors have joint responsibility for decisions. The Executive Directors manage the day to day running of the Trust, while the Chair and Non Executive Directors provide experience gained from other public and private sector bodies. Among their skills is accountancy, medicine and management consultancy.

The full time Executive Directors have extensive experience as NHS directors and the Board considers that there is a good balance of skills represented by both Non Executive and Executive board members.

The Board of Directors has a Deputy Chairman and a Senior Independent Director. The terms of office for Non Executive Directors are presented below. Non Executive Directors are appointed by the Council of Governors, who also set their remuneration and terms and conditions of office.

The Trust considers that all the Non Executive Directors are independent and that there are no relationships or circumstances which are likely to affect, or could appear to affect, their judgement in this respect.

Board of Directors' meetings

Monthly Board of Directors' meetings are held in private, although the Lead Governor is invited to attend the performance section of the meeting and performance reports are published on the Trust website and shared with the Council of Governors each month.

In September the Trust holds an Annual Public meeting, where members of the Foundation Trust, local people, staff and other stakeholders are invited to hear about how the Trust has performed during the year and to meet the Board of Directors and the Council of Governors. There is also an opportunity to ask questions of the Chief Executive, Chairman, Executive Directors and Lead Governor. Around 200 people attended the Trust's Annual Public meeting in September 2009.

The Executive Directors

Chief Executive - Stuart Bain
Finance Director - Rupert Egginton
Medical Director - Neil Martin
Acting Chief Operating Officer/Chief Nurse - Julie Pearce
Director of Strategic Development and Capital Planning - Liz Shutler
Chief Operating Officer - Tracey Fletcher (to March 2010)
Director of Human Resources and Corporate Affairs - Peter Murphy

The Non Executive Directors

Chair - Nicholas Wells
Deputy Chair and Chair of the Audit Committee - Debbie McKellar
Senior Independent Director and Chair of the Finance & Investment Committee from March 2010 - Jonathan Spencer,

Chair – Finance and Investment Committee - Richard Sturt (to 28 February 2010)
Chair - Remuneration Committee - Alan Clark
Chair – Charitable Funds Committee - Richard Samuel
Valerie Owen
Professor Christopher Corrigan
Richard Suthers (from 01 March 2010).

Stuart Bain, Chief Executive

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 and structure, performance management and estates/asset management.

Julie Pearce, Director of Nursing, Midwifery & Quality

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 specific areas of expertise include clinical awareness, strategic risk management, legal awareness and change management. From February 2010 Julie has taken the position of Acting Chief Operating Officer/Chief Nurse.

Rupert Egginton, Finance Director and Deputy Chief Executive

Rupert Egginton, Finance Director 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 a member of the National Blood Price Setting Group.

Dr Neil Martin, Medical Director

Dr Neil Martin, Medical Director joined the Trust in 1987 but joined the Board of Directors in August 2007 when he took up the post of Medical Director. Dr Martin is also a Consultant Paediatrician and Neonatologist and 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

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 stepped down as a Board member on 15 February 2010 and left the Trust on 23 March 2010.

Peter Murphy, Director of Human Resources and Corporate Affairs

Peter Murphy, Director of Human Resources and Corporate Affairs joined the Trust 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 and Capital Planning

Liz Shutler, Director of Strategic Development and Capital Planning joined the Trust in January 2004. Since appointment Liz has led the £24.5million reconfiguration of services across East Kent's three acute hospital sites. Liz has particular expertise in the fields of strategy development, change management, performance management and partnership working.

Sally Moore, Acting Director of Nursing, Midwifery & Quality

Sally Moore, Acting Director of Nursing, Midwifery & Quality since February 2010.

Non Executive Directors terms of office

Nicholas Wells, Chairman, appointed September 2008, current term of office ends 3 September 2012

Debbie McKellar, Deputy Chairman, appointed from 2 March 2009 for the period of her tenure. First appointed as a Non Executive Director in November 2006, current term of office ends 31 October 2010

Jonathan Spencer, Senior Independent Director appointed 2 March 2009 for the period of his tenure. First appointed November 2007, current term of office ends 31 October 2011

Richard Sturt, first appointed December 2001, term of office ended on 28 February 2010

Richard Samuel, first appointed November 2007, current term of office ends 31 October 2011

Valerie Owen, first appointed 1 December 2008, current term of office ends 30 November 2012

Christopher Corrigan, first appointed 1 January 2009, current term of office ends 31 December 2012

Alan Clark, first appointed in January 2003, current term of office ends 31 December 2010

Richard Suthers was appointed from 1 March 2010, current term of office ends 28 February 2013

Declaration of interests

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, 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. Further details are given in the Trust's annual accounts.

Jonathan Spencer is a Non Executive Director with Liberty Mutual Insurance Europe and no transactions have taken place with this organisation. Jonathan's wife was a Director of Canterbury Christ Church University for part of 2009/10.

Debbie McKellar is Managing Director and owner of FJD Consulting Limited.

Alan Clark is Associate Member of the General Medical Council, and Chairman of the Trustees, Michael Yoakley's Charity, which provides sheltered care for the elderly and respite care.

Richard Suthers is employed by SHM Productions Limited, a strategy and insight management consultancy which has advised various NHS organisations and the Department of Health.

Valerie Owen is Director of Le Vaillant Owen Consultancy, Ambassador Square E14 Ltd, Places for people group and Generator group and owner of Le Vaillant Owen Consultancy. Her public/ministerial appointments include Chair of Thames Region Environment Protection Advisory Committee (Environment Agency), and Non Executive Director, Dover Harbour Board. She is a Governor of Walmer Science College.

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

Stuart Bain is also an unpaid Director of Healthex Limited and East Kent Medical Services Limited (EKMS), the company that provides services to private and NHS patients from the Spencer Wing at Queen Elizabeth The Queen Mother Hospital. Rupert Egginton is an unpaid director of EKMS.

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

Evaluation of performance

The Board of Directors held a facilitated development day in June 2009. The day focused on the role of the Board of Directors and board effectiveness.

All Executive and Non Executive Directors have an annual performance appraisal and personal development plan. The performance of Executive Directors is reviewed by the Chief Executive and considered by the Remuneration Committee. The performance of the Non Executive Directors and the Chief Executive Officer is reviewed by the Chair. The Chair's performance review is led by the Senior Independent Director.

A register of Directors' interests is updated annually and is available on request.

Attendance at Board of Directors meetings

The Board of Directors held 12 meetings during 2009/10. Some of the work of committees is delegated to committees, which also met regularly throughout the year. Each committee is chaired by a Non Executive Director. There is a standing item at every Board of Directors meeting to receive reports and minutes from meetings of Board committees.

Board of Directors attendance

	29.5.09	26.6.09
Nicholas Wells	✓	✓
Stuart Bain	✓	✓
Rupert Egginton	x	✓
Julie Pearce	✓	✓
Neil Martin	✓	✓
Tracey Fletcher *	✓	✓
Peter Murphy	✓	✓
Liz Shutler	✓	✓
Dr J Spencer	✓	✓
Richard Sturt **	✓	✓
Debbie McKellar	✓	x
Chris Corrigan	✓	x
Richard Samuel	✓	✓
Alan Clark	✓	✓
Valerie Owen	✓	✓
Richard Suthers ***		
Sally Moore ****		

* Left the Trust in March 2010

** Left the Trust in February 2010

*** Joined the Trust in March 2010

**** Joined the Board in February 2010

31.7.09	28.8.09	25.9.09	13.10.09	30.10.09	27.11.09	23.12.09	27.1.10	26.2.10	26.3.10
✓	✓	✓	X	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	X	✓	✓	✓	✓	✓	✓	✓	✓
✓	X	X	X	✓	✓	✓	✓	✓	X
✓	✓	✓	✓	✓	✓	✓	✓		
X	✓	✓	✓	X	✓	✓	✓	✓	✓
✓	X	✓	X	X	✓	✓	✓	✓	✓
✓	✓	✓	X	✓	✓	✓	✓	✓	✓
X	✓	✓	X	✓	✓	✓	✓	✓	
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
X	✓	✓	X	✓	✓	✓	✓	✓	✓
✓	✓	✓	X	✓	✓	✓	X	✓	✓
✓	✓	✓	✓	✓	✓	✓	X	✓	✓
X	✓	✓	X	✓	✓	✓	✓	✓	✓
									✓
								✓	X

Board committee membership

Committee	Membership
Audit	Debbie McKellar (Chair), Valerie Owen, Alan Clark, Jonathan Spencer
Finance & Investment	Richard Sturt (Chair to Feb 2010), Jonathan Spencer (Chair from March 2010), Richard Samuel, Nicholas Wells, Richard Suthers (from March 2010), Stuart Bain, Rupert Egginton
Charitable Funds	Richard Samuel (Chair), Nicholas Wells, Alan Clark, Richard Sturt (to Feb 2010), Stuart Bain, Rupert Egginton, Liz Shutler, Neil Martin, Richard Suthers (from March 2010)
Remuneration	Alan Clark (Chair), Valerie Owen, Nicholas Wells, Richard Sturt (to Feb 2010), Richard Suthers (from March 2010), Christopher Corrigan, Richard Samuel, Jonathan Spencer, Debbie McKellar

Audit Committee membership and attendance

The audit committee is a non-executive committee of the board and has no executive powers.

Non executive members and their attendance are shown in the table below:

Name	April 2009	May 2009	June 2009	Aug 2009	Oct 2009	Dec 2009	Feb 2010
Mrs Debbie McKellar, ACMA (Chair)	✓	✓	✓	✓	✓	✓	✓
Dr Jonathan Spencer	✓			✓		✓	✓
Mrs Valerie Owen	✓		✓			✓	✓
Mr Alan Clark	✓	✓	✓	✓	✓	✓	✓
✓ = attendance							

Remuneration committee

The Remuneration Committee agrees the remuneration and terms of service of the Executive Directors, and, together with the Chief Executive, forms the panel for Executive Director appointments.

Remuneration Committee members during 2009/2010

Name	Title	8 May 2009	4 Nov 2009
Alan Clark	Chair, Non Executive Director	✓	✓
Debbie McKellar	Non Executive Director	apologies	✓
Dr. Jonathan Spencer	Non Executive Director	✓	apologies
Richard Sturt	Non Executive Director	✓	✓
Richard Samuel	Non Executive Director	✓	apologies
Nicholas Wells	Chairman	✓	✓
Valerie Owen	Non Executive Director	✓	✓
Chris Corrigan	Non Executive Director	apologies	apologies

The following staff also provided advice or services to the Committee that materially assisted them:

- Stuart Bain - Chief Executive
- Jacqui Siggers - Head of Human Resources (until 8 August 2009)
- Fiona Stephens - Head of Learning and Business Partnering (until 8

August 2009, then Interim Head of Human Resources)

- Claire Berry - HR Business Partner
- Herjinder Gill - Interim Head of Learning and Business Partnering
- Martin Luff - Head of Corporate Human Resources.

Remuneration of senior managers

All senior managers other than Board members are under national terms and conditions and as such their pay uplifts are governed centrally. In determining the pay and conditions of employment for Executive Directors, the committee takes account of national pay awards given to the Pay and Non-Pay Review staff groups, together with external benchmarking data - last provided in 08/09 by HAY.

Performance pay

The Remuneration Committee, as delegated by the Trust Board, is required to review Director Performance and agree annual pay uplifts for all employees not covered by national agreements. The Committee will, in determining appropriate annual pay uplifts, review available information on National NHS pay negotiations as well as other available data such as the inflation rate. This will be done throughout the year prior to the offer being made.

In 2008 a system of Performance related pay (PRP) was agreed for Executive Directors. An annual pay uplift and potential performance bonus could be payable depending on the placing of the directors and managers in one of five categories based on levels of performance against agreed objectives, including key performance targets and overall financial performance. 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 2009/10 is yet to be completed. In 2008/09 a 1.5% pay uplift was agreed as well as a 2% bonus for all Executive Directors.

Excerpt from the policy for determining the remuneration and performance management of executive directors and very senior managers:

Performance Category	Consolidated pay uplift FY 08/09	Non-consolidated bonus
Under performing – significant objectives not achieved	-	-
Performing –objectives substantially achieved	Annual uplift	-
Over achieving – all objectives achieved, 1/3 objectives over achieved	Annual uplift	2%
Substantial over achievement – all objectives achieved, 2/3 objectives over achieved	Annual uplift	3%
Excelled – all objectives over achieved	Annual Uplift	4%

Duration of contracts

All Executive Directors have a substantive contract of employment with a three or six 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 or capability 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 2009/10 the definition applies only to those listed in the table of salaries and allowances shown below. Directors' remuneration disclosures can also be found in note 4 to the annual accounts.

Remuneration Report (audited)

Senior Managers' salaries and non-cash benefits

Name	Salary	Other remuneration	Benefits in kind	Salary	Other remuneration	Benefits in kind
	2009/10			01/03/09 to 31/03/09		
	note 1	note 1	note 2	note 1	note 1	note 2
Nicholas Wells	50-55			0-5		
Alan Clark	10-15			0-5		
Christopher Corrigan	10-15			0-5		
Deborah McKellar	15-20			0-5		
Valerie Owen	10-15			0-5		
Richard Samuel	10-15			0-5		
Jonathan Spencer	10-15			0-5		
Richard Sturt to 28/02/10	10-15			0-5		
Richard Suthers from 25/02/10	0-5					
Stuart Bain	175-180		7.2	10-15		1.2
Rupert Egginton	125-130			10-15		
Tracey Fletcher to 23/03/10: note 3	175-180			5-10		
Neil Martin	130-135	55-60		10-15	0-5	
Peter Murphy	95-100		1.0	5-10		0.0
Julie Pearce	100-105			5-10		
Elizabeth Shutler	100-105		4.1	5-10		0.4
Sally Moore from 15/02/10: note 4	5-10					

All figures are in £ thousands.

Note:

1. Bands of £5,000
2. Taxable benefit on lease car
3. Includes a final payment equivalent to the contractual entitlement
4. Total salary whilst acting as a director

Pension Benefits of Senior Managers

This pensions information is provided by the NHS Business Services Authority - Pensions Division on an annual basis

Name	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 CETV
			at 31 Mar 2010	at 31 Mar 2010	at 31 Mar 2010	at 31 March 2009	
	note 1	note 1	note 2	note 2			
Stuart Bain (note 3)	82.5-85.0	255-257.5	85-90	260-265	2063	58	2002
Rupert Egginton	0-2.5	0-2.5	35-40	105-110	599	537	35
Tracey Fletcher	0-2.5	5-7.5	20-25	70-75	335	277	42
Neil Martin	5.0-7.5	20-22.5	75-80	235-240	1891	1570	243
Peter Murphy	0-2.5	2.5-5.0	10-15	30-35	242	205	27
Julie Pearce	0-2.5	0-2.5	35-40	105-110	723	654	36
Elizabeth Shutler	0-2.5	0-2.5	20-25	70-75	352	312	24
Sally Moore (note 4)	0-2.5	n/a	n/a	n/a	n/a	n/a	n/a

All figures are in £thousands. n/a : not available

All the above are executive directors; non-executive directors do not receive pensionable remuneration.

No contribution was made by the Trust to a stakeholder pension.

Note:

1. Bands of £2,500
2. Bands of £5,000
3. Includes transfer of previous accrued pension from NHS Scotland
4. Total for period as acting director

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 the disclosure applies. The CETV figures, and from 2004/05 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

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 pension scheme or arrangement) and uses common market valuation factors for the start and the end of the period. Changes occurred in the factors used to calculate CETVs when the Occupational Pension Scheme (Transfer Value Amendment) regulations came into force on 1st October 2008. Further regulations from the Department for Work and Pensions to determine the CETV from Public Sector Pension Schemes came into force on 13th October 2008.

Signed:



Chief Executive

Date: 26 May 2010

Statements from Chairs of Committees

Audit Committee

The Audit Committee chair has recent and relevant financial experience and is an associate member of the Chartered Institute of Management Accountants. The non executive directors are the members of the Audit Committee. The Audit Committee is regularly 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. During the year audit committee members attended a number of pre-meetings with both internal and external auditors. This provided an opportunity to review potentially sensitive matters and to ensure their independence has not been compromised. All requests for non-statutory audit services have been reviewed and approved by the Audit Committee to further ensure auditor independence and objectivity are safeguarded.

The main role and responsibilities of the audit committee are set out in written terms of reference which detail how it will monitor the integrity of the financial statements, review the trust's internal financial controls, review the trust's internal control, governance and risk management systems, monitor and review the effectiveness of the trust's internal and external audit function.

In order to review and support the annual statement of internal control the audit committee has regularly reviewed the board assurance framework and corporate risk register, considered the findings and recommendations from the trust's audit functions (both internal and

external). It has additionally received reports from management, for example, minutes from the executive director led risk management and governance group, and clinical management board, strategy papers relating to risk management, clinical audit and governance together with a number of specific management areas where additional assurance was required. In addition, a number of relevant annual reports in support of the trust's compliance with standards in relation to clinical quality and patient safety were presented. The audit committee has reviewed the robustness of the interim self-assessment against the Care Quality Commission standards (previously known as Standards for Better Health) and initial registration submission (January 2010). Following each audit committee the chair presents a summary of key issues and matters to be addressed to the Trust Board for consideration, action and support.

The audit committee's continuing aim is to integrate review and scrutiny of internal controls and risk as they relate to both financial and clinical matters for the benefit of the trust's patients, staff and key stakeholders, including its regulator Monitor. To further support this approach the Audit Committee will be re-named the Integrated Audit and Governance Committee as from May 2010.

The audit committee has worked closely with the audit working group (a representative body of the council of governors), to agree the policy, methodology and selection process for the appointment of the trust's external auditors. This joint working group unanimously agreed to recommend to the council of governors the appointment of KPMG as auditors to the trust for the

financial year beginning April 2010, for an initial contract period of three years, with the right to extend by a further year, subject to performance criteria being met.

The audit committee undertakes annual self assessment to identify areas for improvement and whether its members have the relevant skills and experience to enhance their contribution to the committee. Feedback from self assessment is incorporated into the Committee's annual report to the Trust Board reviewing progress against annual objectives, including compliance with terms of reference and identifies areas for further development. The Committee receives technical briefings and updates from finance, auditors and the executive team in order to remain up to date with latest requirements.

Charitable Funds Committee

The Charitable Funds Committee oversees the administration of the many donations, legacies and investments that are held within the renamed East Kent Hospitals Charity (the Charity).

It will have escaped no-one's notice that the past year has been a turbulent one for the economy. Inevitably this has also had a negative impact on giving to the Charity. The reduction in both donations and legacies together with a lower return from investment income, made it necessary to release some capital from the investment plan to provide sufficient cash in support of the programme of grants.

In total £604k was provided to hospital managers to improve facilities for patients in the care of the East Kent Hospitals University NHS Foundation Trust. The following list provides an example of some of the

projects the Charity has supported:

Portable Echocardio Machines x 3 in Cardiology Units at K&C, QEOM and WHH £119k

Digital Blood Film Morphology x 2 in Pathology at WHH and K&C - £70k
MP30 Monitors x 9 on Rainbow Ward QEOM - £50k

Relatives room at QEOM situated by Fordwich Ward - £55k

The Charity has also seen the appointment of a new fundraising manager who has developed a range of new promotional and marketing materials for the Charity. This appointment has resulted in a closer working relationship with the Leagues of Friends.

Looking ahead the Charity has committed to a major fundraising appeal for new digital mammography machines at all three main hospital sites. The Charity is looking forward to continuing improvements in the investment income as market conditions improve.

Significant changes are under discussion by the Department of Health and the Charity Commission. As part of the UK's move to International Financial Reporting Standards (IFRS) NHS Charities are facing the prospect of having to include the Charity's accounts within those of the Trust. All NHS Charities are deeply concerned about these plans so it is welcome that they have been postponed until 2011 and are still under discussion.

Note: The Trust administers charitable funds, comprising legacies and donations received for the benefit of patients and staff. The Board of Directors is the Trustee of the funds; the Charity is registered with the Charity Commission. Income

for 2009/10 of £675k included £171k of donations, and legacies of £358k. The value of funds held increased by £726k during the year owing to a slight decrease in expenditure and increase in the value of the investment portfolio (subject to audit).

External charities (Leagues of Friends, East Kent Community lottery fund) also contributed £466k 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.

Finance and Investment Committee

The Finance and Investment Committee of the Board, which comprises at least three non-executive members of the Board (including the Chair) together with the Chief Executive and the Finance Director oversees the Trust's financial strategy, financial policies, financial and budgetary planning, monitors financial and activity performance, and reviews proposed major investments (and can approve some under the Trust's scheme of delegation).

The Committee has been chaired for a number of years by Richard Sturt, during which time the quality, scope and timeliness of financial reporting to the Committee and the Board has improved substantially, as has the financial performance of the Trust.

During 2009/10, financial performance in the first half broadly followed the budget projections for the year, but in the second half the performance fell away, and the

outturn fell short of plan at both EBITDA and income and expenditure surplus levels. As is reported in more detail elsewhere this was partly due to high levels of elective activity leading to high levels of expenditure on pay, agency staff and on use of the independent sector, and partly due to some shortfall in the planned cost improvement programme. The committee has been concerned to understand the causes, and to ensure prompt remedial action without compromising patient experience and safety; firmer plans are now in place to deliver a more ambitious cost improvement plan for 2010/11, and to bring in house capacity into better balance with expected demand, both of which are essential in the face of the more demanding financial climate within which the Trust will be operating.

The Committee also examined a number of business case proposals during the year. The largest, concerning the proposed reprovision of community services in Dover, has been delayed by the emergence of serious environmental/flood risk problems at the Trust's preferred site in central Dover; other options are now being developed. Other notable proposals approved by the Committee and the Board include the centralisation and development of Maxillo Facial services at the William Harvey Hospital; a major development of endoscopy services at all three main sites; refurbishment and expansion of the oncology and urology facilities at the Kent and Canterbury Hospital associated with the provision of new equipment; the provision of a 24/7 radiology service; the development of a new treatment for age related macular degeneration; significant innovations in the treatment of heart attacks and strokes; and significant

improvements in privacy and dignity across the Trust to eliminate for most purposes mixed sex ward bays.

In the year ahead, the committee will be focusing on delivery of the Trust's business plan; on financial risks and their mitigation; and on refining further the criteria used for the evaluation of business cases, in the context of a more constrained capital investment programme and the need to ensure that priorities for capital expenditure are clearly articulated and then put into practice.

Statement from Remuneration Committee

The Remuneration Committee comprises all Non Executive Directors and met twice during the year. The May meeting was attended by six members and the November meeting by five. Although the normal schedule of meetings is four a year, two were cancelled. The July 2009 meeting did not need to be held as national guidelines on pay had come through in time for a decision on a 1.5% increase to be made at the May meeting.

This meeting also agreed an unconsolidated performance bonus of 2% for 2008/09 in recognition of team achievement, including securing Foundation Trust status. This was without any commitment to similar bonuses in future years.

The February 2010 meeting was not held since the main purpose would have been to review the Policy for Determining the Remuneration and Performance of Executive Directors and Very Senior Managers which, although only drawn up in 2008, the Committee already considered did not allow for sufficient distinction for individual performance within

overall Trust performance. What amendments may need to be made have yet to be determined.

During the year the Committee also received the Trust's Special Severance Payments policy and the Recruitment and Selection Policy for Executive Directors and CEOs.

Statement of the Chief Executive's Responsibilities as the Accounting Officer of East Kent Hospitals University NHS Foundation Trust

The NHS 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 NHS Act 2006, Monitor has directed the East Kent Hospitals University NHS Foundation Trust ('the 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 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 Annual 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 Annual 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 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 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



Chief Executive

Date: 26 May 2010

Statement on Internal Control 2009/10

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental 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 NHS Foundation Trust Accounting Officer Memorandum.

Final responsibility for establishing the appropriate responsibilities for risk management rests with the Board of Directors.

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 to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of East Kent Hospitals University NHS Foundation Trust, to 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 has been in place in East Kent Hospitals University NHS Foundation Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

As Chief Executive I have ultimate responsibility for the management of risk within the organisation. Executive responsibility for providing assurance on the management of risk has been delegated to the Director of Nursing, Midwifery and Quality (DoNMQ) for the year 2009/10. In order to support this role, and recognising that risk management is a corporate responsibility, all executive directors carry the accountability for maintaining robust systems of internal control and for providing assurance of their effectiveness through the governance structures embedded throughout the Trust.

The DoNMQ is supported in her role by a senior management team and by the operational leads for risk management within each directorate. The DoNMQ chairs a monthly Risk Management and Governance Group (RMGG) meeting which receives reports from directorates, monitors all aspects of governance, including the Corporate Risk Register and Board Assurance Framework. The RMGG is an executive committee and is regularly attended by myself.

The Trust board's Audit Committee has overarching responsibility for review and scrutiny of the Trust's internal control and risk management systems, including financial and clinical aspects. The Committee regularly reviews the Board Assurance Framework and Corporate

Risk Register as set out in its annual work programme. Key issues and actions required are reported to the Trust Board following each meeting. To reflect more accurately the full extent of its remit, the Committee is to be renamed the Integrated Audit and Governance Committee.

All staff have been trained to manage risk commensurate with their role and responsibilities. This is achieved through risk management awareness sessions during corporate induction, bi-annual mandatory training for the majority of staff and by annual mandatory training for senior managers, executive and non-executive directors. This programme is supported by a range of specialist training to meet clinical, health and safety and other legislative requirements. This includes risk assessment and root cause analysis tools and techniques. This programme will be developed throughout 2010/11 as part of the overarching strategy to embed lessons learned from incidents occurring in the organisation.

Staff awareness is further enhanced through internal publications outlining key risks and the actions taken to mitigate them, and regular reports on adverse incidents, claims and complaints.

4. The risk and control framework

Risk Management Strategy

The Trust has a comprehensive Risk Management Strategy, which sets out the overall vision and intention for the management of risk across the organisation. The strategy details the responsibility of the Board of Directors for the effective control of integrated governance corporately. Delegated authority is given by the Board of Directors to the Audit

Committee for monitoring and receiving assurance on the effective management of risk. A revised strategy was approved by the Board in November 2009.

The key elements of the strategy include methods to identify risk, the evaluation of the impact of risk on patients, staff and visitors and on the ability of the organisation to deliver a safe and effective service, and the control measures that are put in place to minimise the risk. The strategy describes the responsibilities of all staff including risk assessment and risk reporting.

The main objectives of the strategy are to:

- Ensure effective assurance arrangements are in place including independent scrutiny of internal systems by internal and external auditors.
- Achieve the standards and requirements expected by external agencies including commissioners and regulators.
- Embed effective internal risk management processes throughout all levels of the organisation.
- Strengthen links with external agencies involved with risk management processes including the National Patient Safety Agency.

The Assurance Framework and Corporate Risk Register inform the Board of the most significant risks, the control measures in place to mitigate the risks and assurance on the overall effectiveness of these controls.

The most significant risks affecting the Trust and recorded on the corporate risk register over the year were:

- Failure to meet and sustain both 62 day cancer pathway standards

- Failure to meet and sustain the 18 week referral to treatment standard for admitted patients in some specialties
- Failure to meet in full the cost improvement programme and planned EBITDA margin which in part impacted on the overall financial risk rating
- Impact of the financial downturn on the future public sector funding constraints and the potential impact on maintaining safe and effective services
- Age and design of elements of the Trust estate impacting on the ability to provide high quality patient care environment for both patients and staff.

The first three areas developed into issues, which the Trust managed by formally developing action plans. The latter two risks were inherent to the organisation and did not require a high level of immediate action.

Assurance Framework

The Assurance Framework is a key tool by which the principle risks that could impact on the achievement of the Trust's annual and strategic objectives are effectively monitored by the Board and its principle sub-committees. The Framework also provides assurance that effective controls and monitoring arrangements are in place. It is also the key document that underpins this Statement on Internal Control. Both corporate and directorate objectives are risk assessed as part of the annual business planning process, with the former driving the Trust's Board Assurance Framework.

During the year, the Board agreed 10 annual objectives. Four objectives were fully achieved these were:

- Compliance with Care Quality Commission (CQC) quality and safety standards leading to full registration without conditions and improvements in patient safety and patient experience. The Trust did declare two areas of non-compliance with the CQC. The two areas of non-compliance are subject to detailed action plans which were accepted by the CQC as providing the assurance required to achieve full Registration. These areas related to:
 - Regulation 18 – Consent to care and treatment, specifically around the assessment of capacity under the Mental Capacity Act 2005
 - Regulation 23 – Supporting workers, specifically around specialist training for specified staff associated with safeguarding children and young people.
- Implementation of the annual patient safety programme with a continued reduction of Hospital Standardised Mortality Ratio (HSMR) and continued embedding of the principles and learning from the National Patient Safety First Campaign. The HSMR currently stands at 70.2 and represents significant progress against the target of less than 75 by March 2011 as outlined in the annual objectives. The baseline level may however, be revised nationally before final data reconciliation. Further work to reduce the risk of avoidable harm is outlined in more detail within the Quality Account for 2009/10. All patient safety alerts are promulgated and implementation programmes assessed for on-going compliance.
- As a newly formed Foundation Trust, an effective working relationship with the Council of Governors was established.
- Continued successful partnership working with commissioners, primary

care, community and social care providers promoted a partnership approach to the provision of local services and strengthened opportunities for vertical integration.

Three objectives were partially achieved:

- Service developments for the estate planned at Dover were delayed due to additional work being undertaken jointly with Dover District Council and the Environment Agency on the potential flood risk associated with the proposed plans.
- There was a delay in achieving some agreed target dates on the action plan for the IT service development programme and some lack of assurance around identifying all potential points of failure to ensure business continuity.
- There was a delay in fully implementing the improvement plan to strengthen the Information function to support the work of the Trust. The use of robust information to support the intelligence around 18 week referral to treatment for admitted patients and 62 day cancer targets did highlight some shortcomings as well as gaps in assurance and control.

Three objectives were not achieved:

- The 2009/10 financial surplus was £5.9m lower than planned, due to the premium cost of additional activity to meet patient access targets. Efficiency improvements contributed £10.9m to the surplus that was achieved. However, this was £1.7m short of the savings target for the year. EBITDA (Earnings Before Interest, Taxation, Depreciation and Amortisation) achieved for 2009/10 of £33.7m was 26% short of the £45.1m plan for the year. The Financial Risk Rating was 3.5 against a plan of 4.0.

The savings target for 2010/11 is a challenging £23.0m. In response, executive scrutiny of savings plans and overspent budgets has been enhanced and additional controls have been introduced for recruitment, use of agency staff and patient referrals to the independent sector. External review of the forward cost improvement programme will support the delivery of the financial plan for 2010/11.

- Failure to meet and sustain the 18 week referral to treatment standard for admitted patients across all specialties. Some shortcomings as well as gaps in control and assurance were identified and manifested in growing numbers of patients on the waiting list who had not been treated within the 18 week time-frame, and a shortfall of capacity required in managing an increase in referrals in specific specialities. This in turn led to high usage of the Independent Sector and additional expenditure above the plan. In response detailed referral and capacity plans have been developed and are being implemented alongside changes to clinical pathways and an agreed set of metrics to monitor the impact of improvements. The referral and capacity plans have informed business planning processes for 2010/11.

- Failure to meet the workforce profile within the long-term financial model caused in part by additional expenditure on temporary staff, overtime and premium payments required in creating additional capacity to meet the increased number of referrals above the plan. Some gaps in control were identified in the use of agency staff, and in response specific workforce controls have been agreed and implemented across the Trust and a review of premium payments has

been undertaken by the clinical management board.

Corporate and Directorate Risk Registers.

Assessing the risks associated with delivering the Trust's annual objectives and service development plans is a core component of all activity undertaken. The risk register assesses the likelihood and impact and indicates the mitigating actions that will be taken. The corporate risks are reviewed by the Board monthly. Corporate and directorate risk registers are completed using a standard matrix outlined in the risk management strategy. A review of the process has occurred this year in order to refine the risk scoring methodology and enable prioritisation of the risks identified.

Directorate management teams discuss risk and mitigating actions at their monthly governance meetings. Directorates also present their risk registers and action plans to the RMGG twice a year and discuss the top five risks every quarter at the executive performance review.

Adverse incident reporting

All staff are encouraged to report incidents and near miss events as part of the Risk Management Strategy.

Trends and themes on adverse events are reported to the Board of Directors and the Clinical Management Board monthly. This information is augmented by an aggregated report on incidents, complaints and claims, which outlines lessons learned from such events. The paper based system of reporting is being superseded by the phased implementation of an electronic system. The system will improve the timeliness of feedback to reporters and enable significant trends to be identified for action.

Data Security

The Trust recognises the importance of having robust systems in place to safeguard personally identifiable information. Information governance risks are included as part of the corporate risk register and reported to the Board and Audit Committee in accordance with policy. There were no significant breaches of data security reported during the year.

The Trust completed its annual Information Governance self assessment which resulted in an acceptable score of 73 per cent, which recognised improvements made since the previous review and met the requirements of the Information Governance Statement of Compliance. Further improvements are required to strengthen both corporate and clinical information governance. The Improvement programme has been monitored through the RMGG and the Audit Committee.

Progress in other risk areas

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

- The Trust was able to declare compliance with the 24 core standards set by the Care Quality Commission in the periodic review for 2009/10. Monitoring since the submission continues to show full compliance with no lapses identified for this financial year.

- The Trust successfully attained NHS Litigation Authority Level 3 compliance in general risk management standards in March 2010. The Trust obtained accreditation at Level 1 for maternity risk management standards in September 2009. An assessment against Level 2 criteria is planned

for 2010/11 as set out in the annual objectives.

- The Trust continues to build on the low infection rates reported and compares favourably when compared to the performance of other acute trusts nationally. The Trust has met the “stretch target” for MRSA and C. difficile reduction set by the commissioners for this financial year and the Department of Health national targets against both metrics. Successful achievement of both targets places the Trust within the highest performing organisations in the country.
- Stakeholders are involved in identifying and assessing risks which impact on them through their involvement in, and contributions to, many aspects of the work of the Trust. Effective working relationships with patients, members, governors and partners have developed since the Trust was successful in achieving Foundation status in March 2009.

Equality, Diversity and Human Rights Control measures are in place to ensure that all the organisation’s obligations under equality, diversity and human rights legislation are complied with.

- There is a Board lead responsible for all equality and diversity and Human Rights issues.
- Equality and diversity schemes are in place and the Board receives an annual report to highlight any issues identified from a service and employer perspective.
- The Trust has an established Equality, Diversity and Human Rights Steering Group, which meets every two months in order to embed equality, diversity and Human Rights into service development and future planning initiatives.
- All approved policy documentation is subject to an equality impact

assessment.

- There is a designated equality and diversity manager in post to provide the operational support to the Board of Directors.

NHS Pension Scheme

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.

Carbon Reduction

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation’s obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Annual Quality Report

The Trust has prepared a Quality Account for the year under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010.

The priorities identified for 2009-10 were based on the overarching patient safety programme, which is integrated with the three core areas of patient safety, clinical effectiveness and patient experience in order to provide a balanced approach

to deliver improvements against each area. Responsibility for the programme is shared at Executive level between the Medical Director and the DoNMQ.

The patient safety and clinical effectiveness programmes are led by senior clinicians supported by managers. Reports from the Patient Safety Board (PSB) and the Clinical Audit and Effectiveness Committee (CAEC), based on a plan of work endorsed by the Board, are reviewed by the Clinical Management Board and scrutinised by the Audit Committee. There are two committees supporting the patient experience programme; one is led by the Governors. Again, reports are received by the Clinical Management Board and scrutinised by the Audit Committee.

A system of "Ward to Board" reporting is well established using data derived from trust-wide systems, for example, Synbiotix, a web-based system which records falls, infection control and other key clinical metrics. Commissioning for Quality and Innovation (CQUIN) and other quality indicators, developed in conjunction with the lead commissioning PCT, are also incorporated and aligned with the overall strategy. The programme is presented to the Board as the first agenda item at every meeting together with sustained improvement plans against each area. Enhancements to the overarching programme are also planned for 2010/11; the results of findings from using the UK Trigger Tool to record harm events to patients will be formalised into these indicators with an improvement target set.

The data used to support the Quality Report is reviewed as part of the

monthly Ward to Board report. Additional controls are incorporated within the Board Assurance Framework, as one of the annual objectives. Gaps in assurance are reported as part of this process. No gaps in assurance were identified in relation to the delivery of this objective.

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

The objectives of maximising efficiency, effectiveness and economy within the Trust are achieved by employing internally a range of accountability and control mechanisms whilst also obtaining independent external assurances. One of the principal aims of the whole system of internal control and governance is to ensure that the Trust optimises the use of all resources. In this respect the main operational elements of the system are the Board Assurance framework, the Audit Committee, the Finance & Investment Committee, the comprehensive system of budgetary control and reporting and the assurance work of both the Internal and External Audit functions.

The Audit Committee is chaired by a Non-Executive Director and the committee reports directly to the Board. Three other Non-Executive Directors sit on this committee. Both Internal and External Auditors attend each committee meeting and report upon the achievement of approved annual audit plans that specifically include economy, efficiency and effectiveness reviews. The Audit Committee requested reports in operational areas including:

- Postal efficiency
- Medical Gases

- Procurement and use of consignment stock within operating theatres

- Patient booking systems
- Healthcare transport.

Four of these areas did receive a limited assurance opinion following internal audit assessment; however actions to address the issues identified were developed and will be monitored to ensure performance is sustained.

The Audit Committee reviewed actions being taken to reduce postage costs and overspends on patient transport; improvements should be evident in 2010/11. The Trust has adopted the LEAN methodology to identify service improvements that improve the effectiveness of the patient pathway whilst contributing to economy and efficiency. The patient booking system has been prioritised as part of this programme.

A Non Executive Director chairs the Finance and Investment Committee (F&IC) which reports comprehensively to the Board upon resource utilisation, financial performance and service development initiatives.

The Board of Directors receives both performance and financial reports at each meeting, along with reports from its committees to which it has delegated powers and responsibilities.

6. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the

work of the internal auditors and the executive managers within the NHS Foundation 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 the Risk Management and Governance Group and a plan to address weaknesses and ensure continuous improvement of the system is in place. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed.

The Board received regular reports on patient safety and experience, the corporate risk register and the Assurance Framework for 2009/10. The Board has played a key role in reviewing risks to the delivery of the Trust's performance objectives through monthly monitoring and discussion of the performance dashboard and more generally through review and discussion of the Board Assurance Framework. The Board also receives individual reports on areas of concern to ensure it provides appropriate leadership and direction on emerging risk issues.

The Audit Committee reviewed work in the following areas during the year:

- Review and scrutiny of the corporate risk register, the scoring methodology in place and the mitigating action identified, with recommendation for improvement;
- Assessment of the Board

Assurance Framework as an effective mechanism to identify the controls in place to achieve the annual objectives, ensuring consistency with performance review and risk assessment;

- Tender process for the appointment of the Trust's external auditor;
- Preparation and scrutiny of the Care Quality Commission's core standards periodic review for 2009/10;
- Preparation and scrutiny of the declaration against the Care Quality Commission registration standards for quality and safety;
- Approval of auditor's plans, reports and scrutiny of the Trust's response to agreed actions;
- Review of the requirements and evidence against the NHS Litigation Authority general risk management standards for Level 3;
- Oversight of the adequacy of controls relating to the provision of services to the Trust by commissioning a programme of internal audits. Where there were areas of limited assurance, additional management reports have been requested

The Board of Directors commissioned External Review and scrutiny of the plans in place to address the areas of non-compliance in meeting the national performance standards for 62 day cancer pathways and 18 week referral to treatment for admitted patients. The engagement of the Kent and Medway Cancer Network and the Department of Health Intensive Support Team has provided further insights, advice and challenge which have been built into improvement plans.

The Trust works in collaboration with South Coast Audit which provides the Internal Audit function for the Trust. Internal audit attend the Chief Executive Group meetings to

review all audit reports and progress against recommendations made, with particular emphasis on any reports of limited assurance. This process is to be further strengthened in 2010/11. The Head of Internal Audit has provided an opinion on the effectiveness of the Statement on Internal Control. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and an assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the period. The Head of Internal Audit provided me with an opinion of significant assurance on progress against the Assurance Framework and controls reviewed as part of the internal audit programme. He additionally provided me with an opinion of significant assurance in support of the Statement on Internal Control. This assessment takes into account the relative materiality of risk areas and management's progress in respect of addressing control weaknesses.

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 the evidence of effectiveness of controls and management of the risks associated with achieving annual objectives. The Risk Management and Governance Group is the principle committee for reviewing risk in the Trust; the committee is 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 Care Quality Commission, Det Norske Veritas, the Risk Management assessors for the NHS Litigation Authority and the Environment Agency. In addition, there were local assessments in Pharmacy by the Medicines and Healthcare products Regulatory Agency (MHRA) and the Clinical Pathology Accreditation (CPA) for the Pathology Directorate.

In August 2009, the Environment Agency inspected the Kent and Canterbury Hospital with regard to compliance with various Authorities and Registrations under the Radioactive Substances Acts 1993 (RSA93). A number of issues were identified for action which were all completed by 31st March 2010.

The Trust will continue with the programme of promulgating and embedding risk management and governance throughout the organisation with a view to ensuring the necessary assurances are provided to underpin the Statement on Internal Control for 2010/11.

In addition, the Trust is committed to a programme of continual improvement around the controls and assurances already in place. The actions for 2010/11 include:

- Maintain and improve compliance with the quality and safety standards for CQC Registration across all services and sites, ensuring the areas of declared non-compliance are rectified before the submission for 2010/11.
- Improve and sustain the performance against all cancer standards and targets
- Improve and sustain the performance on the 18 week referral to treatment standard for admitted patients and ensure continuing

achievement of the non-admitted standard.

- Improve and sustain performance on achieving the overall cost improvement programme
- Develop the Board Assurance Framework to reflect our ongoing strategic and in year annual objectives.
- Review the arrangements for governance and risk to embed core principles at directorate level.
- Maintain the progress against the successful level 3 NHS Litigation Authority general risk management standards and prepare for an assessment of against level 2 maternity risk management standards.

7. Conclusion

Based on available Department of Health and Monitor guidance, the Trust's internal and external auditors' views and from gaps in control identified from the Board Assurance Framework, the Board of Directors has identified the following significant gaps in control:


The Trust did not meet the following national priority targets for 2009/10 for:

- all cancers: two month urgent referral to treatment standard of 85 per cent this year. The overall figure for the year was 71.98 per cent.
- 18 week referral to treatment standards across all specialties. The overall figure for the year was 89.93 per cent for admitted patients, against a target of 90 per cent; the target for non-admitted patients was fully met at 98.23 per cent.

I am satisfied that there is an effective programme of work in place to recover the position and to ensure that the Trust will meet its obligation to achieve and sustain the national

performance standards during 2010/11.

Signed



Dated 26 May 2010

Stuart Bain, Chief Executive

NHS Foundation Trust Code of Governance

The Trust became an NHS Foundation Trust on 01 March 2009 under the Health and Social Care (Community Health and Standards) Act 2003, as superseded by the National Health Service Act 2006. This report covers the period 01 April 2009 – 31 March 2010.

The Chair and Trust Secretary have undertaken a review of Board compliance with Monitor's code of Governance. The detail contained within this report 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 in all but the following area where alternative arrangements are in place: Chief Executive and Executive Director terms of appointment.

