



Annual Report and Accounts 2010/11



Putting patients first

East Kent Hospitals University NHS Foundation Trust

Annual Report and Accounts 2010/11

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



Part 1: review of the year

Foreword

The financial year covered by this report – 2010/11 – was one of remarkable achievement for the Trust. The pinnacle of our various successes was being named the Trust of the Year by the Dr Foster organisation. This is the most prestigious award of its type but what is most pleasing is that the measures on which it is based predominantly reflect the quality and safety of care provision. It therefore provides powerful external recognition of the Trust's successful dedication to 'putting patients first'.

Alongside the Dr Foster achievement, we were also named Top Performing Hospital in the Healthcare, Excellence and Leadership awards; our infection control nurses were finalists in the Nursing Times Awards; and a number of clinical services, such as our specialist heart attack (pPCI) team, achieved national recognition as leaders in their field. Finally, perhaps less glamorously but no less importantly, we achieved unqualified registration with the Care Quality Commission and, for all but the first quarter of the year, met all of our regulator's (Monitor) governance and financial targets.

In such a large and complex organisation as East Kent Hospitals University NHS Foundation Trust, there are, of course, many factors that contributed to the Trust's success in 2010/11. There is insufficient space to go into these here but without doubt the single most important factor lies in the hard work and commitment of all our staff. Everyday this is evident from the countless interactions they have with patients but it was particularly apparent during the snow spells in November and December when so many endured extremely difficult and long journeys to get into our hospitals in order to care for our patients.

Looking forward, we all know that a difficult future awaits us. The structural reforms of the NHS, which will see commissioning responsibilities transfer to general practitioners, the likelihood of competition from new providers and a constrained financial environment will pose significant challenges. But the Trust has built strong performance and financial foundations and with its excellent staff and, of course, the hugely significant contribution of all the volunteers who work in and for the Trust, it is extremely well placed to embrace the opportunities of the future.



Nicholas Wells
Chairman



Stuart Bain
Chief Executive

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focus on
quality

The quality of our service is our number one priority.

For us, the word quality means:

- making sure our services are safe
- offering services that are effective - in other words, making people better whenever it is possible to do so and helping people as much as we can with their illness or disability when it is not
- our patients having a good experience of our service.

We achieved all our safety targets around reducing falls, reducing pressure sores, reducing infections such as MRSA and C difficile and reducing our mortality rate this year.

We focused particularly on improving the effectiveness of care for stroke and heart attack patients, and fully met our targets in these areas.

This year, we also saw an improvement in the feedback from our patients on their experience of our services.

Safety

Preventing infection

For another year, we have managed to keep rates of infections such as MRSA and C Difficile low.

In 2010/11 we had six cases of MRSA infection (compared with 15 the previous year) and 96 cases of C difficile infection (slightly above 94 the previous year).

We monitor infection rates across the Trust and detailed analysis of any infection that occurs helps us to identify and combat any issue that may lead to increased risk of infection.



Reducing falls

The Trust's falls prevention nurses have worked with wards to significantly reduce falls.

A combination of risk assessment, staff training and use of specialist equipment has led to a three per cent drop in the number of falls in our hospitals this year.

Improving diabetes care

The 'Think Glucose' campaign - a national programme to improve the care for inpatients with diabetes - is being implemented by the Trust's Inpatient Diabetes Specialist Nurses.

focus on quality

Effectiveness and innovation



A specialist team gives life-saving treatment to a patient suffering a heart attack.

Saving lives

A new treatment for people suffering a heart attack that can save more lives and give people a better quality of life began at the William Harvey Hospital, Ashford, this year.

The hospital is the Kent centre for this pioneering treatment, where any blockages or narrowing of the arteries can be seen and opened up using a balloon. A stent is then left in place to remodel the damaged artery.

The cardiac team at Ashford works with senior cardiologists from across the county to provide the 24/7 service.

Open all hours

This year, the Trust's Radiology Department became the first radiology service in the country to offer routine scans, such as X-rays, CT and MRI scans, seven days a week. It also extended its 'walk in' opening hours.

As a result, patients are getting diagnosed faster and we no longer have to keep patients in hospital over a weekend just because they need a scan.

Specialist centre established

East Kent's Maxillofacial, Orthodontics and Restorative Dentistry services began moving to a new, £5 million home in William Harvey Hospital, Ashford, at the end of the year.

A state-of-the-art facility has been purpose-built on the hospital site to bring all East Kent's Head & Neck services together into a centre of excellence.

It means Kent now has a central, specialist service for Head and Neck cancer, and all major Head and Neck cancer surgery is performed at William Harvey Hospital. Patients benefit from having all the specific services and healthcare professionals they need working together in one dedicated building.

Patients also benefit from 3D imaging of the Head and Neck at the new facility – something they had to travel to London for previously.

Patient experience

Our survey said...

We believe that the best way to find out whether our patients are having the best experience they can is to simply ask them. So, every week, staff and volunteers ask a cross-section of patients on our wards five specific questions about their clinical care, the ward environment, how the staff looking after them behave and how we look after their privacy and dignity. The data is analysed every week and reported to the Trust's Board of Directors every month. Any improvements that can be made are identified and acted upon.

The most significant improvement in patients' responses during the year has been patients' experience of the neatness and cleanliness of our wards and departments.



Respiratory Nurse Specialist Emma Sayell won a Trust Award this year for the support she gives to home non-invasive ventilation patients.



The big build

We refurbished many of our clinical areas this year to improve privacy and dignity for our patients - putting up new walls and cubicles so conversations can't be overheard and segregating toilet and shower facilities on wards.

We also put 'Respect my privacy and dignity - do not enter' signs on all cubicles to be used as a physical reminder to staff and visitors not to walk in unannounced.

A gynaecology assessment unit was opened at Queen Elizabeth The Queen Mother Hospital this year, to provide a quieter, more private area than the A&E department and immediate specialist care for women experiencing gynaecological problems.

making headlines



Royal visit



As yet oblivious to the finer points of Royal etiquette, baby Jemima clasps the Duchess' finger.

Picture: Barry Goodwin, Kentish Gazette

We were pleased to welcome HRH The Duchess of Cornwall to East Kent's Osteoporosis Unit at Kent & Canterbury Hospital. Her visit brought with it a great deal of local media attention and has raised the profile of both the Unit and the disease it works to treat.

The Duchess is the President of the National Osteoporosis Society, and came to see the work of the Unit and meet local members of the Society - which has provided funds for both a second scanner for the Unit and a second technologist.

With two scanners, the Unit can scan 450 patients a month for signs of Osteoporosis.

Hard work recognised

Our staff won a string of national and regional awards this year.

The Trust's pPCI team, who deliver the latest heart attack treatment at William Harvey Hospital, Ashford, for the whole of Kent, won the 2010 Best of Health Award for

Outstanding Contribution to *Healthier people, excellent care*. The Best of Health awards are run by the South East Coast Strategic Health Authority to celebrate best practice across Kent, Surrey and Sussex. The team was also a runner up in the prestigious national Health Service Journal awards.

The Infection Prevention and Control nursing team was a finalist in the 2010 Nursing Times Awards for the great strides it has made in helping reduce MRSA bacteraemia and MRSA infection in East Kent's hospitals.

The Trust also won the Top Performing Hospital Award in the 2010 Healthcare, Excellence and Leadership (HEAL) Awards.

Trust of the Year Award



Representatives of the Trust receive the 'Trust of the Year 2010' Award from Dr Foster.

We were proud to be named 'Trust of the Year 2010' in the 2010 *Hospital Guide*.

The *Hospital Guide* is a joint venture between the Department of Health and healthcare information company Dr Foster Holdings LLP to make easy to understand information about each hospital Trust's performance available to the general public.

The *Hospital Guide* is produced every year, published in a national newspaper and made available on the Dr Foster website all year for anyone to read.

Dr Foster uses a range of indicators to measure how Trusts are doing in terms of:

- preventing people dying prematurely
- enhancing quality of life for people with long-term conditions
- helping people to recover from episodes of ill health or following injury
- ensuring people have a positive experience of care
- treating and caring for people in a safe environment and protecting them from avoidable harm.

Put simply, the Trust that performs best in all these areas is Trust of the Year. That's why being Trust of the Year 2010 is something to be proud of.

East Kent Hospitals University NHS Foundation Trust was named both Foundation Trust of the Year and overall Trust of the Year.

tomorrow's world



Research & Development

Research and development is a key part of our work. Over the year, we have secured a number of grants for research projects, in collaboration with partners outside the Trust.

This year, the Trust was given a £310K research grant by the Medical Research Council to trial a procedure to treat Hemi-Spatial Neglect - a condition where people behave as though the left hand side of the world as they see it doesn't exist. This condition is a common complication of stroke.

The research team has discovered that by repeatedly stimulating an area of the ear canal with a very small electrical current it is possible to provide long-term recovery from the condition.

As a result of the prestigious Medical Research Grant - the first of its kind for East Kent Hospitals University NHS Foundation Trust - the Trust and University of Kent will run an 18-month randomised controlled trial of the procedure.

'Intelligent wheelchair'

The Trust has also been awarded a European Union grant of 1.2 million Euro for collaboration with a French academic centre, the University of Essex and University of Kent to help develop an 'intelligent wheelchair'.

Medical Education



The Medical Education Directorate is responsible for the education and training of the future medical workforce - both undergraduates (medical students) and postgraduates (junior doctors).

Over the last year the Trust has trained 442 medical and dental students from King's College and St George's Medical School, London. Feedback from the students has been consistently good, with many coming back to work in the Trust as junior doctors.

The Trust has 390 doctors in training at various grades in addition to 158 specialist and associate specialist doctors. We have 290 consultants who act as educational and clinical supervisors who supervise the doctors in training.

The directorate has been very active in the national changes in education and training in light of the Government's white paper. It has been particularly involved with the development of higher specialty training programmes for doctors within Kent, Surrey and Sussex.



EAST KENT breast cancer mammography APPEAL

- Breast cancer is the most common cancer in the United Kingdom
- One in eight women will develop breast cancer at some point in their lifetime
- The rate has increased dramatically over the past few years.

With the help of early diagnosis and treatment, more women are able to get on with their lives.



East Kent Hospitals Charity

Registered Charity Number 1076555

Appeal

East Kent Hospitals Charity launched its first major appeal this year - the East Kent Breast Cancer Mammography Appeal. It is aiming to raise £370,000 for each of the three acute hospitals in East Kent to provide high-tech digital mammography machines that give a clearer image of the breast and reduce the patient's exposure to radiation.



The Appeal was officially launched in June, by (from left): Trust Chairman Nicholas Wells, Appeal President Lady Sandra Howard, Consultant Radiologist Dr Sarah Moorhouse and Appeal Chairman Jean Byers.



Hospital staff have held various fund-raising events in aid of the Appeal.



The Appeal has had a great deal of support from the Leagues of Friends of our hospitals, who have given generously to the Appeal.



Friends and relatives of cancer sufferers have also got behind the Appeal, with several members of the public setting out to raise funds.

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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, stroke 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.

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		●				
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		●	●			
Midwifery led birthing units	●	●			●	
Day case surgery	●	●	●			
Inpatient Clinical Haematology	●					
Haemophilia Services	●					●
Inpatient Urology Services	●					
Inpatient Vascular Services	●					
Interventional radiology	●	●	●			
Inpatient Renal Services	●					
Renal Dialysis	●	●	●		●	● ¹
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 Also provided by East Kent
 Hospitals University NHS
 Foundation Trust at Maidstone and
 Medway Maritime hospitals

Part 1 – Statement on quality from the Chief Executive of the NHS Foundation Trust

I am pleased to confirm that the Board of Directors has reviewed this report and confirmed that it is a true and fair reflection of our performance. Each month the Board reviews progress against quality and safety standards and the information contained within this report draws from these regular reports produced by our Clinical Quality and Patient Safety Directorate.

In 2008, we launched an ambitious plan for quality improvement and patient safety. We are now at the end of the third year of this plan. The aim of this 'Quality Account' is to report not just on our quality improvement strategy but the quality of services and care delivered by the hospital as a whole.

We believe it is important to be open and transparent with the public we serve. In previous reports, we acknowledged the harm we can inadvertently cause patients through, for example infections and falls. Our range of projects, many of which are discussed in this report, were identified as they had the potential to directly impact upon avoiding harmful events. Since its launch, the plan has made significant progress and is making a positive impact on the care provided to patients at the Trust. This year has seen the Trust receive several prestigious national awards for safety. The next step is to evolve the plan into a quality strategy to make it clear to patients, staff and the wider population of East Kent.

The strategy is based on staff engagement and Board accountability for safety; this has already delivered results and saved additional lives as our performance in mortality reduction suggests. We are committed to keep on delivering great experiences and results for our patients year after year. Our staff continually strive to deliver safe, clean and personal care whatever

their profession or department within the hospital.

We have clear plans and ambitions for our future. We want to build on our existing successes and continue to improve patient care. We want everyone who works at East Kent Hospitals University NHS Foundation Trust to share a set of values aligned to a culture of patient safety and quality. Patients have told us they want safe, clean and personal care every time and we are working (innovatively) every day to ensure that this is delivered. We have an aim to deliver high quality care effectively and efficiently to the local population enabling future investment in our services. To achieve this, we have established six strategic objectives:

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

We hope our Quality Account reflects the fantastic achievements we have made in the realms of quality and safety. We also hope that readers will understand that this work doesn't stop here. Although we are proud of the achievements this year there are still improvements to be made.

A year of achievement

- Dr Foster – Winner of the Foundation Trust of the Year and overall Trust of the Year 2010.
- CHKS – one of the 'Top 40' hospitals programme winners
- Best of Health Awards - primary PCI - Outstanding contribution to



Healthier people, excellent care

- *Health Service Journal* - pPCI - highly commended
- *Nursing Times Awards* - Infection control runner up
- Healthcare, Excellence, and Leadership (HEAL) award – Top performing hospital
- Annual UK Stroke conference – best scientific paper.

Key achievements

- Monitor governance rating - Green.
- The Trust applied for Registration with the Care Quality Commission (CQC) in January 2010 in line with the Health and Social Care Act 2008 and has been 'Registered without Conditions' commencing 1 April 2010.
- In September 2010 the Trust successfully achieved its Level 2 compliance against the NHS Litigation Authority Maternity Standards. The Trust gained Level 3 compliance for General Risk Management Standards last year; this is the highest level achievable for the management of risk and the delivery of safe care to its patients.
- Our hospital standardised mortality rate is 74.5 equating to 950 fewer deaths than expected this year.
- Moving specialised services back to East Kent from London. This included establishing the William Harvey Hospital in Ashford as a primary Percutaneous Cardiac Intervention (pPCI) centre for the whole of Kent and Medway area.
- Reduction in the number of falls resulting in fractures from 36 in 2009-10 to 25 this year, despite more patients coming through our hospitals.

- Pressure sore reduction; we have concentrated on reducing pressure sores arising on patients' heels this year. The number of hospital acquired pressure sores has reduced by 42.
- In 2008, the Trust Board revised its agenda to devote one quarter of its time to the patient safety. This is supported by the Patient Safety Board which drives the patient safety plan across the Trust.
- The Trust commenced Patient Safety Executive Leadership Walk Rounds in 2009 and have visited over 50% of wards/departments.
- The Trust has eliminated same sex accommodation across all sites and improved patients' satisfaction measured by real-time reporting against a series of questions (Patient Experience Tracker).
- The ratio of compliments to complaints has also increased and the response times to formal complaints have seen a significant improvement.
- The Trust has developed a series of reporting measures of clinical care, across all wards and clinical areas; this is called Synbiotix.

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



Chief Executive
27 May 2011

Part 2 - Priorities for improvement and statements of assurance from the Board

Priorities for improvement – what do we want to improve?

In 2009/10 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; reduction in falls resulting in harm; and reduction 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 feedback 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; and successful inspection against the Hygiene Code by the Healthcare Commission and Registration with the Care Quality Commission.

In 2010/11 the quality improvement programme continued to focus on these themes and we added in additional areas for improvement, which were agreed with NHS Eastern and Coastal Kent who are our lead commissioners, 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. We have also sought the views of our Local Improvement Network LINK, on patient experience and infection control. The Council of Governors were also involved this year in identifying an area to review as part of the external audit programme; they chose to look at the patient experience tracker.

It is our intention to use the same quality themes in 2011/12; these will be measured, monitored and reported in the same way as in previous years.

The Trust's vision and mission remains as:

"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 and 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."

We outline in the next few pages the work performed with respect to measuring, monitoring and reporting against those priorities.

Our aim, over three years, is to reduce our mortality rate to one of the lowest in the NHS and reduce the number of "harm events" that patients experience. We use a number of quality improvement tools to measure our progress against these aims. They are:

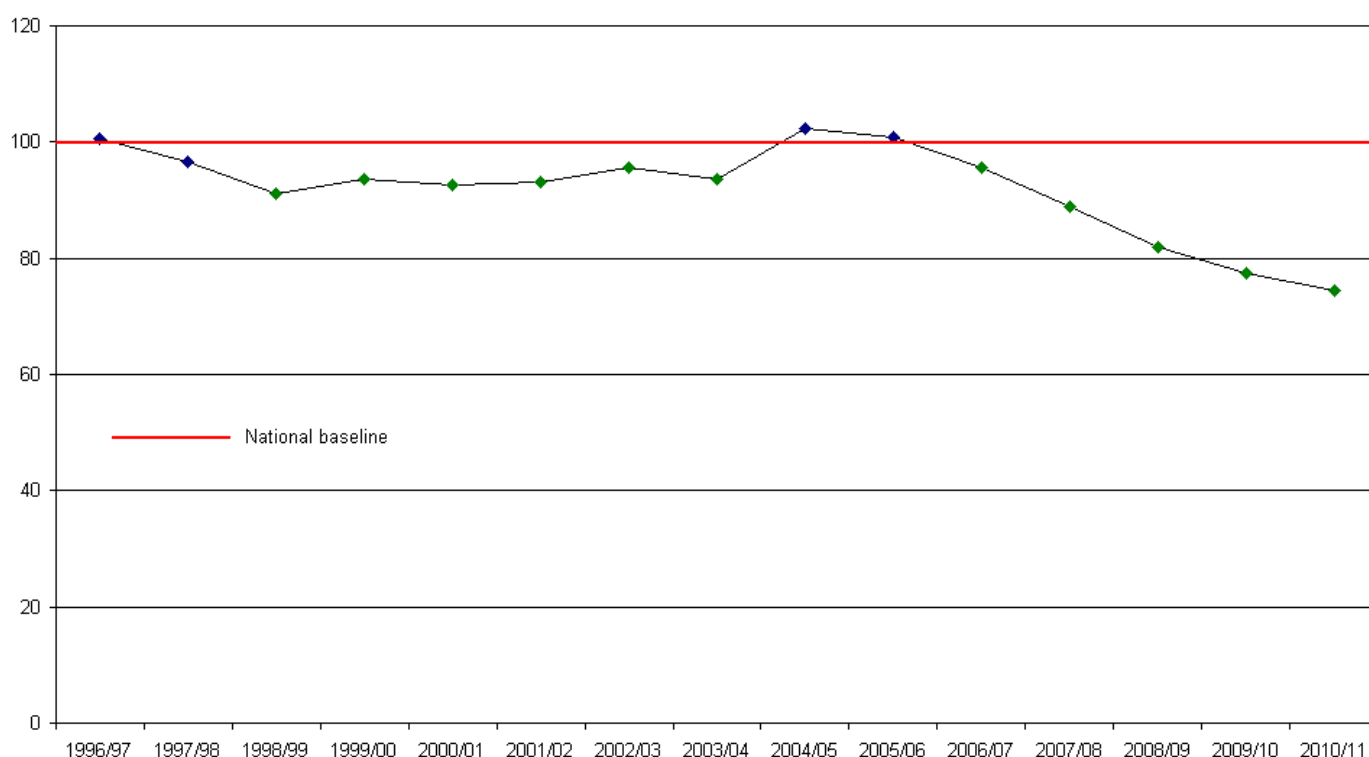
Hospital Standard Mortality Ratio (HSMR) explained

HSMR is a measurement system which compares a hospital's actual number of deaths with their predicted number of deaths. The prediction calculation takes account of factors such as the age and sex of patients, their diagnosis, whether the admission was planned or an emergency. If the Trust has a HSMR of 100, this means that the number of patients who died is exactly as predicted. If HSMR is above 100 this means that more people have died than

would be expected, an HSMR below 100 means that fewer than expected died. In 2010, the Trust recorded an annual HSMR of 74.5, which equates to 950 less deaths than was expected based on the national average.

Our HSMR measured over time is shown in the chart below; the green shows where the Trust has shown a significantly lower mortality level and blue is in the average mortality range. A red indicator would show a mortality level above the national level.

Figure 1 – Hospital Standardised Mortality Ratio (HSMR)



UK Trigger Tool explained

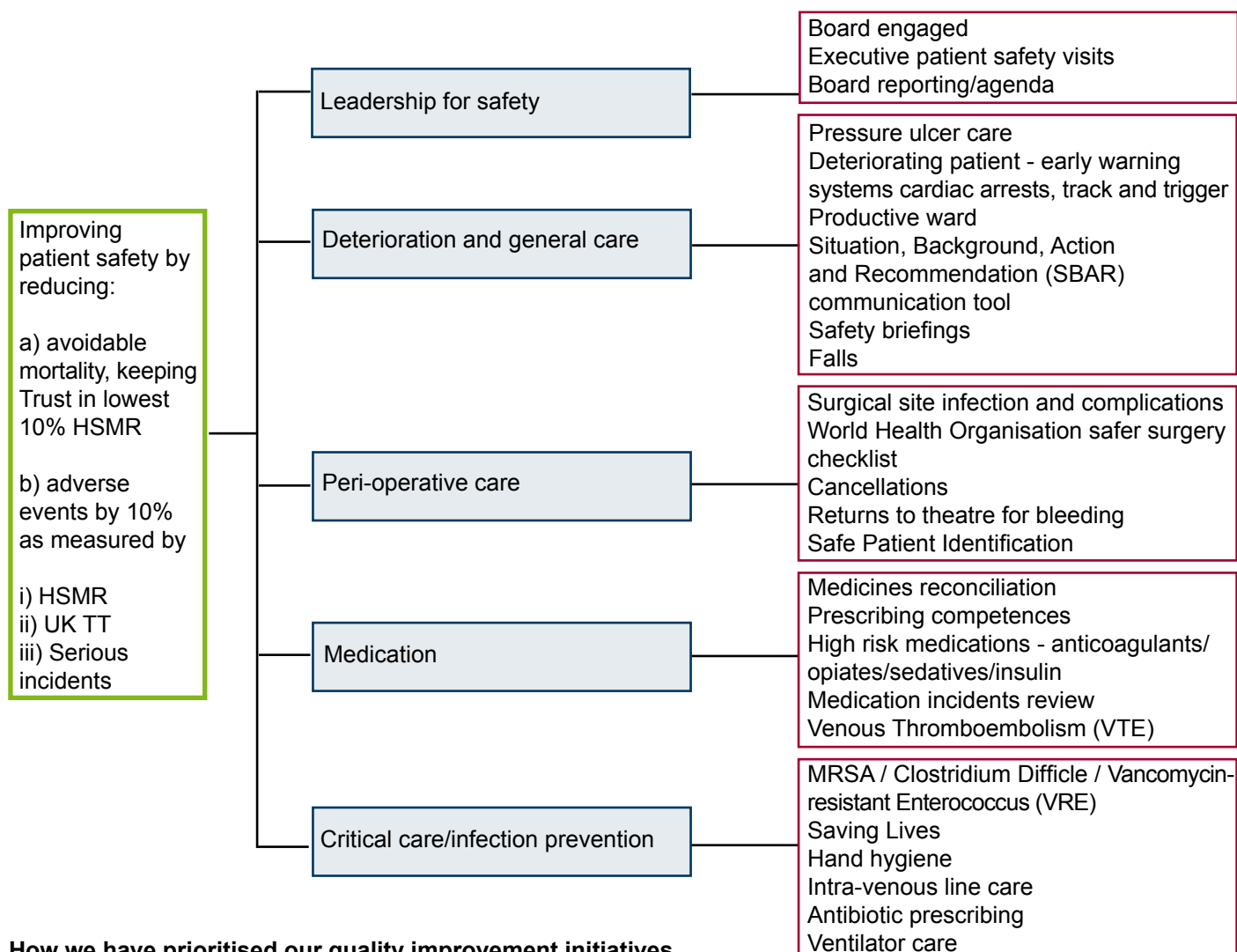
We use the NHS Institute of Innovation and Improvement's (IiI) UK Trigger Tool to provide us with an understanding of incidence of harmful events. This tool requires us to select randomly 10 sets of clinical records per site every two weeks and review them for harmful events. It is on the data produced by this tool that we are basing our planned programme in the reduction in harmful events over the next three years. This initiative runs alongside our aim to reduce mortality and reduce harm events.

We have designed a diagram to see how all the strands of our plan fit together; this is called a Driver Diagram.

Driver Diagram explained

We use a driver diagram (Figure 2) to determine what should be included in our safety plan. The driver diagram helps us to improve and measure our performance. There are clinical leaders for each area of the plan which is reviewed by the Patient Safety Board.

Figure 2 – Driver diagram



How we have prioritised our quality improvement initiatives

The programme of quality improvement is being delivered through a series of projects, which is designed to contribute to our overall aim to improve quality. The key to success is executive support, staff engagement and team work. Clinical experts work with improvement experts to select, test and implement changes at the front line of care. Ward teams have permission to redesign care which is delivered through small tests of change.

We believe that ownership of change at ward level results in improved quality care for patients.

Improvement projects

Patient Safety

- Falls Reduction
- Pressure Ulcer Reduction
- Executive Patient Safety visit programme
- Reducing harm events
- Reducing infections

Patient Outcome

- Reducing mortality
- Enhancing Quality Programme (this is explained later).

Patient Experience

- Patient Experience Tracker (PET)
- Eliminating mixed sex accommodation
- Productive Ward – increase the amount of direct clinical care time from qualified nurses.

The projects all took place throughout year two of the plan and some will continue into year three and will evolve into our quality strategy. Proposed developments for 2011-12 include the following:

- reducing further the risk of sepsis,
- establishing a Trust wide communication tool (SBAR - this stands for Situation, Background, Action and Recommendation)
- building on our culture of continuous safety
- using patient stories to facilitate improvement.

How are we supporting staff?

As well as investing in a corporate division of clinical quality and patient safety, we also offer a variety of ways for staff to become more skilled in quality improvement methods. These include:

- Introduction to the patient safety plan at corporate induction for all new staff members
- A patient safety programme for staff already employed within the Trust
- Participation in national programmes for patient safety run by the NHS Institute of Improvement and Innovation
- Participation in courses for Lean methodology
- Root Cause Analysis workshops for staff involved in investigating clinical incidents
- A staff development programme on improving competency in Patient Safety.

Specific quality improvement projects

Patient safety

1. Falls reduction programme

The National Patient Safety Agency (NPSA) reported 152,000 falls in England and Wales in acute hospitals. Many falls are avoidable but the challenge of falls is one that is likely to grow alongside an ageing and more frail population who have more complex health needs than ever before.

Due to the complexity and nature of falls, we know there is no single preventative measure that will work. The sort of interventions identified as having an impact include:

- alarm systems; and
- risk assessments.

One of the key interventions introduced by the Trust is the sensor alarm project to alert nursing staff when a patient attempts to get up from their chair or bed. The alarms are used on patients identified as being at high risk of falls, following a risk assessment carried out on admission to hospital. Often, these are patients who don't know they need help, or who don't want to ask for it.

The sensor alarms were launched in April 2009, on three wards with a high incidence of falling. We used two different approaches to measure the alarms' effectiveness - the project team believed there was no single answer to the problem of falls. On

two wards, the care bundle featured sensors, along with preventative care mechanisms, screening tools and reporting of falls. On the remaining ward - Bethersden Ward - this was enhanced with other interventions, including a low level bed, a supply of hip protectors, intensive training and education and its own falls 'champion'.

Impact on quality of care

The enhanced care bundle introduced on Bethersden Ward helped to reduce the rate of falls by more than 60% within six months. The 60% reduction achieved on Bethersden Ward has been sustained since they were introduced in April 2009, indicating that the

falls prevention strategies have become embedded in the usual care provided. In 2009, the number of falls on Bethersden Ward was 122; in 2010 the number had fallen to 41.

Progress – on target

Next steps

We have continued with the programme and incorporated the findings in this one area with the Commissioning for Quality and Innovation payment framework (CQUIN programme) for 2010/11 by concentrating on reducing serious falls resulting in fractures. We have seen a reduction in falls, with fractures across the Trust since this project has been in place falling from 36 to 25.

2. Pressure sore reduction

Pressure relieving mattresses are considered to be an important tool in preventing and treating pressure ulcers – and this is why wards can be less than willing to part with them for fear of having a patient in need and no equipment to support them. We introduced a range of measures to ensure they were available for those patients who were in most need.

The Trust has introduced tissue viability support workers as part of its work to reduce the risk and severity of pressure damage. These support workers have developed an equipment library, providing both safe storage and a reliable decontamination process. The roles were taken on by seconded healthcare assistants.

Their achievements have been felt throughout the hospital. The support workers have the potential to become 'the eyes and ears' of the specialist nurses who work across the Trust. Through visiting the wards, they can capture information on pressure ulcers and can give simple advice on wound care; all helping to improve care for patients and free up the tissue viability nurses to concentrate



on more serious wounds.

The team also helps to improve the reporting and collection of reliable information on pressure ulcers. Having reliable information means that grade one ulcers can be targeted, and this helps prevent grade two ulcers from developing.

The tissue viability support workers are the most effective champions. Their work and success with wards has inspired ward staff to champion the programme themselves.

The Trust has also invested money in heel protectors and changed the way we manage heel pressure sores by pillow off-loading. This has seen a decrease in the severity of this type of sore.

Impact on patient experience

This improvement means that fewer patients suffer pain, indignity and increased length of stay.

Impact on staff experience

Staff are demonstrating improved confidence and empowerment in their decision making regarding wound management. The tissue

viability course is popular and often oversubscribed. There is improved communication with all staff groups throughout the Trust and staff appear enthusiastic at taking best practice recommendations forward in their clinical areas.

Target

The target for the year was to reduce the number of hospital acquired pressure sores categorised as grade 1 or above by 10%

Progress – Ahead of target

3. Executive Safety WalkRounds

We started Executive Safety WalkRounds in April 2009. The Trust Executive Directors lead the WalkRounds which involve talking to front-line staff about patient safety and other issues that staff may want to talk about. Any specific themes or actions to follow-up are reviewed at the Patient Safety Board. All our Executive Directors and patient safety team take part in the WalkRound; the Non-Executive Directors and Governors are also included.

The goals of WalkRounds are to:

- Increase awareness of safety issues among all staff
- Make safety a priority for senior leaders by spending dedicated time promoting a safety culture
- Educate staff about safety concepts such as incident reporting and a 'fair-blame' culture
- Obtain and act upon safety issues identified by staff.

Achievements

- 39 WalkRounds conducted since April 2009
- 60 wards/departments in the hospital have been visited

Further improvements identified:

- Increase in the number of visits per month in order to move more quickly through a full hospital cycle
- Expansion of WalkRound participants to include governors
- 90-day executive follow up WalkRound on action items
- Expansion of scope to include support services such as domestics, security and linen services.

Key themes identified:

- Design of environment and equipment availability and maintenance
- Availability of healthcare records
- Patient transport
- Team communication
- More training for on-line reporting of any incidents or near misses
- Pocket version of antibiotic prescribing policy and guidelines
- Opportunities for staff to share good practice at the Chief Executive's forum which is held every six weeks
- "Shout Out Safety" campaign which will be launched in 2011/12.

A local action plan is developed for every safety issue identified and the local management are alerted. The next step is to make sure that the action plans identified are linked to the performance scorecards used across the Trust.

Progress – On target

4. Reducing harm events – UK trigger tool

The function of the trigger tool is to measure an overall rate of harm over time for the Trust. We know that human factors such as stress and distraction, as well as some of our systems and processes can make it easy to harm patients unintentionally.

Every two weeks trained clinical teams review 10 sets of case notes and record their findings against a list of harm events recognised world-wide. We choose the patient records at random. We do this because it helps identify trends in the rate and type of harm and supports our programme of patient safety outlined in the driver diagram at figure 2.

The review covers five areas of care in a patient's stay:

- General care
- Surgical care
- Intensive care
- Medication
- Laboratory tests.

Progress – On target

Next steps

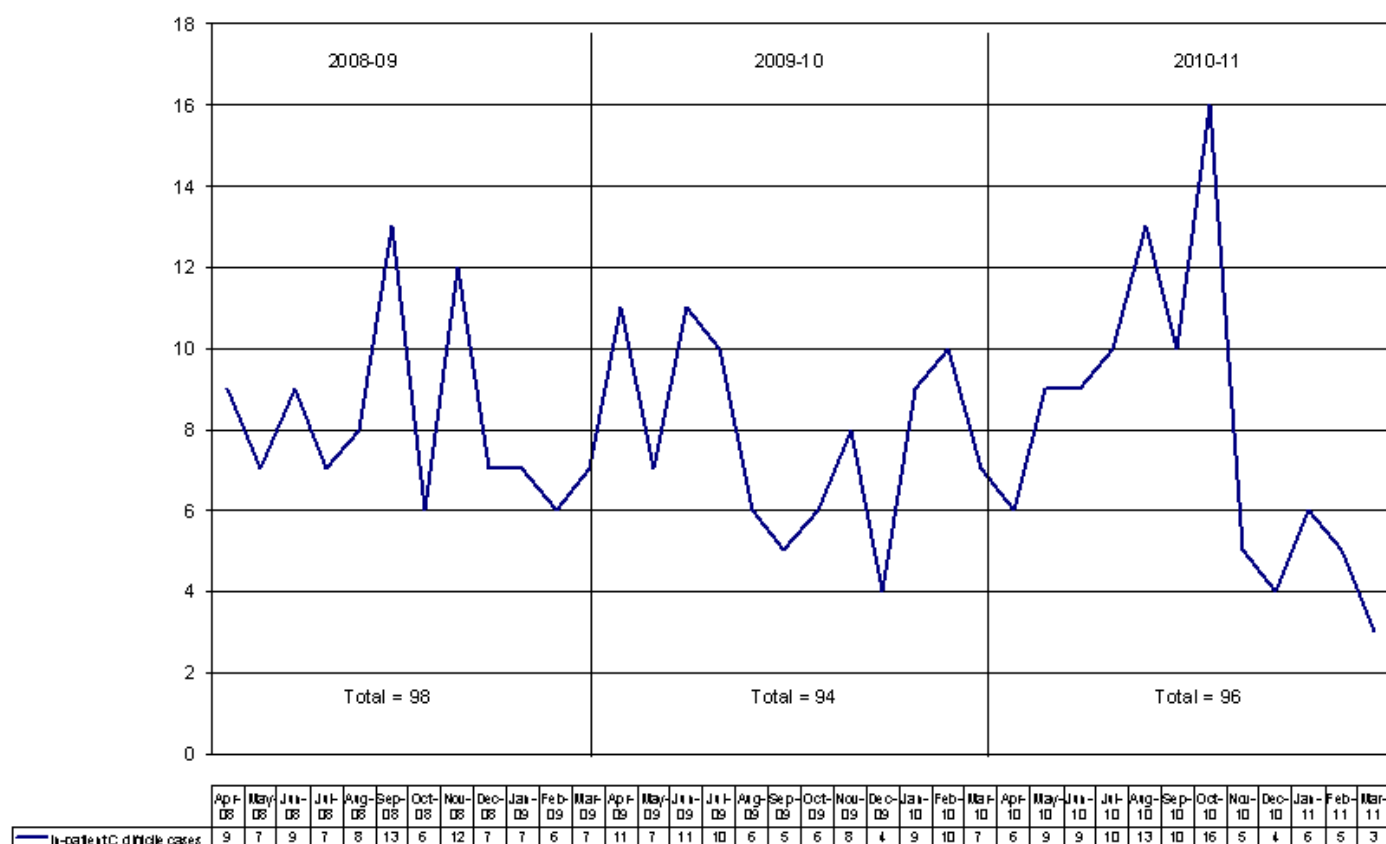
- We have set a target for next year to reduce the incidence of harm by five per cent.
- This means we want to reduce the number of harm events by 30.
- We plan to recruit and train more reviewers to support the programme next year.

5. Reducing infections

The only mandatory Department of Health targets for 2010/11 were for MRSA and Clostridium difficile. However we are also required to monitor and report on Methicillin sensitive Staphylococcus aureus bacteraemia (MSSA) and E coli bacteraemia. It is likely that targets for these organisms will be introduced when the current baseline of infections is better understood. The Infection Control team will be collecting information on probable

sources of these infections next year. A retrospective analysis of procedure and discharge coding associated with E coli bacteraemia has started.

Figure 3 – Inpatient Clostridium difficile performance



Progress – On target

Our performance against the Department of Health targets is:

Table 1

HCAI performance 2007/08 to 2010/11

	2007/08	2008/09	2009/10	2010/11	Department of Health target 2011/12
MRSA post 48 hour cases only	-	16	7	6	5
Clostridium difficile post 72 hour cases only	147	98	94	96	75

Note – All MRSA bacteraemias reported before 48 hours and Clostridium difficile figures before 72 hours of admission are not counted in the Trust figures as these are acquired outside hospital.

Patient outcome

1. Mortality reduction

A mortality review shows how well the Trust is able to deliver the right patient care in the right place.

Every month the specialty areas review and analyse the deaths occurring within the hospitals and identify patterns, which can highlight system failures.

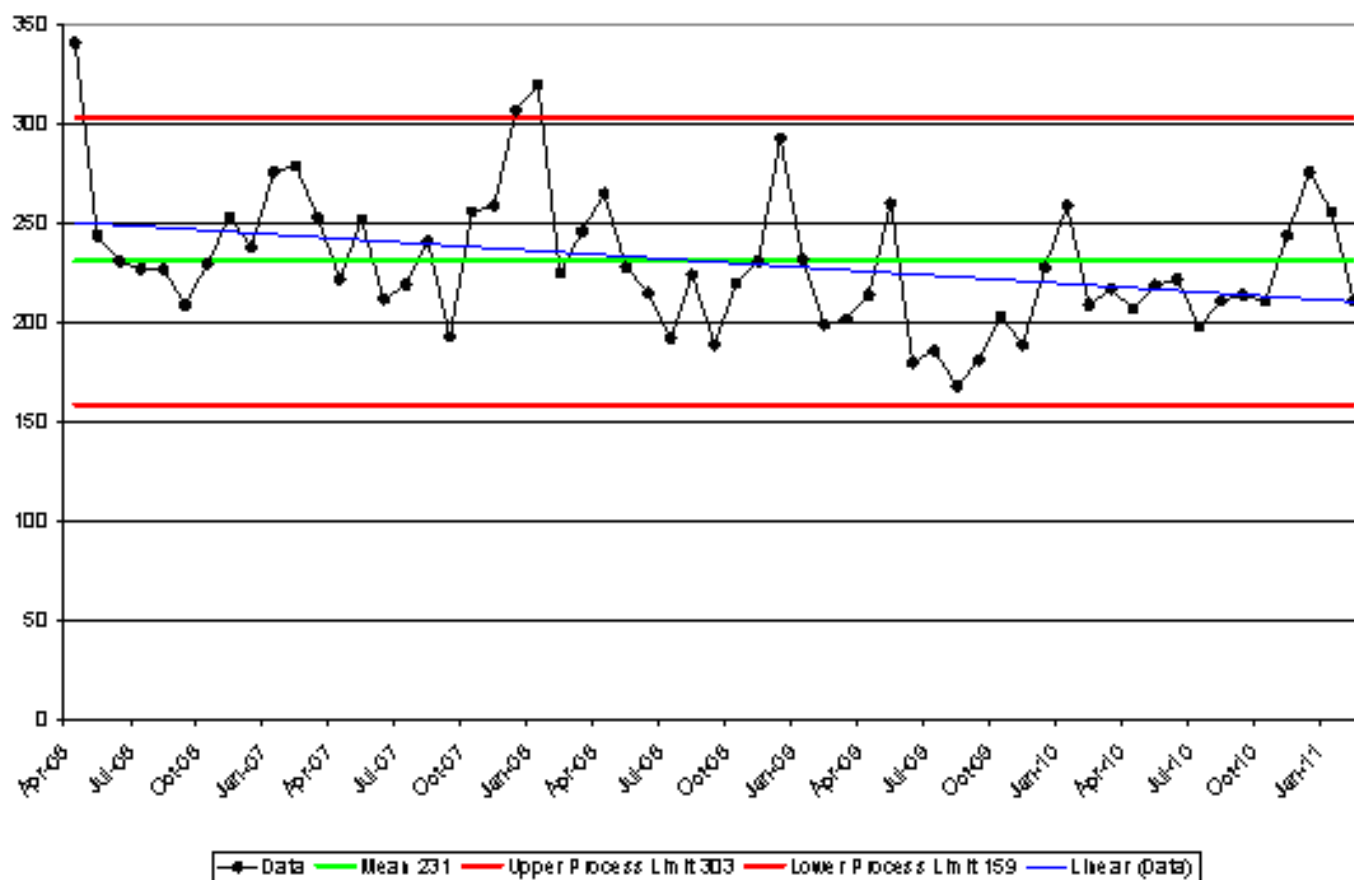
These reviews provide the Trust with an indicator of the safety and quality of the patient's journey through our care. We measure our performance against the Hospital Standardised Mortality Ratio (HSMR), another risk adjusted mortality indicator and the actual number of deaths occurring (crude mortality). These measures show the Trust is improving over time in standardised and

crude mortality.

We set a target of 75 for our HSMR this year. Progress can be seen in figure 1 (page 15). We do see an increase in the number of deaths each year in the winter time; this is known as seasonal variation.

Progress – On target

Figure 4 Crude mortality since April 2006



Next steps

- Each division within the Trust will use the information from mortality reviews and link this with their patient safety programmes
- A look back exercise on 50 sets of patient records is planned to categorise the next steps in our patient safety programme.

2. Reliable Care

East Kent Hospitals is participating in a region wide programme known as "Enhancing Quality". The aim is to record and report how well we perform against a set of evidence based measures that experts have agreed all patients should receive in four clinical conditions.

The programme requires us to audit all patient discharges from the four clinical pathways monthly; this is undertaken three months after the date of discharge.

The data are sent to the Strategic Health Authority (SHA). The reports provide information on our performance and this is benchmarked with our peer acute providers within the South East Coast SHA area.

Aim

To improve the quality of care received by patients with:

- Acute myocardial infarction (AMI) - heart attack
- Heart failure
- Community acquired pneumonia
- Hip and knee replacement.

Progress

Most pathways on or very close to target; one pathway behind target.

Table 2

	Target	Performance in 2010/11
AMI	91.7%	96.14%
Heart failure	46.8%	87.27%
Community Acquired Pneumonia	67.4%	56.37%
Hip and knee replacement	95%	85.12%

The first year of this programme was based mainly on setting up process milestones aimed at establishing the audit process; this will act as the foundation upon which clinicians will review local clinical practice and identify and implement agreed changes to their practice, highlighted by the audit results.

Areas for improvement

- We have worked with our GP colleagues to improve the information given to them using the new Electronic Discharge Notification (EDN) system after patients are discharged.
- Improving smoking cessation advice for patients by working closely with the community based Smoking Cessation Service to develop an improvement plan for the heart failure pathway.
- There may be other areas included in the programme next year and we will set up a programme to measure these.

Patient experience

1. Patient Experience Tracker

Designed as a performance management tool, the Patient

Experience Tracker collects, assesses and tracks patient experience in real time across multiple areas of the Trust and tracks whether real improvements are being delivered. It helps us to understand any underlying causes that may affect the patient experience and measures the effectiveness of any remedial action undertaken by teams. There are currently 70 trackers in use.

The senior nurses and matrons across the Trust review the results and work with wards/departments to make improvements to the environment and practice.

The target for 2010 - 11 was to achieve greater than 87% against each question.

Questions in use

- Q1. Did you experience being in a mixed sexed bay during your stay on this ward?
- Q2. How would you rate the way members of staff treated you and your family?
- Q3. How would you rate the cleanliness and neatness of the department?
- Q4. The plan for my treatment

was explained in a way I could understand?

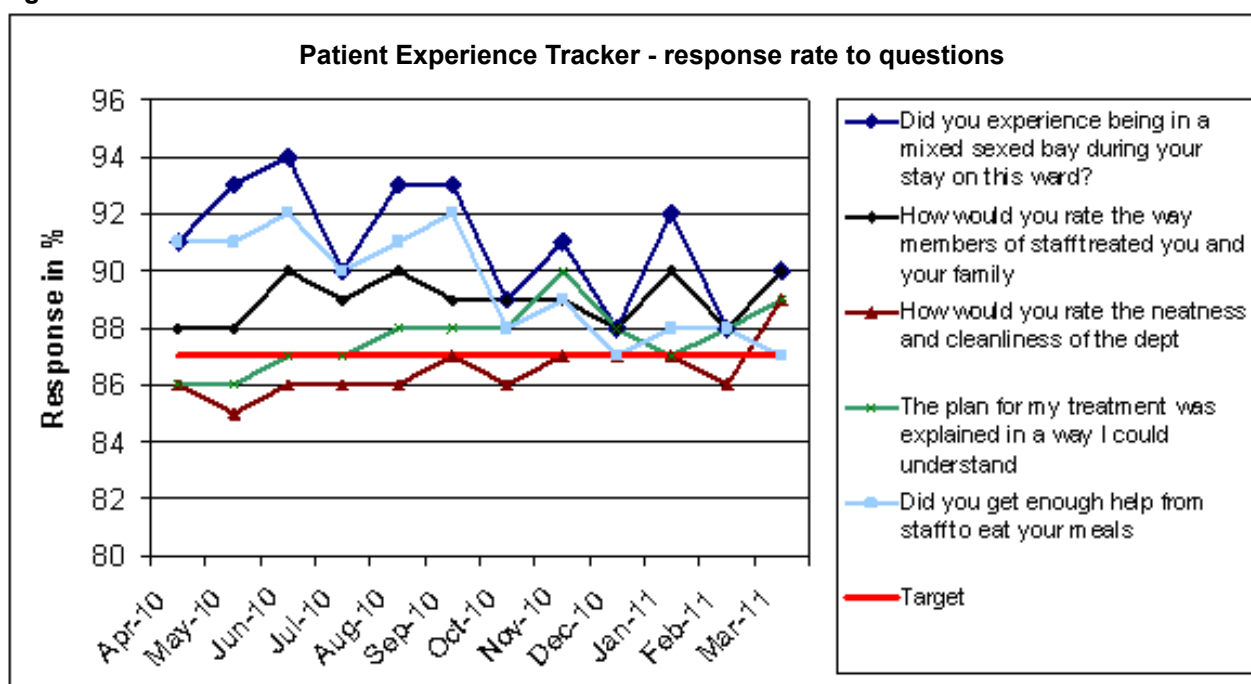
Q5. Do you get enough help from staff to eat your meals?

Progress – On target

Next steps

- We will continue to review our performance in these areas as part of our CQUIN programme for 2011/12
- We will review the results of the inpatient survey in 2010 and target key areas for improvement.

Figure 5



2. Eliminating mixed sex accommodation

The need to eliminate mixed-sex accommodation within inpatient rooms and bays was announced by the Secretary of State in January 2009. The Department of Health established a taskforce to guide this work and a programme team to drive delivery. The revised Operating Framework for 2010/11 made it clear that NHS organisations are expected to eliminate mixed-sex accommodation, except where it is in the overall best interest of the patient, or reflects their personal choice. Before any possible mixing occurring, patients must be informed and given an alternative choice.

Since July 2010 we have monitored the number of times a patient has shared accommodation, how many other patients were affected and the number of hours spent sharing five times each day. We have reported this to the Board every month and to our lead PCT along with the reasons

for sharing.

We have identified three clinical areas where patients occasionally need to mix:

- Clinical Decisions Units – where emergency patients are first assessed
- Stroke Acute Assessment Units – it is essential that patients with a stroke are monitored very closely by staff with the right skills and training
- Elective Orthopaedic Wards – this occasionally happens to avoid mixing with emergency orthopaedic trauma patients to reduce the risk of infections.

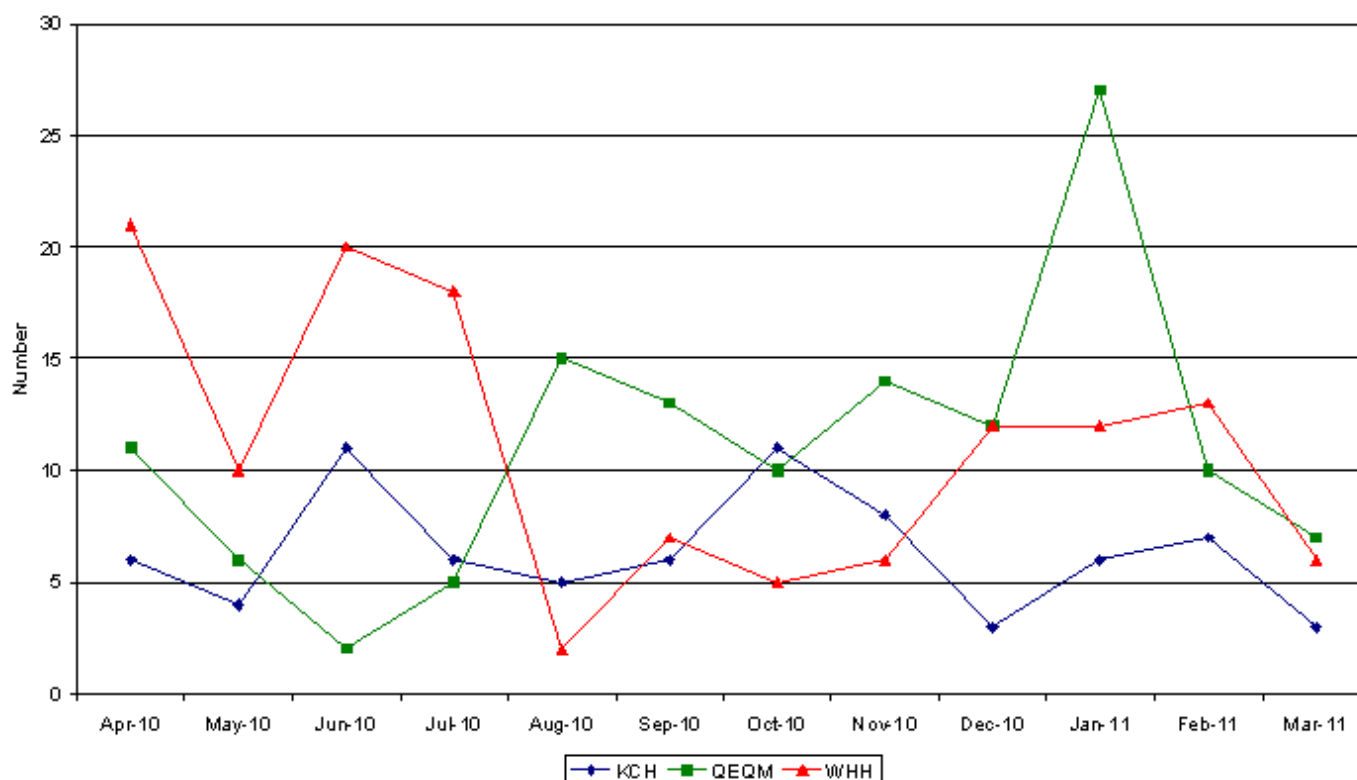
Progress – Slightly behind target due to the effects of the serious winter weather; the position improved in the last months.

Next steps

We will continue to report our performance to the Board and to the PCT; we will also report centrally to the Department of Health every month.

Figure 6

Occurrences of sharing mixed sex accommodation



3. Productive Ward

Foundation modules were completed in the first 37 wards implementing the Productive Ward programme; eight are in the process of completion and nine wards have just launched the programme.

There are four quality and safety indicators measured across all wards including falls, Clostridium difficile, MRSA bacteraemia and hospital acquired pressure ulcers. This fits in with the priorities for the Trust overall. Analysis of trends against these measures within the first six months of implementation for each Productive Ward area for the last two years demonstrates an improvement. The implementation of performance boards, as part of the Knowing How We Are Doing foundation module, raised staff awareness and assisted their interpretation of data and information. An example is outlined below:

Improvements achieved

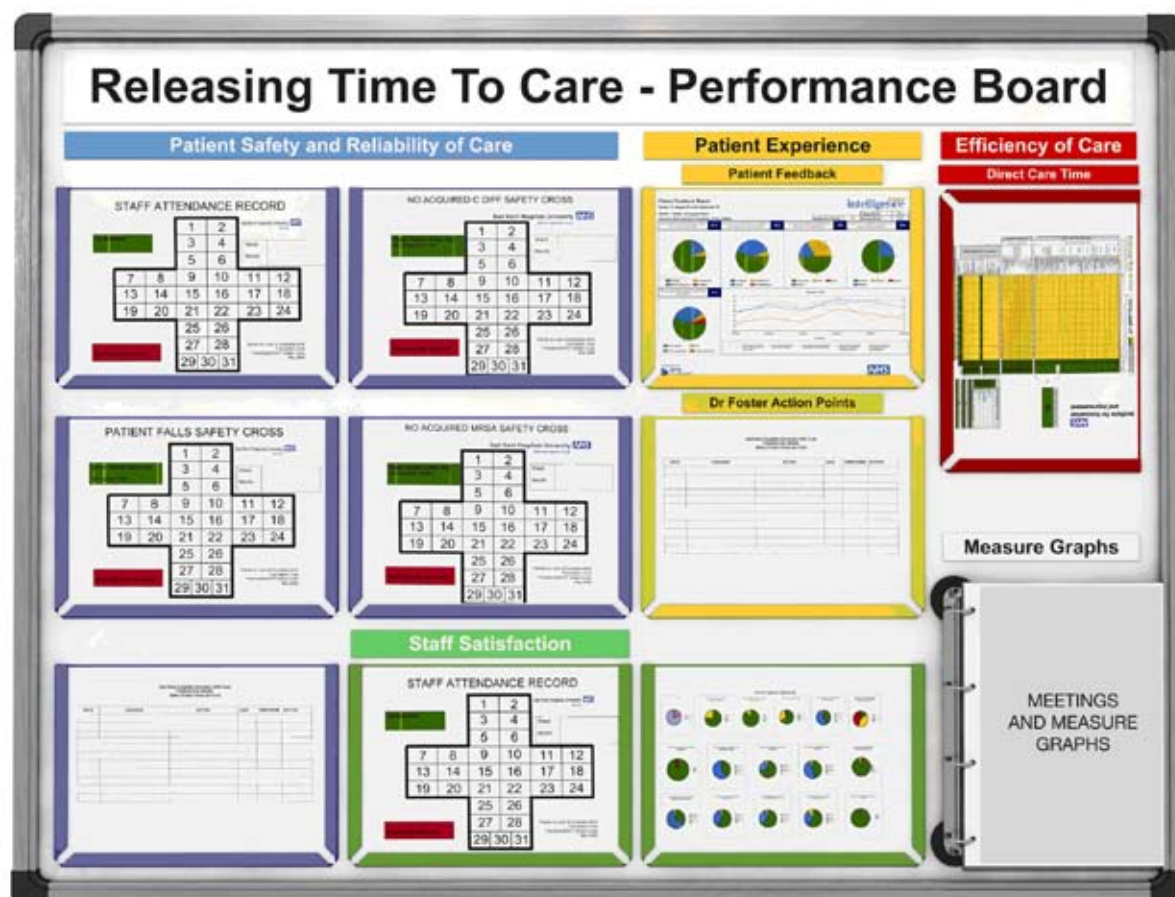
- Alert symbols for patient boards have now been standardised and agreed by the Trust. This is an important patient safety issue which will reduce potential harm.
- The Well Organised Ward module identifies excess stock on the wards from specialist dressing orders and line insertion.

Progress – On target

Next steps

- We will continue to monitor our performance in the Productive Ward as this will form part of our CQUIN programme for 2011/12
- The Productive programme will be extended to cover our operating theatres.

Figure 7 – Performance board



Statements of assurance from the Board

During 2010/11 East Kent Hospitals University NHS Foundation Trust provided and/ or sub-contracted 45 NHS services.

East Kent Hospitals University NHS Foundation Trust has reviewed all the available data on the quality of care in 100 per cent of these NHS services.

The income generated by the NHS services reviewed in 2010/11 represents 100 per cent of the total income generated from the provision of NHS services by East Kent Hospitals University NHS Foundation Trust for 2010/11.

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 2010/11, 45 national clinical audits and eight national confidential enquiries covered NHS services that East Kent Hospitals University NHS Foundation Trust provides.

During that period East Kent Hospitals University NHS Foundation Trust participated in 77.8 per cent of national clinical audits and 100 per cent of national confidential enquiries which it was eligible to participate in.

The national clinical audits that East Kent Hospitals University NHS Foundation Trust participated in during 2010/11 are shown in Table 3.

The national confidential enquiries that East Kent Hospitals University NHS Foundation Trust was eligible to participate in during 2010/11 are as follows:

1. Elective and emergency surgery in the elderly (EESE) study (published 2010)
2. Parenteral Nutrition: A mixed bag (published 2010)
3. Saving Mothers' Lives 2006 – 2008 (published 2011)
4. Confidential Enquiry into Maternal and Child Health (Peri-natal mortality) (published 2011).
5. Maternal obesity in the UK: findings from a national project (published 2010)
6. Surgery in Children – data collection 01/04/2008 to 31/03/2010 (not yet published)
7. Peri operative care – data collection March 2010 to March 2011 (not yet published)
8. Cardiac arrest procedures – data collection 01/11/2010 to 14/11/2010 (not yet published).

The national clinical audits and national confidential enquiries that the East Kent Hospitals University NHS Foundation Trust participated in, and for which data collection was completed during 2010/11 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. The reports of 35 national clinical audits were reviewed by the provider in 2010/11 and East Kent Hospitals University NHS Foundation Trust intends to take the following actions to improve the quality of the healthcare provided.

Table 3 – National confidential enquiries and national audits

National audit/Enquiry	Participation	Percentage of cases included	Actions
National audits eligible			
Peri and Neonatal			
Perinatal mortality (CEMACH)	✓	100	Monitor the perinatal mortality rate and review all cases of perinatal death to identify any areas of concern and provide the opportunity to improve practice.
Neonatal intensive and special care (NNAP)	✓	100	No actions identified
Children			
Paediatric pneumonia (British Thoracic Society)	x		
Paediatric asthma (British Thoracic Society)	✓	87	Improve the process in place for discharge planning and asthma education using the Electronic Discharge system
Paediatric fever (College of Emergency Medicine)	✓	100	National findings for this audit are being prepared
Childhood epilepsy (RCPH National Childhood epilepsy audit)	✓	New audit Registration only	NA
Diabetes (RCPH National Paediatric Diabetes Audit)	✓	97	No actions identified
Acute care			
Emergency use of oxygen (British Thoracic Society)	✓	100	Trust oxygen policy and protocols reviewed and updated; this is available to all staff on the intranet. Oxygen prescribing incorporated into revised drug prescribing charts. Training for clinical staff in place.
Adult community acquired pneumonia (British Thoracic Society)	x		
Non-invasive (NIV) – adults (British Thoracic Society)	x		
Pleural procedures (British Thoracic Society)	x		
Cardiac arrest (National Cardiac Arrest Audit)	✓	100	Every arrest call is currently audited. This feedback will be reviewed by the Patient Safety Board and used to develop the patient safety programme further.
Vital signs in majors (College of Emergency Medicine)	✓	100	National findings for this audit are being prepared
Adult critical care (Case Mix Programme) (ICNARC)	✓	100	Quarterly ICNARC reports are reviewed in local governance meetings. Deaths which were unpredicted, according to the ICNARC model are reviewed as part of the on-going mortality reviews.
Potential donor audit (NHS Blood & Transplant)	✓	100	No actions identified
Long term conditions			
Diabetes (National Diabetes Audit)	x		
Heavy menstrual bleeding (RCOG National Audit of HMB)	✓	New audit Registration only	NA

Table 3 – National confidential enquiries and national audits contd

National audit/Enquiry	Participation	Percentage of cases included	Actions
National audits eligible			
Chronic pain (National Pain Audit) ✓		100	Report delayed until 2012
Ulcerative colitis & Crohn's disease (National IBD Audit) ✓		21	In the process of collecting the data. Data collection to be completed by end of June 2011
Parkinson's disease (National Parkinson's Audit) x			
COPD (British Thoracic Society) x			
Adult asthma (British Thoracic Society) ✓		100	Improve checking of inhaler technique on admission. Ensure management plans are disseminated to GPs following discharge
Bronchiectasis (British Thoracic Society) x			
Elective Procedures			
Hip, knee and ankle replacements (National Joint Registry) ✓		100	Full participation in data extraction including ankle replacement treatment
Elective surgery (National PROMs Programme) ✓		100	No actions identified
Coronary angioplasty (NICOR Adult cardiac interventions audit) ✓		100	Improved local access to service by repatriation of service from London
Peripheral vascular surgery (VSGBI Vascular Surgery Database) ✓		94	No actions identified; the Trust is a high reporter to the system by virtue of the specialties provided
Carotid interventions (Carotid Intervention Audit) ✓		100	All patients undergoing Carotid endarterectomy to have an independent assessment at follow-up by a physician with an interest in stroke. Ensure patient follow up to assess for possible cranial nerve injury (CNI) post-operatively in addition to stroke, myocardial infarction (MI) and death rates
Cardiovascular disease			
Acute Myocardial Infarction & other ACS (MINAP) ✓		84	To identify any potential clinical improvements in the treatment of NSTEMI/ ACS patients. Ensure the treatment pathway for patients requiring pPCI is in accordance with Network guidance
Heart failure (Heart Failure Audit) x			
Pulmonary hypertension (Pulmonary Hypertension Audit) ✓		New audit	NA
Acute stroke (SINAP) ✓		Registration only	
		94	Quarterly reports are produced and any actions are discussed at the monthly Stroke Pathway Meetings
Stroke care (National Sentinel Stroke Audit) ✓		92	Action plan in development as report published in May 2011
Renal disease			
Renal replacement therapy (Renal Registry) ✓		100	No actions identified
Patient transport (National Kidney Care Audit) ✓		88	Report not due until June 2011, therefore no action plan
Renal colic (College of Emergency Medicine) ✓		100	National findings for this audit are being prepared

Table 3 – National confidential enquiries and national audits contd

National audit/Enquiry	Participation	Percentage of cases included	Actions
National audits eligible			
Cancer			
Lung cancer (National Lung Cancer Audit)	✓	100	The annual report is overdue for publication, so no action plan as yet in place
Bowel cancer (National Bowel Cancer Audit)	✓	100	The annual report is overdue for publication, so no action plan as yet in place
Head & neck cancer (DAHNO)	✓	12.6	The annual report is overdue for publication, so no action plan as yet in place
Trauma			
Hip fracture (National Hip Fracture Database)	✓	100	Audit programme to be developed around the recommended six auditable standards: prompt admission to orthopaedic care; surgery within 48 hours; nursing care aimed at minimising the development of pressure ulcers; routine access to ortho-geriatric medical care; assessment and appropriate treatment to promote bone health; and falls assessment
Severe trauma (Trauma Audit & Research Network)	x		
Falls and non-hip fractures (National Falls & Bone Health Audit)	✓	100	Documentation following multi-factorial falls risk assessment to be improved. There is a system for direct referral to a Falls Clinic as recommended and required by the NSF
Psychological conditions National Audit of Dementia	✓	100	Develop mandatory dementia awareness training, ensure nutritional assessments are completed and ensure an assessment of cognitive function is undertaken
Blood transfusion			
O negative blood use (National Comparative Audit of Blood Transfusion)	✓	63	A review of provision of O Negative support for trauma cases is planned and where a massive blood transfusion has occurred using O Negative blood this will be reviewed by the Trust transfusion committee
Platelet use (National Comparative Audit of Blood Transfusion)	✓	27	No specific actions identified.
National Confidential Enquiries			
Elective and emergency surgery in the elderly (EESE) study	✓	89.7	Improved documentation of decision making and risk assessments at all stages of the care pathway
Parenteral Nutrition: A mixed bag	✓	88.6	Multidisciplinary nutrition team involved in both enteral and parenteral nutrition developed. Nutrition team developed in surgical division to engage more in clinical nutrition issues and increase profile.
Saving Mothers' Lives 2006 – 2008	✓	100	Action plan in development
Confidential Enquiry into Maternal and Child Health (Peri-natal mortality)	✓	100	Monitor the perinatal mortality rate and review all cases of perinatal death to identify any areas of concern and provide the opportunity to improve practice
Maternal obesity in the UK: findings from a national project	✓	100	Action plan in development

We looked at the findings from 237 local clinical audits this year and we will take the following actions to improve the quality of healthcare provided.

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 where the audit was at a stage to identify actions:

Table 4 - Actions identified following local audits

Audit	Action
Trust wide clinical documentation	Provide a summary of record keeping standards to all clinical staff at audit meetings
Documentation of paediatric episodes in A&E	Display a poster of record keeping standards in all staff rooms
Drug chart audit	New pro forma to ensure the recording of all necessary demographic data
	Ensure completion of risk assessment tools; this will be incorporated within the mandatory requirements for Safeguarding Children
	Improved frequency of recording patients' weight and completion of drug sensitivity/allergy information
	The induction programme for medical staff to include the use of approved abbreviations and the recording of the maximum frequency of "as required" drugs
	Clearly record the actual dose to be administered for all weight-related dose regimes
	Ensure drug charts are re-written when a change in medication is made
	Record the batch numbers, the end time and any added drugs to intravenous infusions prescribed
World Health Organisation (WHO) safety surgical checklist	Integrate the checklist into the standard operation patient pathway documentation and update clinical staff in the reasons for use
Handover of care from intensive care units (ICU) to wards	Formal handover sheet for insertion into the healthcare record developed to provide documentation of the verbal handover
	Except in emergencies, patients should not be transferred
	Review all handover documentation to incorporate the communication tool SBAR (Situation, Background, Action and Recommendation)
Incidence of ventilator-associated pneumonia (VAP) on an adult ICU	Evaluate the incidence of VAP by introducing subglottic suctioning tracheostomy tubes on a trial basis
Management of urinary tract infections (UTI) in elderly patients	Improve staff awareness of best practice by disseminating the link to current guidance
	Introduce a UTI stamp to record urinary dip results and when samples sent for testing
	Medical staff to check the results of sample testing before prescribing antibiotics
Diagnostic algorithm for suspected pulmonary embolism (PE)	Update the Trust's PE algorithm to reflect the most current NICE guidance, disseminate and publish on the intranet
	Site-based thrombosis nurse to be introduced as a pilot on one site to support staff and educate
	Formal assessment of the recording of risk assessments and the appropriateness of prescribed thrombolytic therapy
Capacity to consent	Ensure training in the Mental Capacity Act (2005) is provided for all healthcare professionals delivering direct patient care
	Introduce clear pathways and risk assessments for the treatment of patients who lack capacity
	Develop simplified patient information literature
Pressure ulcers	All Clinical Decision Units (CDUs) to use pressure ulcer and nutrition screening tools on admission
	All ward areas to implement and document repositioning and positioning regimes. More heel off-loading devices to be purchased

Research: Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by East Kent Hospitals University NHS Foundation Trust in 2010/11 that were recruited during that period to participate in research approved by a research ethics committee was 2,683. This represents a significant increase in clinical research and demonstrates East Kent Hospitals University NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

Information on the use of the CQUIN Framework

A proportion of East Kent Hospitals University NHS Foundation Trust's income in 2010/11 was conditional upon achieving quality improvement and innovation goals agreed between East Kent Hospitals University NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework (CQUIN). Further details of the agreed goals for 2010/11 and for the following 12 months are available on line at: www.monitor-nhsft.gov.uk

For 2010/11 the baseline value of CQUIN was £5.7 million; this is 1.5% of contract value, and the CQUIN goals covered seven areas:

1. Patient Safety

- Reduction in falls resulting in fractures
- Improving the recognition of the deteriorating patient
- Ensuring patients receive a risk assessment and the appropriate treatment to reduce the risk of venous thrombo-embolism happening (blood clot formation)
- Improving the timeliness and the content of clinical information given to patients GPs following a stay in hospital.

2. Patient Outcomes (reliable care)

East Kent Hospitals University NHS Foundation Trust is participating in a region wide programme known as 'Enhancing Quality'. The aim is to record and report the level of compliance to a set of evidence based measures that experts have agreed all patients should receive. There are a number of clinical pathways involved to improve the quality of care received by patients with the following conditions:

- Acute myocardial infarction (AMI - heart attack)
- Heart failure
- Community acquired pneumonia
- Hip and knee replacement.

3. Patient Experience

- Patient satisfaction surveys locally and nationally
- Eliminating mixed sex accommodation
- Improving the consent to treatment process for patients who lack capacity to consent to treatment.

Based on performance to date EKHUT has achieved all the indicators, the total value payable to the Trust for CQUIN for 2010/11 is £5.7 million from our lead commissioning PCT. There is an additional £70,000 from the other PCT which contract services from us.

Further details of the agreed goals for 2010/11 and for the following 12 month period are available on request by contacting:

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

East Kent Hospitals University NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is "Registered without Conditions". The Care Quality Commission has not taken enforcement action against East Kent Hospitals University NHS Foundation Trust during 2010/11.

The Trust was not subject to periodic review by the Care Quality Commission but it did participate in a special review by the Care Quality Commission relating to Safeguarding Children during 2010/11. We have taken the following actions to address the findings and conclusions of the CQC.

Action 1 - Ensure more equitable access to health care services for all looked after children

Action 2 - Ensure that transition arrangements from Child and Adolescent Mental Health Services (CAMHS) into adult services are improved to support young people more effectively

Action 3 - Audit, monitoring and analysis of safeguarding data should be used more efficiently to ensure that health services are appropriately resourced and risk identified.

Action 4 - Health partners should ensure that the Common Assessment Framework (CAF) is more effectively promoted and implemented to improve understanding of the process and monitor referral rates and thresholds.

Action 5 - Ensure there is a clear strategy and plan for the health care of all looked after children in Kent including an annual reporting function to the PCT board and Kent Safeguarding Children Board

Action 6 - Ensure that developments in Information and Communication Technology (ICT) across community providers link effectively with partner agencies to improve communication for children's health and safeguarding.

The East Kent Hospitals University NHS Foundation Trust has made the following progress by 31 March 2011 in taking such action.

- | | |
|--------------|---|
| Progress 1 - | Variation in access for looked after children to CAMHS services provided by the Trust across NHS Eastern and Coastal Kent eliminated - Completed.
System in place with partners to ensure that looked after children are not disadvantaged when awaiting an assessment or service following a change of home address - Completed. |
| Progress 2 - | All referring agencies are aware of existing transition arrangements for patients with eating disorders and Attention Deficit and Hyperactivity Disorders (ADHD) - Completed.
Protocol for young people and carers following transition from CAMHS to adult mental health services agreed and implemented - Completed. |
| Progress 3 - | The results of safeguarding audits are shared with relevant professionals across Kent within the domain of healthcare and where necessary, across multi agency - Completed.
Child protection advisors ensure referral data is collected, analysed and reported and that actions are agreed and updated to the relevant clinical governance and clinical management boards - Completed. |
| Progress 4 - | All relevant health professionals receive CAF training in accordance with a training needs analysis based on need. |
| Progress 5 - | A strategy and a reporting schedule is in development following collaborative working with partner agencies - In line with plan. |
| Progress 6 - | Ensure all ICT systems for community providers' link effectively with partner agencies – In line with plan. |

Data quality

NHS Number and General Medical Practice Code Validity

East Kent Hospitals University NHS Foundation Trust submitted records during 2010/11 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:

- 99.4 per cent for admitted patient care;

- 99.8 per cent for out patient care; and

- 98 per cent for accident and emergency care.

- which included the patient's valid General Medical Practice Code was:

- 100 per cent for admitted patient care

- 100 per cent for out patient care; and

- 100 per cent for accident and emergency care.

NH Information Governance Toolkit attainment levels

The East Kent Hospitals University NHS Foundation Trust score for 2010/11 for Information Quality and Records Management, assessed using the Information Governance Toolkit, was 43 per cent and was graded red.

The East Kent Hospitals University NHS Foundation Trust will be taking the following actions to improve data quality:

- The Trust will review the assessment of information assets and flows in order to ensure ownership and responsibility for information and quality is clearly allocated and recognised.

- The East Kent Hospitals University NHS Foundation Trust is using the findings of the recent Information Governance and clinical coding audits to reinforce progress, including ensuring relevant training is undertaken to the level specified nationally.

Clinical coding error rate

The East Kent Hospitals University NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission.

Part 3 - Other information

How we keep everyone informed

Foundation Trust members are invited to take part in quality improvement sessions. We encourage feedback from Members, Governors and the public. Foundation Trust members are regularly updated through a quarterly update. The Patient and Public Experience Team raises awareness of programmes to the public through hospital open days and other events.

Measuring our performance

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

Table 5 - Measures to monitor our performance with priorities

	Data Source	Target 2010/11	Actual 2010/11	Actual 2009/10	Actual 2008/09
Patient safety					
C difficile – reduction of infections in patients > 2 years, post 72 hours from admission	Locally collected and nationally benchmarked	131 (DH) 90 (local stretch)	96	94	98
MRSA bacteraemia – new identified MRSA bacteraemias post 48 hours of admission	Locally collected and nationally benchmarked	10 (DH) 8 (local stretch)	6	15	25
In-patient slip, trip or fall, includes falls resulting in injury and those where no injury was sustained	Local incident reporting system	2,434 (5% reduction)	2,334	2,562	2,610
Pressure sores – all hospital acquired pressure sores (grades 1-4)	Local incident reporting system	250	232	274	183
Clinical effectiveness/patient outcome					
Hospital Standardised Mortality Ratio (HSMR) – overall	Locally collected and nationally benchmarked	On-going reduction target of 75	74.5	77.5	81.9
HSMR for patients following a stroke	Locally collected and nationally benchmarked	Target to be established	79.2	71	75
HSMR for patients following repair of abdominal aortic aneurysm	Locally collected and nationally benchmarked	Target to be established	62.4	77.7	55.3
GP communications					
Discharge summaries dispatched within 48 hours discharge from hospital	Locally collected	100%	91.3%	80%	60%
GP communications: letter dispatched within 48 hours of A&E attendance	Locally collected	100%	99%	92%	74%
GP communications: letter dispatched within 72 hours of attendance at outpatient clinic	Locally collected as part of audit	90%	97.4%	30%	30%
Patient experience					
The ratio of compliments to the total number of complaints received by the Trust (compliment : complaint)	Local complaints reporting system	12:1	15:1	8:1	8:1
Patient experience – composite of five questions from national inpatient survey	Nationally collected as part of annual inpatient survey	66.3%	66.1%	65.3%	65.1%
Single sex accommodation – mixing for clinical need only	Locally collected	100%	100%	100%	NA

These measures were chosen to link with the objectives for the Trust, to monitor local health priorities and to measure the effectiveness of the communication with our local GPs.

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 the Patient Administration System (PAS).

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. The rationale for this development with the CQUINs programme was agreed with NHS Eastern and Coastal Kent.

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.

Changes to some of the performance figures published in the last quality report occurred this year. The HSMR figure was re-calculated by Dr Foster as part of their annual programme, although this was correct at the time of publication. Additional falls and pressure sore data were reported outside the electronic incident reporting system due to a legacy paper system. The target for the composite score for patient experience was revised downwards to 66.3 from 66.5 by the lead commissioning PCT after publication of the 2009/10 Annual report.

Table 6 - Performance with national targets and regulatory requirements

	2008-2009	2009-2010	2010/11	National target achieved
Clostridium difficile year on year reduction	98	94	96	✓
MRSA – maintaining the annual number of MRSA bloodstream infections at less than half the 2003/04 level	25	15	6	✓
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	98.8%	94.95%	95.16%	✓
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments	96.0%	97.31%	99.13%	✓
Maximum waiting time of 62 days from all referrals to treatment for all cancers	99.3%	71.98%	87.21%	✓
Maximum waiting time of 4 hours in A&E from arrival to admission, transfer or discharge	98.9%	98.61%	97.14%	✓
18-week maximum wait from point of referral to treatment (admitted patients)	90.6%	89.93%	86.10%	No longer an indicator
18-week maximum wait from point of referral to treatment (non-admitted patients)	98.3%	98.23%	96.17%	No longer an indicator
People suffering heart attack to receive thrombolysis within 60 minutes of call	93.8%	82.70%	* No longer preferred treatment option	✓
Rapid access chest pain – 2 weeks	99.8%	100%	99.6%	✓
Revascularisation 13 weeks maximum (breaches)	0.0%	0.00%	0.00%	✓
Elective – 26 weeks maximum (breaches)	0.05%	0.16%	0.13%	No longer an indicator
Outpatients – 13 weeks maximum (breaches)	0.0%	0.002%	0.03%	No longer an indicator
% diagnostic achieved within 6 weeks	96.5%	97.50%	99.96%	✓
Cancellations as a % of elective admissions	0.65%	0.51%	0.77%	No longer an indicator
Cancellations breaches of the 28 day standard	1.7%	4.23%	3.3%	No longer an indicator
Delayed transfer of care	3.6%	1.8%	1.5%	✓
Screening all elective inpatients for MRSA	NA	NA	100%	✓
Meeting the six criteria for meeting the needs of people with a learning disability, based on recommendations set out in Healthcare for All (2008):	NA	6	6	✓

* The Trust became a provider of primary percutaneous coronary intervention for Kent and Medway in 2010. This is now the preferred treatment for patients.

Patient survey

The 2010 patient survey is still being analysed but the largest changes since the patient survey in 2009 were in the following areas:

Where patient experience has improved:

- Explanations about operations, anaesthesia and pain control
- Getting answers to questions about operations and procedures
- Explanations about medicines.

Where patient experience has deteriorated:

- Information given in A&E and at admission
- Noise at night in wards and clinical areas
- Choice of food available and assistance from staff with eating and drinking
- Doctors and nurses working well together
- Communication with family and relatives.

We are in the process of developing our actions to address the areas where our performance has deteriorated.



Staff survey

The largest changes since the 2009 staff survey were in the following areas:

Where staff experience has improved:

- Impact of health and well being on ability to perform work or daily activities
- Perceptions of effective action from employer towards violence and harassment
- Fairness and effectiveness of incident reporting procedure.

Where staff experience has deteriorated:

- Percentage of staff receiving job relevant training, learning or development in last 12 months
- Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver
- Staff motivation at work
- Percentage of staff appraised with personal development plans in last 12 months.

Areas agreed for particular focus are:

- Effective team working
- Staff receiving job-relevant training, learning or development in last 12 months
- Staff appraised with personal development plan in last 12 months
- Percentage of staff reporting good communication between senior management and staff.

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual reporting Manual 2010/11;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2010 to May 2011
 - Papers relating to Quality reported to the Board over the period April 2010 to May 2011
 - Feedback from the commissioners dated 25 May 2011
 - Feedback from the governors dated 26 May 2011
 - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2010
 - The 2010 national patient survey April 2011
 - The 2010 national staff survey March 2011
 - The Head of Internal Audit's annual opinion over the trust's control environment dated 20/04/2011
 - CQC quality and risk profiles dated 21 April 2011.
- the Quality Report presents a balanced picture of the foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>) as well as the standards to support data quality for the preparation of the Quality Report (available at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>)).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By order of the Board



Chief Executive
27 May 2011



Chairman
27 May 2011

Limited Assurance Report on the content of the Quality Report

Independent assurance report to the Board of Governors of East Kent Hospitals University NHS Foundation Trust on the annual quality report

We have been engaged by the Board of Governors of East Kent Hospitals University NHS Foundation Trust to perform an independent assurance engagement in respect of the content of East Kent Hospitals University NHS Foundation Trust's Quality Report for the year ended 31 March 2011 (the "Quality Report").

Scope and subject matter

We read the Quality Report and considered whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and considered the implications for our report if we become aware of any material omissions.

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2010/11 issued by the Independent Regulator of NHS Foundation Trusts ("Monitor") and dated 31 March 2011.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual or is inconsistent with the documents.

We read the other information contained in the Quality Report and considered whether it is materially inconsistent with the documents below:

- Board minutes for the period April 2010 to May 2011;

- Papers relating to quality reported to the Board over the period April 2010 to May 2011;
- Feedback from the commissioners dated 25th May 2011;
- Feedback from governors dated 26th May 2011;
- The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2010;
- The 2010 national patient survey April 2011;
- The 2010 national staff survey March 2011;
- The Head of Internal Audit's annual opinion over the trust's control environment dated 20/04/2011; and
- CQC quality and risk profiles dated 21 April 2011.

We considered the implications for our report if we became aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

This report, including the conclusion, has been prepared solely for the Board of Governors of East Kent Hospitals University NHS Foundation Trust as a body, to assist the Board of Governors in reporting East Kent Hospitals University NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2011, to enable the Board of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the Quality Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors as a body and East Kent Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board ("ISAE 3000"). Our limited assurance procedures included:

- Making enquiries of management;
- Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual dated 31 March 2011.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2011, the content of the Quality Report is not in accordance with the NHS Foundation Trust Annual Reporting Manual.

KPMG LLP
Chartered Accountants
Canada Square
London



Members of the Board of Directors.

Introduction

One of the highlights of 2010/11 for the Trust was being named 'Trust of the Year 2010' by the independent healthcare information organisation Dr Foster.

Dr Foster examined all hospital Trusts in the country against a variety of safety and patient experience indicators, and East Kent Hospitals University NHS Foundation Trust was the best-performing Trust across the board.

However, we cannot become complacent and we fix our eyes firmly on achieving the best possible outcomes for all our patients on a day-to-day basis and meeting our future challenges to the good of the population we serve.

Risks and uncertainties

The Health & Social Care Bill which is currently making its way through Parliament has been described as the biggest planned overhaul of the NHS in England in its 63-year history (BBC News, 19 January 2011). The reforms it contains relate to five main areas: a focus on healthcare outcomes, General Practitioner (GP) led commissioning, creation of the NHS Commissioning Board, public health moving to local government and an obligation for all NHS Trusts to become or be part of a Foundation Trust.

The change that will have the biggest impact on the Trust will be the move to GP led commissioning, which means that from 2013 GPs will hold and allocate up to 80% of NHS funds. The current system of Primary Care Trusts will be abolished. This is a fundamental change to the way in which the Trust obtains its funding and is being implemented over a short time frame. Changes will be required to many of the Trust's operational and business systems and the Trust is actively developing and implementing plans for adapting to the new business model.

The move to GP commissioning is also occurring at a time when the NHS is required to deliver £20bn of efficiency savings by 2014/15. The next few years will therefore present a number of challenges and opportunities for the Trust.

Our strategic objectives

Our strategic objectives are at the heart of everything we do. They are:

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

How many people we treated

During 2010/11 the Trust has continued to see demand for its elective services grow, receiving over 270,000 referrals, a 1.3% increase on the previous year. Towards the end of the calendar year however, primary care referrals began to level off resulting in a 0.2% decrease compared to 2009/10.

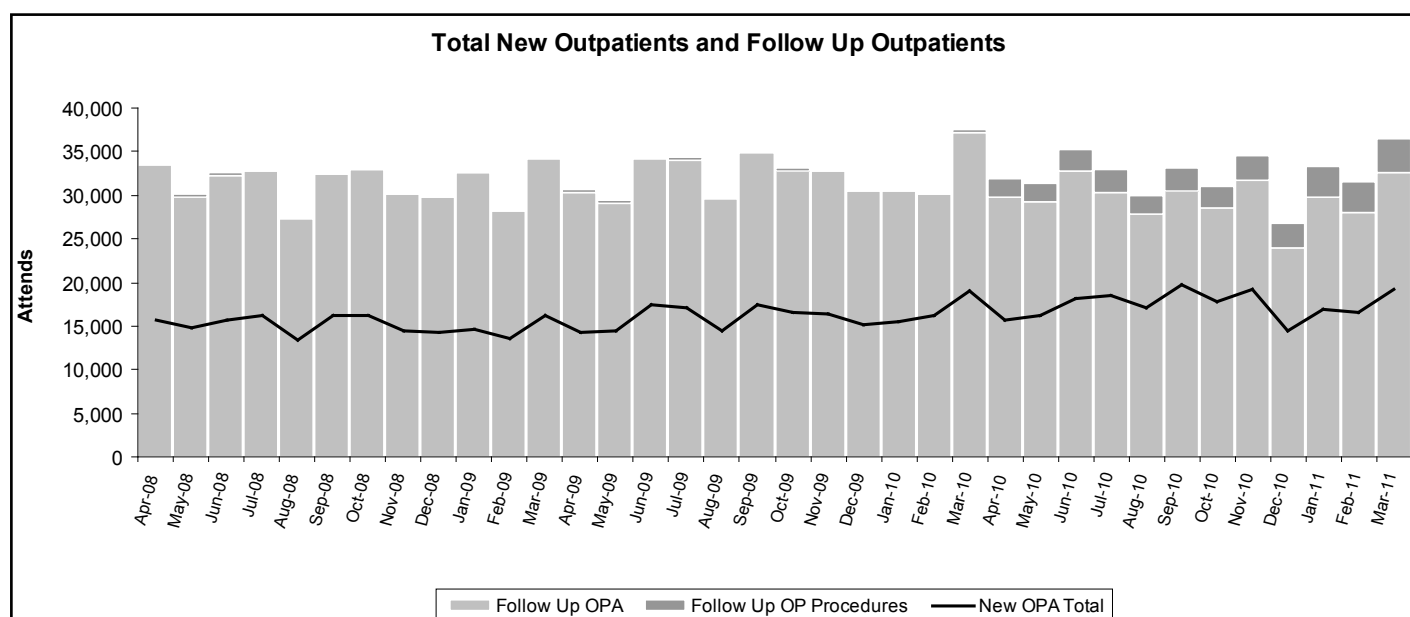
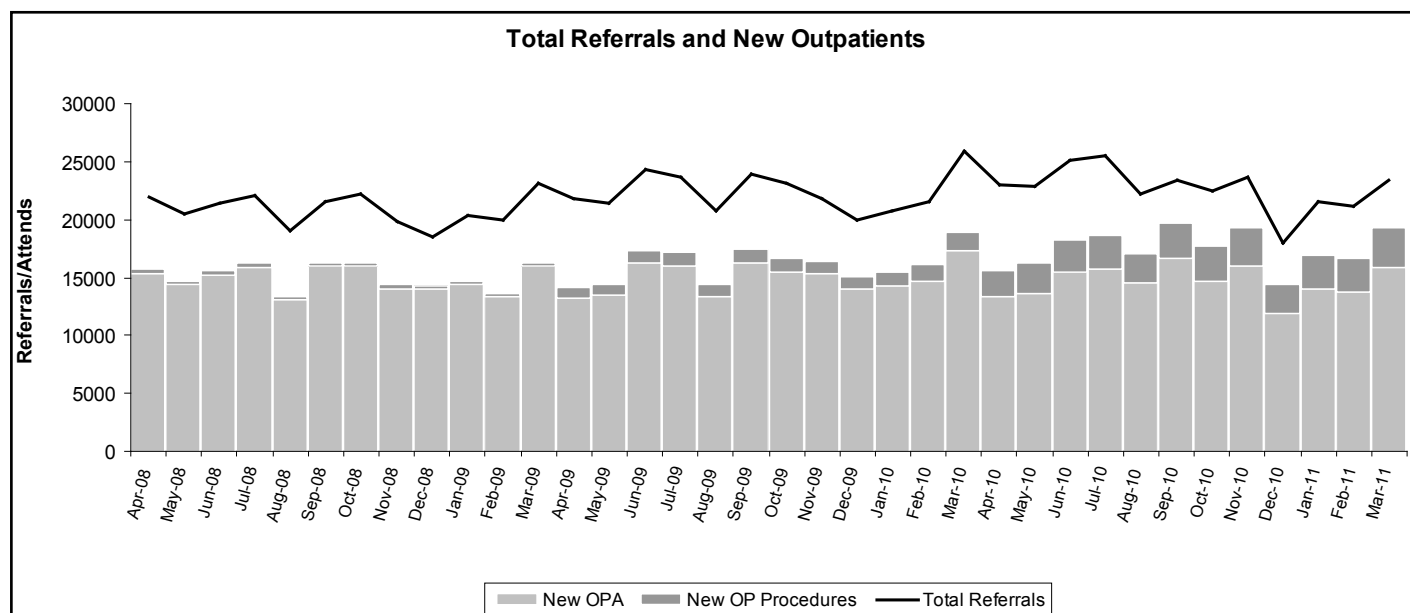
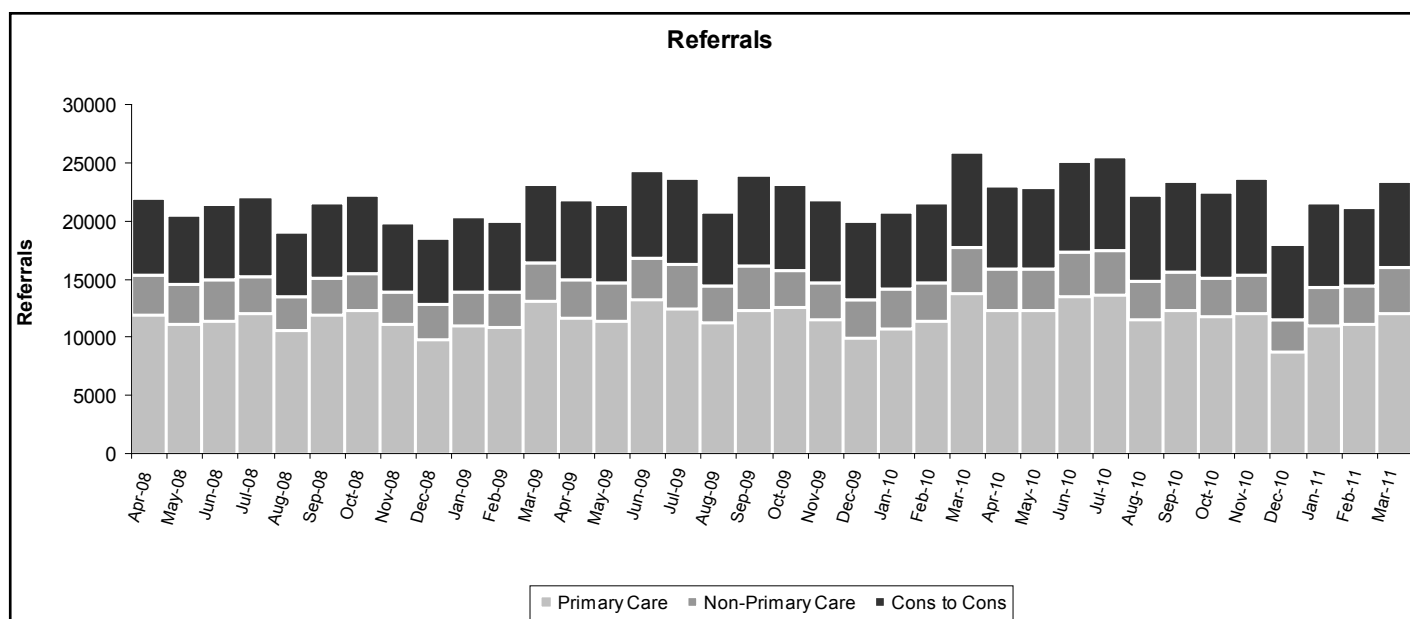
Total outpatient attendances in 2010/11 were circa 598,000, an increase of 2.6% on the previous year. The majority of this increase was in new attendances which were 8.2% above 2009/10.

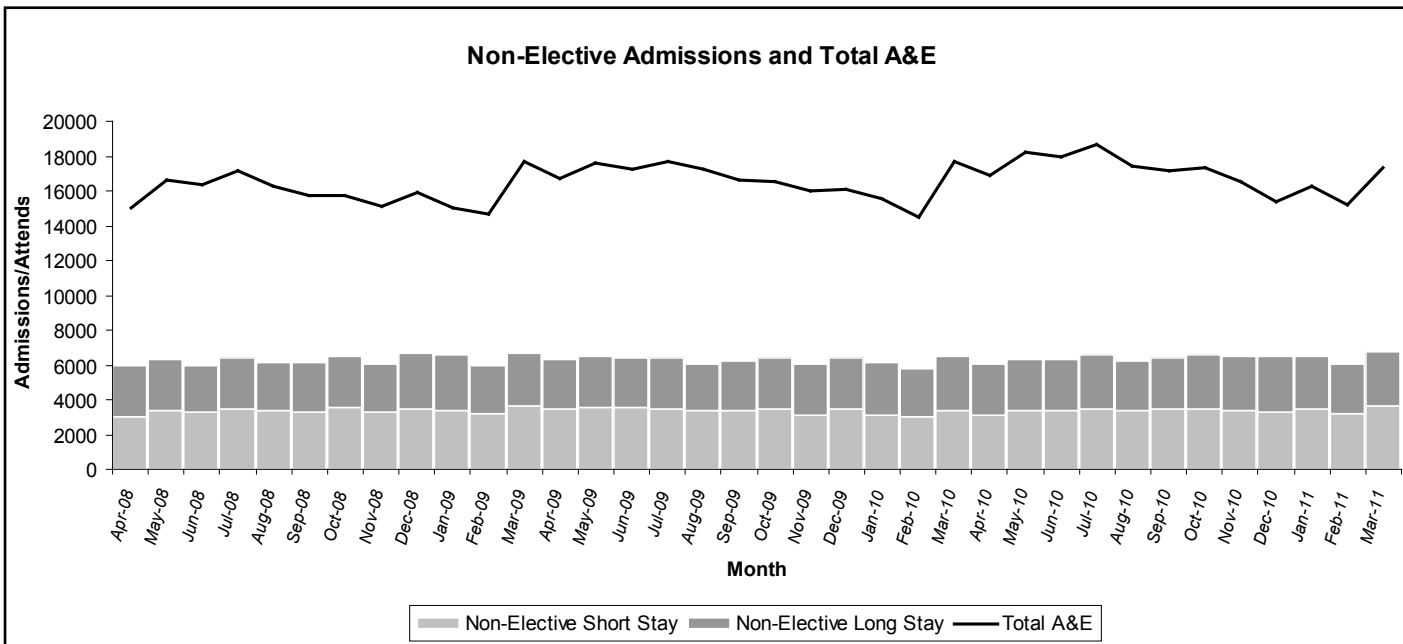
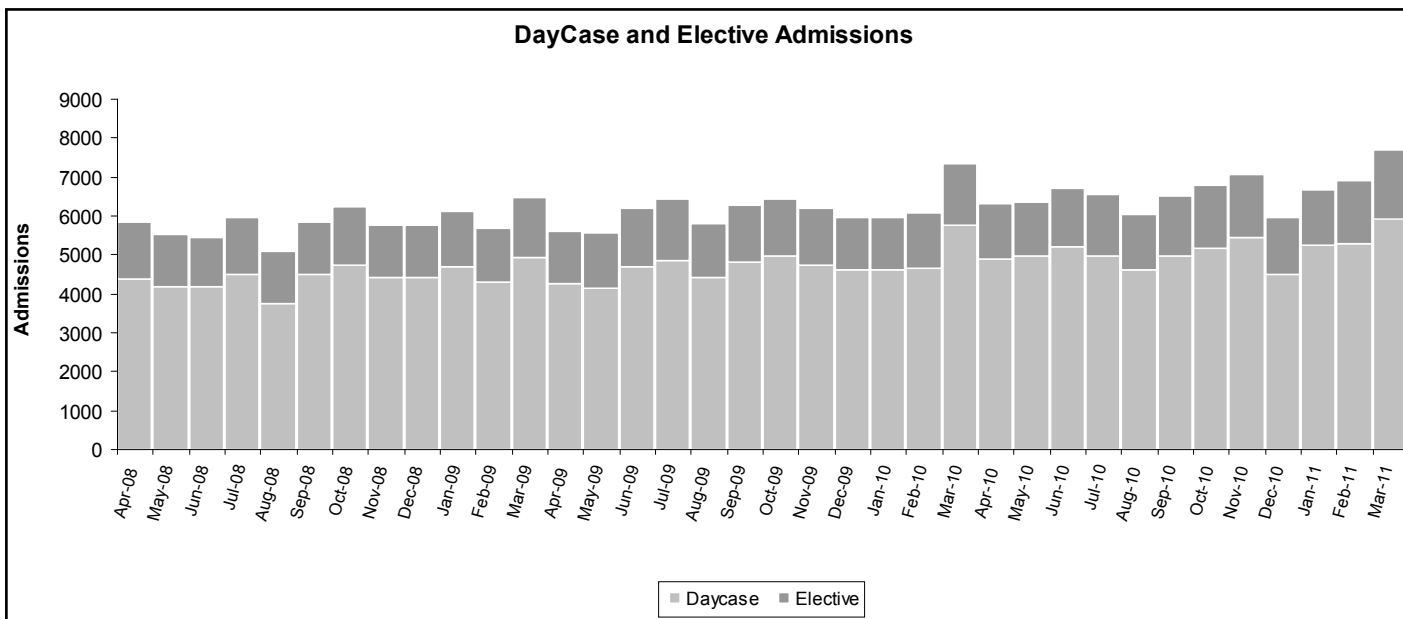
Elective admissions grew in 2010/11 by 10.3% to just over 70,000. Increases can be seen in both inpatient and day case admissions showing 4.9% and 12.3% respectively.

A&E attendances grew by 2.6% in 2010/11 with emergency admissions also increasing (2.1%). The majority of growth can be seen in long stay non-electives with short stay non-elective admissions remaining fairly static.



		2009/10	2010/11	Variance
Referrals	Primary Care	142,067	141,813	-0.2%
	Non-Primary Care	41,205	41,479	0.7%
	Cons to Cons	85,612	89,202	4.2%
	Total Referrals	268,884	272,494	1.3%
Outpatients	New Attendance	179,388	175,435	-2.2%
	Follow Up Attendance	385,969	354,964	-8.0%
	New with Procedure	14,362	34,296	138.8%
	Follow Up with Procedure	3,080	33,243	979.3%
	Total New	193,750	209,731	8.2%
	Total Follow Up	389,049	388,207	-0.2%
Elective	Daycase	47,055	52,841	12.3%
	Inpatients	17,407	18,265	4.9%
	Total Elective	64,462	71,106	10.3%
	Non-Elective Short Stay	40,358	40,593	0.6%
	Non-Elective Long Stay	34,720	36,098	4.0%
	Total Non-Elective	75,078	76,691	2.1%
	A&E attendances	199,266	204,403	2.6%





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 in-year returns to verify that the NHS Foundation Trust is continuing to comply with its authorisation.

Monitor provides risk ratings for finance and governance on a quarterly basis. The following tables describe the risk ratings for the Trust during the last year and previous year 2009/10:

	Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial risk rating	4	4	4	4	3
Governance risk rating	Green	Amber	Red	Amber	Red
	Annual Plan 2010/11	Q1 2010/11	Q2 2010/11	Q3 2010/11	Q4 2010/11
Financial risk rating	4	3	4	4	4
Governance risk rating	Green	Amber-Green	Green	Green	Green

A number of the risks materialised through 2010/11 but they were not significant enough to affect the Trust's governance risk rating with Monitor accordingly. The infection prevention targets in particular were very strict, due to previous excellent performance, but the Trust successfully maintained its level of performance through the year.

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. The Trust recognised these as risks at an early stage.

Improvement work undertaken during 2010/11 on the cancer pathways associated with each diagnostic group has improved performance across each standard, including the 62 day pathway.

Through Quarter 1 and again in Quarter 4 there was a concerted effort to reduce the backlog in respect of 18 week waits and significant use of the independent sector was made. By the end of March 2011, the backlog was reduced to below the recommended level of a half week's worth of activity as advised by the Department of Health's Intensive Support Team. Having brought this backlog down to a manageable level the Trust is ready for the new year in a good position. It is relevant to note that this target was removed from the Monitor framework after Q1 but returns for the new year 2011/12.

Monitor's compliance framework sets out the process of escalation for Trusts. In line with this escalation process the Trust has been reporting on a quarterly basis to Monitor to give them assurance that the Trust action plans will continue to deliver sufficient and time agreed improvements and adhere to relevant targets.

Objective	Progress
Sustain a maximum referral to treatment time of 18 weeks at specialty level	Following the amendments to the 2010/11 Operating Framework the 18 weeks governance triggers were relaxed, however the decision was taken to continue to work in line with the original framework. During the year the Trust implemented a plan to reduce its waiting list backlog to a sustainable level. It was recognised that this would adversely impact performance on admitted care and the 90% target for admitted patients was not met from January to March 2011. The target for non-admitted care was not affected and was fully met.
Achieve and maintain all the cancer targets	The Trust continues to work closely with the Cancer Intensive Support Team to review, identify and embed clinical pathway changes. Current and future activity plans have been agreed with the relevant directorates using Department of Health and Monitor targets.
Maintain A&E four hour target	The Trust consistently met the 2010/11 revised Monitor Compliance Framework target.
Continue to upgrade and develop the Trust's estate	The refurbishment and new build programme continued throughout the year. At Kent & Canterbury Hospital the urology ward has been extended and the Oncology department is being refurbished. At Queen Elizabeth The Queen Mother Hospital the endoscopy and bowel screening unit has been refurbished and expanded. At William Harvey Hospital the new maxillo-facial building was completed.
Continue to upgrade and develop the Trust's IT infrastructure	Network upgrades have been completed at Kent & Canterbury Hospital. An electronic discharge notification for GPs has been implemented.
Extend the Trust's LEAN Service Improvement Programme	All identified pathways have been completed and have a sustainability action plan in place.
Agree a long term capacity model that ensures maximum utilisation of estate	A capacity model has been developed and is being used to evaluate various options for maximising the use of our estate.
To guarantee staff are able, empowered and responsible for the delivery of effective care.	Targets for reducing staff turnover and combined training and appraisal rates were met. At 15% the Trust narrowly missed its targeted reduction to 14% in the annual staff survey on bullying and harassment, local action plans are in place to improve the position. In the 2010 NHS staff survey, 76% of respondents received job relevant training, 87% received Health & Safety training, 74% received a performance appraisal and 61% had a personal development plan in place.
Support the development of the Research & Development strategic plan	There have been increases in recruitment to clinical trials and increased links with R&D partners. A Health Research Liaison Officer between the Trust and University of Kent has been appointed. Prestigious grants have been awarded by both the Medical Research Council and the European Union for collaborative research with other institutions.
Improve the Trust's compliance with Essential Standards of Quality and Safety for CQC Registration and improve patient safety and experience	Full Care Quality Commission registration was achieved with no conditions in the Quality rating. A "Quality Account" was produced and published in collaboration with service users. NHS LA level 3 (general standards) was achieved and NHS LA level 2 for maternity standards was achieved in September.
Implement third year of Patient Safety Strategy Programme to continue to reduce mortality and harm events	CQUIN: An Enhancing Quality Programme (EQ) audit process has been established and regular review meetings are being held. The Trust continues to improve on already low rates of Healthcare Associated Infections and has agreed targets. The Hospital Standardised Mortality Ratio has been maintained below national levels.

Objective

Develop a reporting and analytic framework to support the Trust in delivering operational and corporate objectives

Develop a robust 3 year financial plan with an explicit CIP for 2010/11 and with an EBITDA margin of at least 6.9%.

Progress

The Trust's information strategy and reporting framework have been agreed and are in place. A training programme on interpretation of information to support decision making has been implemented for key Trust staff.

A 3 year financial plan was approved by the Board of Directors. A matrix of corporate cost cutting schemes was developed to monitor actions and progress of Cost Improvement Programmes. EBITDA was slightly behind target.

Working in partnership

Our NHS partners include South East Coast Strategic Health Authority, Eastern and Coastal Kent Primary Care Trust, Kent Community Health NHS Trust and South Coast Ambulance Service NHS Trust.

The Trust also has a close working relationship with neighbouring acute Trusts, notably Maidstone and Tunbridge Wells NHS Trust which is responsible for the Oncology service, Dartford and Gravesham NHS Trust and Medway Maritime NHS Foundation Trust.

The Trust is part of a number of county-wide specialist networks, eg, the Kent Cardiac Network and the Kent and Medway Pathology Network. The Trust works in partnership with several academic institutions as part of its education and research and development programmes, including the Kent, Surrey and Sussex and London deaneries, King's College Hospital, University of Kent, Canterbury Christ Church University and the Comprehensive Local Research Network.

The Trust has two key contractors - Medirest, which we work closely with to ensure our hospitals have a high standard of cleanliness, catering, security and portering services; and Polkacrest, which provides waste management services.

Social and community

This year, the Trust took part in Project SEARCH - a partnership that includes Kent County Council, Kent Supported Employment, Thanet College and Vista Leisure - to offer work placements for teenagers with learning disabilities.

The Trust also continued its apprenticeship scheme for estates craftsmen, bringing the total number of estates apprentices to 13.



A patient is rushed to Kent's specialist heart unit at William Harvey Hospital, Ashford, where he receives the latest life-saving treatment for heart attack, called pPCI. This county-wide service, hosted by East Kent Hospitals, was set up through collaboration within the Kent Cardiac Network, which includes neighbouring acute Trusts, the South Coast Ambulance Trust and Eastern and Coastal Kent Primary Care Trust.

Asking questions, improving services

Hospital clinicians and staff, GPs and Primary Care Trust representatives held a 'service improvement event' to improve access to outpatient services.

The event took place because it was recognised by the Trust and Primary Care Trust that patients were having a less than satisfactory experience when booking their first appointment via the Choose & Book system. The focus was the Head & Neck Directorate as it accounts for 30% of all outpatient appointments within the Trust.

The pathway was examined in detail (from the point of referral in the GP surgery to arriving for a first appointment at a hospital) and waste and bottlenecks within the current pathway were identified and changed.

So far, we have seen a 12% reduction in wasted appointment slots and a vast improvement in the outpatient appointments telephone service as a result of this work.

Consultation with local groups and organisations

We carried out a variety of consultations this year:

- An outpatient survey was conducted over two weeks (20 – 31 December) to help the Trust test the feasibility of providing outpatient services from locations within East Kent so patients do not have to travel more than 20 minutes by car and offering increased choice of appointments by the provision of an extended working day and Saturday clinics. Two thousand questionnaires were given out to patients attending various clinics at Kent & Canterbury Hospital, William Harvey Hospital, Queen Elizabeth The Queen Mother Hospital, Buckland Hospital and Royal Victoria Hospital. The survey asked about willingness to travel and accessing services not only during regular hours but also early morning, evening and Saturday. Demographic information was also captured.

The survey was conducted as a preliminary measure to assess the likely uptake of extended outpatient services. The response rate was 83% and it showed that most respondents would be willing to use them if offered.

- We consulted on our draft Patient and Public Engagement and Experience strategy through both our membership and representative patient groups.

- We consulted with staff, members of the public and representative groups on improving our communications for people with learning disabilities, through a series of engagement events. As a result, a 'patient passport' is being developed to help improve communication between hospital staff and patients with learning disabilities.

Developing services

Heart attack service

The Kent Cardiac Network identified the William Harvey Hospital, Ashford, as the first Centre in Kent & Medway for primary angioplasty (pPCI) - a new treatment for patients who have suffered a particular type of heart attack. The service began in April 2010 and is proving to be very successful.

New temporary operating theatre

In July 2010, a temporary modular theatre was installed at the William Harvey Hospital, Ashford, as part of the Trust's plan to sustain its maximum 18 week referral to treatment time for Trauma & Orthopaedic patients.

Developing a centralised specialist Head & Neck service

The Trust is establishing the only Head & Neck Cancer Centre in the Kent & Medway region, provided from the William Harvey Hospital, Ashford. The project included the erection of a new three-storey building and part refurbishment of the main building to house the Trust's maxillofacial services and orthodontic and restorative dentistry services, so all Head & Neck services could be brought together. These specialties began moving in at the end of March 2011, with full services being established there in May 2011.

Endoscopy services

The Trust is investing £9.9m capital and approximately £2.8m annually recurrent revenue to provide sustainable endoscopy services over the next five years and beyond across all three of its acute hospital sites.

Building and refurbishment works began in Endoscopy at Queen Elizabeth The Queen Mother Hospital in October 2010.

Further plans

This Trust is planning a number of service developments for 2011/12, including a detailed review of the management of emergency care. The Trust aims to further support improvements in the delivery and quality of care and provide financial efficiency by:

- Reducing unnecessary readmissions
- Reducing hospital length of stay
- Preventing unplanned exacerbations of illness
- Avoiding unnecessary A&E attendances.

Equality and diversity

The Director of Human Resources and Corporate Affairs leads for the Trust on Equality and Human Rights issues. The Trust meets its current equality duties by having valid Race, Gender and Disability Schemes in place. The Trust Board also monitors Equality and Human Rights performance and compliance with its general and specific equality duties by receiving and publishing annual reports and action plans on service provision and workforce.

In 2010/11 the Trust reviewed the collection and publication of equality data particularly in light of the need to publish equality information before 31 July 2011 taking into account the new protected characteristics provided by the Equality Act 2010.

We also began developing an Equality Analysis Toolkit which will replace our Equality Impact Assessment Toolkit, to ensure equality issues influence the decisions we make. All current policies have been equality impact assessed and the assessments have been published on our website.

We supported The South East Coast Black and Minority Ethnic Network in reviewing our workforce data. Its report was largely positive and demonstrated development since the review carried out two years earlier.

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

■ A table showing equality and diversity statistics for Trust staff and membership is on page 47.

Our staff

East Kent Hospitals University NHS Foundation Trust has 7665 employees (as at 31 March 2011), based on several sites.

Communication is crucial, and we have kept staff informed about key issues within the Trust, including financial and economic factors affecting the performance of the Trust, in a number of ways, including:

- a monthly briefing from the Chief Executive
- a bi-monthly magazine
- a weekly newsletter
- a staff website
- directors regularly 'walk the floor'
- the Chief Executive holds an open meeting every two months with managers and staff to discuss important issues
- Staff committee meets every month and is engaged in discussion about the Trust's future plans and included on numerous working groups.

The Trust encourages the involvement of its employees in the Trust's performance. The staff website includes an interactive tool for staff at all levels to put forward their ideas on how to improve patient care and organisational performance which is widely publicised through the above channels. Staff briefings and meetings also regularly encourage staff involvement.

During the year, the Trust consulted with its staff on the reorganisation of the Trust's structure. As part of this process, senior executives attended relevant team meetings to discuss the proposals.

- We use the 'Two tick' symbol on recruitment materials, signifying our positive attitude towards the recruitment of disabled people
- We have recently been accepted as 'Stonewall Diversity Champions'
- We are providing workplace experience for a number of students with learning disabilities
- The Trust Board undertook equality & diversity training and the Trust as a whole was a top performer in the delivery of equality training to all its staff
- We are working on the MENCAP 'Getting it Right' programme to provide better service to our patients with learning disability
- We support diversity groups for staff and the public. We are proud to be invited to attend and support the recently formed Kent Transgender Forum and look forward to their support in helping us to achieve equity for Trans people as staff or patients.

The table below shows how our staff demographics compare with those of our membership (see page 66 for more information about Foundation Trust membership).

	Staff			
	2009/10	%	2010/11	%
Age				
0-16	0	0.00%	1	0.08%
17-25	576	7.79%	587	7.72%
26-50	4726	63.93%	4863	63.94%
51-70	2080	28.13%	2142	28.16%
71 & Over	11	0.15%	13	0.17%
Ethnicity				
White	6170	83.46%	6340	83.36%
Mixed	70	0.95%	69	0.91%
Asian or Asian British	661	8.94%	691	9.08%
Black or Black British	148	2.00%	155	2.04%
Other	136	1.84%	76	1.00%
Not Stated	208	2.81%	225	2.96%
Gender				
Male	1601	21.66%	1653	21.73%
Female	5792	78.34%	5953	78.27%
Trans- gender				
Not Stated	0	0.00%	0	0.00%
Disability				
None	3661	49.52%	4132	54.33%
Other				
Yes Unspecified	159	2.15%	516	6.78%

	Membership			
	2009/10	%	2010/11	%
Age				
0-16	6	0.04%	10	0.06%
17-21	906	6.06%	1148	7.07%
22 +	10483	70.11%	11620	71.59%
NK	3557	23.79%	3454	21.28%
Ethnicity				
White	12661	84.60%	13681	84.28%
Mixed	137	0.92%	167	1.03%
Asian or Asian British	772	5.16%	865	5.33%
Black or Black British	248	1.66%	307	1.89%
Other			162	1.00%
Not Stated	1148	7.67%	1052	6.48%
Gender				
Male	4251	28.40%	4497	27.70%
Female	10638	71.08%	11625	71.62%
Trans- gender			2	0.01%
Not Specified	77	0.51%	110	0.67%
Disability				
None				
Other				
Yes Unspecified	833	5.57%	993	6.12%

Well being at work

Staff have open access to the Occupational Health service, which works proactively to support and enable the health and well being and safety of all staff. Counselling and psychosocial support services is contracted with an external provider. The counselling service is available to all staff through self referral and is confidential.

The staff absence rate during 2010/11 continued to remain relatively low compared with national NHS figures:

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 as follows for the 2010 calendar year:

Our sickness absence rate for the year was 3.6%.

Total Days Lost - 52,792
 Total Staff Years - 6,659
 Average Working Days Lost - 8.0

(This compares favourably with the average for all NHS organisations in England - 9.5 Average Working Days Lost).

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 decreased from 52% in 2009 to 48% in 2010. The key results obtained in March 2011 from the 2010 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. Areas identified for improvement have been included in the Trust's Organisational Development Strategy 2011-15 and Workforce Strategy 2011-15.

Areas of improvement include perceptions of effective action from employer towards violence and harassment, fairness and effectiveness of incident reporting procedures, impact of health and well-being on ability to perform work or daily activities and a reduction in staff experiencing bullying, harassment or abuse from patients and/or work colleagues. Areas of deterioration include percentage of staff receiving job-relevant training, learning or development in the last 12 months, percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver, staff motivation at work and percentage of staff appraised with personal development plans in the last 12 months. The Trust's priority areas for action are: to improve effective team working; to improve the percentage of staff receiving job-relevant training, learning or development; to improve the percentage of staff appraised with a Personal Development Plan in place; and to improve the percentage of staff reporting good communication between senior management and staff. These four priority areas will be focused on through work on the Organisational Development Strategy and Plan. Progress in year will be monitored by the Organisational Development Programme Board.

	09/10 Trust	09/10 National average for acute Trusts	10/11 Trust	10/11 National average for acute Trusts	Trust Improvement/ Deterioration
Response Rate	52%	52%	48%	54%	Deteriorated by 4%
Top 4 Ranking Scores in 10/11					
Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	31%	37%	29%	37%	Improved by 2%
Impact of health and well-being on ability to perform work or daily activities	1.60	1.57	1.49	1.57	Improved position
Percentage of staff having equality and diversity training in last 12 months	61%	35%	60%	41%	Deteriorated by 1%
Percentage of staff receiving health and safety training in last 12 months	90%	78%	87%	80%	Deteriorated by 3%
Bottom 4 Ranking Scores in 10/11					
Percentage of staff agreeing that their role makes a difference to patients	88%	90%	86%	90%	Deteriorated by 2%
Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver	76%	74%	70%	74%	Deteriorated by 6%
Percentage of staff feeling valued by their work colleagues	76%	77%	73%	76%	Deteriorated by 3%
Percentage of staff able to contribute towards improvements at work	60%	61%	58%	62%	Deteriorated by 2%

Health & 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. Issues arising from the committee are reported to the Trust Clinical Governance and Risk Group.

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 table represents a summary of the reported incidents related to staff, visitors and contractors in 2010/11.

Non Clinical Health and Safety Categories

Accident that may result in personal injury	562
Breach of confidentiality/data protection/computer misuse	124
Equipment/facilities	158
Fire including false alarm	45
Manual handling	266
Security	602
Transport issues	176
Incorrect disposal of waste	19

The Trust has various non-clinical policies and processes which incorporate 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.

Our environmental responsibilities

Sustainability/climate change

The Trust is committed to reducing as much as possible its impact on the environment and has established a Carbon Reduction Group comprising key staff, which reports to the Trust's Clinical Management Board and annually to the Trust Board of Directors.

This year the Trust commissioned The Olive Consultancy Agency to support the Carbon Reduction Group in the development of a sustainable development management plan and action plan. These set out a plan for the Trust to achieve a 10% reduction in overall emissions by 2015 in line with the NHS Carbon Reduction Strategy and the requirements of the Climate Change Act.

Carbon management energy efficiency reports for the Trust's three acute sites were carried out in 2010. These identified energy saving opportunities which will be addressed in the estates maintenance programme where possible. Projects requiring more substantial funding will be subject to the business case process.

Sustainability and climate change - summary of performance

Area		Non-financial data	Non-financial data		Financial data	Financial data
		2009/10	2010/11		2009/10	2010/11
Greenhouse gas emissions		tonnes (t) CO2 equivalent				
	Energy	25,200t	26,260t			
	Water	320t	320t			
	Waste	540t	580t			
	Patient transport services	880t	800t			
	Business travel	810t	870t			
	Total	27,750t	28,830t			
Waste minimisation and management	Absolute values for total amount of waste produced by the Trust	2808t	2862t	Expenditure on waste disposal	£0.63m	£0.69m
Finite resources	Water	0.35m cu.m	0.35m cu.m	Water	£0.35m	£0.35m
	Electricity	26.74m Kwh	27.26m Kwh	Electricity	£2.15m	£2.06m
	Gas	56.55m Kwh	61.54m Kwh	Gas	£1.35m	£1.58m

Future priorities and targets

The Trust has established a number of different work streams which will be measured and reported annually to the Trust's Board of Directors. These are:

• Travel and Transport

A Travel Plan Co-ordinator has been appointed to develop initiatives in support of the Trust's Travel Plan.

• Waste management

The Trust has a dedicated Waste Manager in post to monitor and report on the management of domestic and clinical waste and to help minimise the creation of all forms of waste. Further segregation of waste streams is being explored by the Trust to reduce costs and minimise waste returned to landfill.

• Water usage and management

This includes integrating efficient use of water in the design stage of building developments, measuring water costs and consumption, immediately identifying and fixing leaks and installing water efficient technology.

• Buildings and site design

This includes ensuring buildings are designed to withstand climate change, that all new buildings should have a lower carbon impact not only in construction but also use over their lifetime and that all new buildings achieve a BREEAM (Building Research Establishment Environmental Assessment Method) 'excellent' rating and all refurbishments achieve a 'very good' rating.

• Organisation and workforce development

This includes ensuring sustainability and carbon reduction concepts are included in training provision and job descriptions, providing information to staff on carbon reduction and opportunities to use low carbon travel options, promoting audio and video conferencing and encouraging home working.

• Finance

This includes understanding the financial implications of the Carbon Reduction Commitment (CRC), preparing business cases as required to support investment needed in order to fulfil CRC Registration requirements, taking advantage of schemes which support investment in energy efficiency initiatives, eg, Carbon and Energy fund, and taking professional finance advice to support Combined Heat and Power funding initiatives.

Financial review

Position of business at end of accounting period

The Trust set itself a challenging £8.2m planned surplus for 2010/11, requiring at least £19m of efficiency improvements. The year has been generally successful in financial terms. Savings programmes delivered £20m of efficiency gains and cost reductions and the Trust has achieved a year-end surplus of £8.9m. Financial performance is assessed by Monitor (Independent Regulator of NHS Foundation Trusts) using the Financial Risk Rating (FRR); the reported results for the year are set out on page 42.

Financial statements for 2010/11

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 2011/12 the Trust is planning to maintain a Financial Risk Rating of 4 with a £8m surplus and £20m capital investment programme.

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 financial statements meet the requirements of Monitor's Foundation Trust Annual Reporting Manual (as agreed with HM Treasury). The manual follows International Financial Reporting Standards as adopted by the European Union to the extent that they are relevant and appropriate to NHS Foundation Trusts. 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 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 76 of this report.

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.

Where applicable, comparative information for 2009/10 is described as 'Group' if it includes the results of the former subsidiary Healthex Limited which was sold during that year.

Statement of Comprehensive Income

All numbers are in £ thousands	Trust 2010/11	Trust 2009/10	Group 2009/10
Operating Income from continuing operations	489,764	462,590	462,476
Operating expenses from continuing operations	(472,861)	(450,437)	(450,329)
Operating Surplus	16,903	12,153	12,147
Finance costs			
Finance income	412	323	271
Finance expense - financial liabilities	0	0	(5)
Finance expense - unwinding of discounts on provisions	(61)	(78)	(78)
Public Dividend Capital dividends payable	(8,403)	(8,709)	(8,709)
Net Finance Costs	(8,052)	(8,464)	(8,521)
Corporation Tax expense	0	0	19
Surplus from continuing operations	8,851	3,689	3,645
Surplus of discontinued operations and the gain/(loss) on disposal of discontinued operations	0	0	0
Surplus for the period	8,851	3,689	3,645
Other comprehensive income			
Impairments	0	(29,044)	(29,044)
Revaluations	9,947	3,497	3,497
Receipt of donated assets	198	643	643
Reduction in the donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	(926)	(949)	(949)
Other recognised gains and losses	0	0	0
Other reserve movements	0	0	0
Total comprehensive income/(expense) for the year	18,070	(22,164)	(22,208)

Statement of Financial Position

All numbers are in £ thousands	31 Mar 2011	31 Mar 2010
Non-current assets		
Intangible assets	828	224
Property, plant and equipment	266,237	252,161
Trade and other receivables	7,619	9,749
Total non-current assets	274,684	262,134
Current assets		
Inventories	7,189	6,903
Trade and other receivables	16,133	31,362
Non current assets held for sale and assets in disposal groups	0	0
Cash and cash equivalents	42,844	24,401
Total current assets	66,166	62,666
Total assets	340,850	324,800
Current liabilities		
Trade and other payables	(35,603)	(37,625)
Borrowings	0	0
Provisions	(2,317)	(2,561)
Tax payable	(6,127)	(5,820)
Other current liabilities	(2,883)	(2,713)
Total current liabilities	(46,930)	(48,719)
Total assets less current liabilities	293,920	276,081
Non-current liabilities		
Trade and other payables	0	0
Borrowings	0	0
Provisions	(2,068)	(2,299)
Other non-current liabilities	0	0
Total non-current liabilities	(2,068)	(2,299)
Total assets employed	291,852	273,782
Financed by: Taxpayers' equity		
Public dividend capital	189,400	189,400
Revaluation reserve	70,011	61,505
Donated asset reserve	9,241	9,570
Income and expenditure reserve	23,200	13,307
Total Taxpayers' equity	291,852	273,782

The accounts and summary financial statements were approved by the Board of Directors on 27 May 2011.



Chief Executive
27 May 2011

Statement of Changes in Taxpayers Equity

2010/11

All numbers are in £ thousands	Public Dividend Capital	Revaluation Reserve	Donated Asset Reserve	Income & Expenditure Reserve	Total
Taxpayers equity at 1 April 2010	189,400	61,505	9,570	13,307	273,782
Surplus/(deficit) for the year	0	0	0	8,851	8,851
Impairments	0	0	0	0	0
Revaluations	0	9,548	399	0	9,947
Receipt of donated assets	0	0	198	0	198
Asset disposals	0	(227)	0	227	0
Reduction in donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	0	0	(926)	0	(926)
Other recognised gains and losses:	0	(815)	0	815	0
Other reserve movements	0	0	0	0	0
Taxpayers equity at 31 March 2011	189,400	70,011	9,241	23,200	291,852

Statement of Changes in Taxpayers Equity

2009/10

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
Impairments	0	(28,117)	(927)	0	(29,044)
Revaluations	0	3,497	0	0	3,497
Receipt of donated assets	0	0	643	0	643
Asset disposals	0	(4)	0	4	0
Reduction in donated asset reserve in respect of depreciation, impairment and/or disposal of donated assets	0	0	0	0	0
Other recognised gains and losses:	0	(289)	0	289	0
Other reserve movements	0	0	(949)	0	(949)
Taxpayers equity at 31 March 2010	189,400	61,505	9,570	13,307	273,782

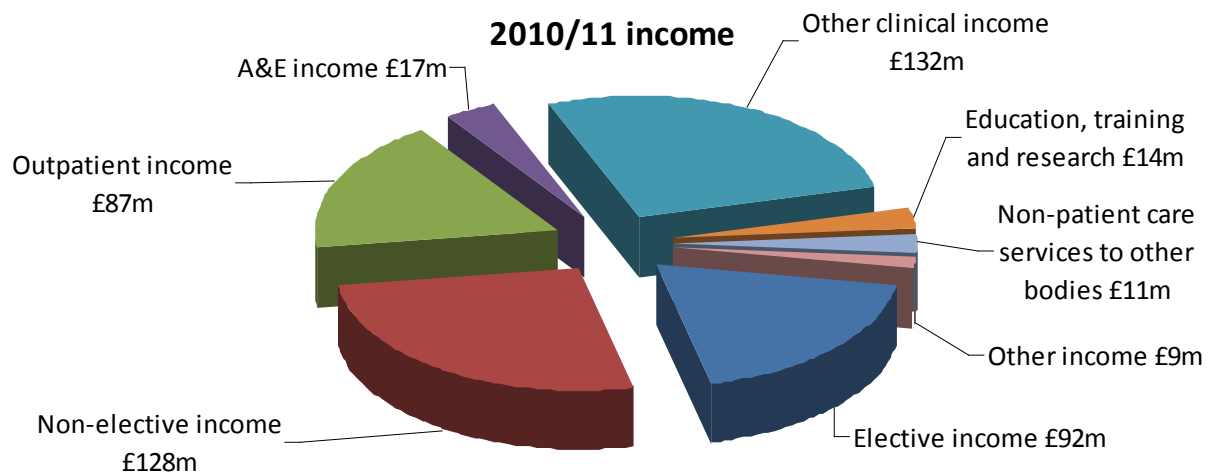
Statement of Cash Flows

All numbers are in £ thousands	2010/11	2009/10
Cash flows from operating activities		
Operating surplus/(deficit) from continuing operations	16,903	12,147
Operating surplus/(deficit) of discontinued operations	0	0
Operating surplus/(deficit)	16,903	12,147
Non-cash income and expense:		
Depreciation and amortisation	16,869	19,424
Impairments	945	4,297
Reversal of impairments	(1,559)	0
Loss/(profit) on sale of assets	65	(2,167)
Transfer from donated asset reserve	(926)	(950)
(Increase)/decrease in Trade and Other Receivables	17,506	(12,126)
(Increase)/decrease in Inventories	(286)	(412)
Increase/(decrease) in Trade and Other Payables	(1,041)	(182)
Increase/(decrease) in Other Current Liabilities	170	552
Increase/(decrease) in Provisions	(536)	262
Tax paid/received	0	(71)
Movement in operating cash flow from discontinued operations	0	(340)
Other movements in operating cash flows	0	111
Net cash generated from/(used in) operations	48,110	20,545
Cash flows from investing activities:		
Interest received	412	271
Purchase of Intangible assets	(659)	(166)
Purchase of Property, Plant and Equipment	(20,834)	(16,705)
Sales of Property, Plant and Equipment	0	226
Net cash generated from/(used in) investing activities	(21,081)	(16,374)
Cash flows from financing activities:		
Capital element of finance lease rental payments	0	(29)
Interest element of finance leases	0	(5)
Public Dividend Capital dividend paid	(8,784)	(8,475)
Cash flows from /(used in) other financing activities	198	643
Net cash generated from/(used in) financing activities	(8,586)	(7,866)
Net increase /(decrease) in cash and cash equivalents	18,443	(3,695)
Cash and cash equivalents at start of period	24,401	28,096
Cash and cash equivalents at end of period	42,844	24,401

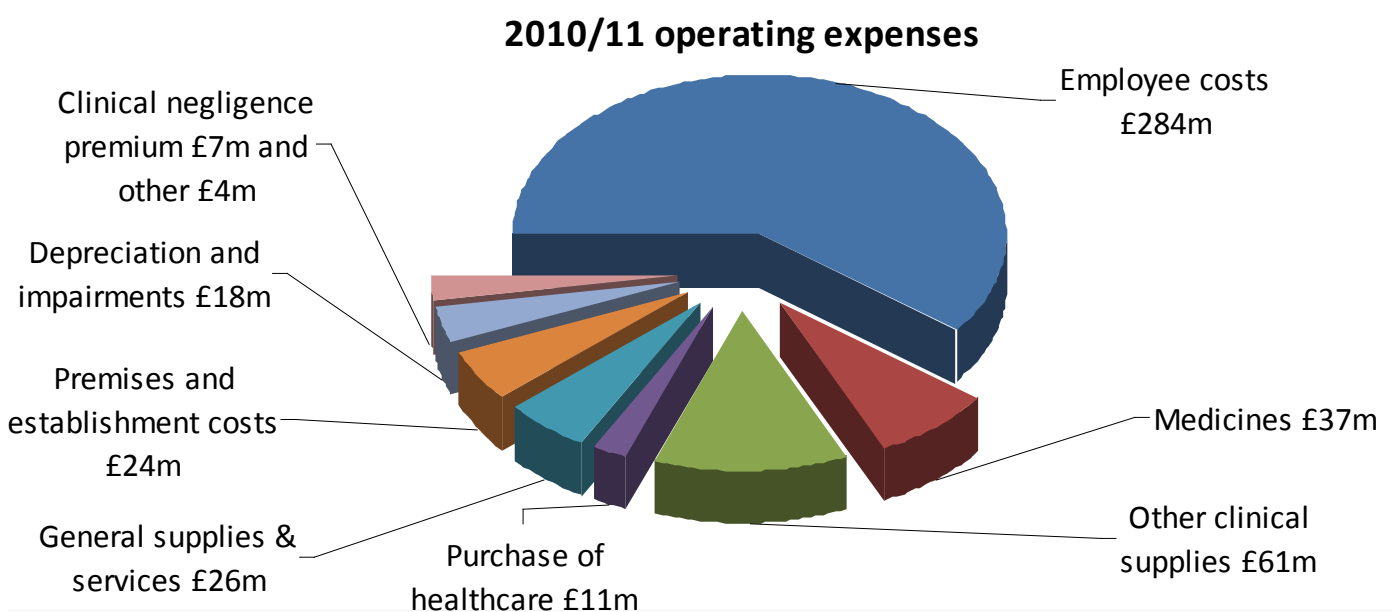
Financial analysis

Income: Contracted activity for 2010/11 was based on commissioning intentions. Prices were based on the national tariff, with some services still on either local activity-based prices or historic 'block' fixed-price contracts. As in previous years, the Trust planned for activity to be higher than the contract. A negotiated settlement with the host PCT was achieved in February 2011 in recognition of activity performed in excess of contracted levels.

Total Trust income increased year on year by £27m (6%) to £490m; income for patient care increased by 7%. The main categories of income are shown in the following chart. 'Other income' includes such things as staff accommodation rentals.



Expenditure: Despite ongoing work to improve efficiency by containing costs, increasing throughput and refining patient pathways, operating costs increased by £22m (5%) compared to the previous year. Service developments and additional 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.



Average number of Trust employees	2010/11	2009/10
Medical & Dental	916	887
Administration & Estates	1,464	1,422
Healthcare assistants (and other support staff)	1,030	994
Nursing and Midwifery	2,012	1,965
Scientific, therapeutic & technical	1,231	1,189
Other	0	4
Total	6,653	6,461

During the year the average number of staff working for the Trust increased by 3% and the use of temporary staff reduced; total staff costs were 4% higher than 2009/10, due to nationally-agreed pay awards and incremental progression, and additional staff to meet activity targets.

Capital programme: The Trust invested £21m in enhancing and replacing property, plant and equipment:

Capital expenditure programme

All numbers are £ thousands	Trust 2010/11	Group 2009/10
RVH Folkestone redevelopment	0	1,871
QEQM Staff Accommodation scheme	700	3,712
Centralisation of maxillo-facial services	3,634	595
K&C Oncology Upgrade	827	0
New Road WHH	1,006	0
Other Estates schemes	3,998	3,494
Medical and other equipment	3,861	2,924
IT	2,529	2,136
Assets purchased from donated funds	198	643
Endoscopy - Accreditation & Expansion	2,387	173
Breast Screening Equipment	400	543
CT Scanners	0	2,483
Da Vinci Robot	1,513	0
Total capital expenditure	21,053	18,574
Less: donations for capital items	-198	-643
Net capital expenditure	20,855	17,931

Based on the advice of the Trust's independent valuer, land and building asset values were indexed upwards by 5% to reflect price movements during 2010/11. From the total increase of £11m, £1.6m has been included in the operating surplus, representing a reversal of prior year impairments charged to operating expenditure.

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 to ensure appropriate returns with minimal risk.

The Trust has a £94.9m Prudential Borrowing Limit set by Monitor; there were no borrowings in 2010/11. In addition, a £31m overdraft facility is held with the Trust's main commercial bank; there was no call on these funds in 2010/11.

Public Interest Disclosures

Payment to 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.

Payment performance 2010/11	% by volume	% by value
Non-NHS suppliers	93 (86)	92 (88)
NHS suppliers	96 (98)	97 (99)

Last year's performance is shown in brackets

Management Costs for 2010/11

	2010/11 Trust £000	2009/10 Group £000
Management costs	21,047	20,310
Relevant Income *	481,697	460,756
Management costs as a percentage of relevant income	4.4%	4.4%

* 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/FinanceAndPlanning/NHSManagementCosts/fs/en>

Under the Late Payment of Commercial Debt (Interest) Act 1998 the Trust paid £1k interest in 2010/11.

Early retirement on ill health grounds

During 2010/11 there were six early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £0.2m. The cost 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, bribery and corruption, ensuring rigorous investigation and disciplinary or legal action as appropriate. The Anti-fraud policy is 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 Integrated Audit & Governance Committee.

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

We have examined the summary financial statements set out on pages 52 to 58.

This report is made solely to the Board of Governors of East Kent Hospitals University NHS Foundation Trust in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Board of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Basis of opinion

We conducted our work in accordance with Bulletin 2008/3 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of East Kent Hospitals University NHS Foundation Trust for the year ended 31 March 2011 on which we have issued an unqualified opinion.

Neil Thomas for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
Canada Square, London
6 June 2011

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.

93% of 2010/11 Trust income was derived from clinical activities. A single contract (based on the national model) covers most patient activity provided by the Trust for people living in Kent and Medway; of which 95% (£420m) was from Eastern and Coastal Kent PCT. The remainder was paid by West Kent and Medway PCTs (£10m and £6m respectively) with a further £7m for Haemophilia services managed through a consortium led by Croydon PCT.

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

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 and Tunbridge Wells NHS Trust
- Payroll hosted by Kent & Medway NHS and Social Care Partnership Trust
- Shared Financial Services hosted by Eastern & Coastal Kent PCT
- Renal and breast screening facilities in Maidstone and Medway
- Outpatient facilities at Deal and Coastal hospitals.

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.

Data protection

The Trust takes its responsibility for the care of 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 Department of Health).

A summary of data related incidents in 2010/11 is shown below.

Incidents	2010/11	2009/10
Loss of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	3	5
Loss of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	3	1
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	1	0
Unauthorised disclosure	8	9
Other	0	6

how the Trust is run

Council of Governors

The Board of Directors, via the Chairman in particular, works closely with the Council of Governors. The Council of Governors represents the interests of the local community via the Foundation Trust membership, which consists of patients, public and staff. It is important the Board of Directors understands the views of the Governors and the membership they represent to ensure the services provided best meet the current and future needs of patients and the wider community.

To support this process:

- The Lead Governor attends the performance section of each monthly Board meeting. Two way feedback is facilitated with the wider Council of Governors. Monthly performance reports are shared with the Council of Governors and made available to the public via the Trust website.
- Non Executive Directors and Executive Directors of the Board are invited to attend the Council of Governor meetings. The Chief Executive attends each meeting to provide latest performance updates and receive Governors' views.
- Key strategic documents are shared with the Council of Governors both formally at meetings and on an ad hoc basis. Feedback is taken into account by the Executive Directors.

The Council of Governors Committees are also used as appropriate to take forward key pieces of work. A list of Committees can be found on page 61.

The Council of Governors' statutory duties include the appointment (and removal if deemed appropriate) of the Chairman and Non Executive Directors, deciding on their remuneration and terms and conditions, and ratifying the appointment of the Chief Executive. The Council of Governors also receives the Trust's Annual Report and Accounts and the Auditor's Report. It also appoints the Trust's external auditor.

The Council of Governors comprises of both elected and appointed governors. The public and staff members of the Council are elected from and by the Foundation Trust membership to serve for terms of office of three years. Appointed Governors are nominated by the Trust's key partner organisations.

Public and staff Governor elections to one third of the elected seats on the Council of Governors were held in February 2011. All seats were contested. The overall turnout was 18.7% of Foundation Trust members.

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/members or by e-mailing governor@ekht.nhs.uk.

Changes to the Council of Governors following the February 2011 election:

Governor name and constituency

Term of office ended 28 February 2011

Patricia Shephard, MBE., DL – Canterbury
John Fletcher - Ashford
Laurence Shaw – Dover
Alan Hewett – Shepway
Elizabeth Poole – Thanet

Governor elected from 1 March 2011 (3 year term)

Philip Wells
David Smith
Laurence Shaw (re-elected)
John Sewell
Tricia Swift

Staff governors

John Sewell (Retired October 2010)
Chi Davies
Lesley Long

David Bogard
Mandy Carliell
Lesley Long (re-elected)

There were four changes in partnership Governors during the past year.

- Professor Peter Jeffries was appointed as nominated Governor for the University of Kent, replacing Claire Mackie who resigned from the position in March 2010.
- Barry Coppock replaced Jan Stewart as nominated Governor for the voluntary sector following her resignation in June 2010.
- Cllr Patrick Heath was appointed as nominated Governor (Local Authority) in January 2011 following the death of John Kemp in December 2010.
- Janice Duff replaced Anne Tidmarsh as nominated Governor (Kent County Council Social Services) following her resignation in February 2011.

A full list of Council of Governors members (as at 31 March 2011) is presented on page 62.

Council of Governors meetings

The Council of Governors meets in public at least three times a year. Extraordinary meetings are also held in public as required. Copies of minutes and reports can be accessed via the Trust's website: www.ekhuft.nhs.uk.

A record of Governor attendance at public meetings during 2010/11 is presented on page 63.

Council of Governors Register of Interests

A register of Governors' interests is maintained and is available on request from the Membership Office, 01843 225544 ext 62696.

Council of Governors Committees and working groups

The Council of Governors established a number of committees which meet during the year outside the formal meeting cycle. As at 31 March 2011, the following committees had been established:

- Patient and Staff Experience Committee
- Communication/Membership Committee
- Nominations and Remuneration Committee (statutory)
- Audit Working Group
- Strategic Committee (from March 2011)

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a statutory Committee of the Council of Governors and 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 Nominations Committee follows the 'Guide to the Appointment of Non Executive Directors (NEDs)' which was approved by the Council of Governors. The aim of this document is to help the Council of Governors, Chairman and Trust HR personnel through the appointment process by providing guidance on all of the actions that would need to be completed to ensure appointments happen as smoothly and effectively as possible.

The Committee consists of six Governors. The Chairman and Director of HR and Corporate Affairs provide an advisory role when required.

The appointments of two new Non Executive Directors were endorsed by the Council of Governors in 2010/11 (Martyn Scrivens and Richard Earland). Terms of office for Martyn and Richard are presented on page 71.

The Committee also works closely with the Lead Governor and Senior Independent Director to determine the process for and outcome of the appraisal for the Chair.

Council of Governors – terms of office (as at 31 March 2011)

Constituency	Name	Term of Office ends 28/2/
Elected Governors		
Ashford Borough Council	Jocelyn Craig	2012
	Terence Golding	2012
	David Smith	2014
Canterbury City Council	Stuart Field	2012
	David Shortt	2012
	Philip Wells	2014
Dover District Council	Liz Rath	2012
	Stephen Collyer	2012
	Laurence Shaw	2014
Shepway District Council	Molly Hunter	2012
	Ray Morgan MBE	2012
	John Sewell	2014
Swale Borough Council	Ken Rogers	2012
	Paul Durkin	2012
Thanet District Council	Jeanne Lawrence	2012
	Reynagh Jarrett	2012
	Tricia Swift	2014
Rest of England & Wales	Jamie Bennie-Coulson	2012
Staff	Karen Bissett	2012
	Lesley Long	2014
	Mandy Carliell	2014
	David Bogard	2014
Partnership Governors		
Kent and Medway NHS & Social Care Partnership Trust	Marie Dodd	2012
Canterbury Christ Church University	Hazel Colyer	2012
NHS Eastern and Coastal Kent	Karen Benbow	2012
Kent County Council Social Services	Janice Duff	2012
Local Authorities	Cllr Patrick Heath	2012
South East Coast Ambulance Services NHS Trust	Geraint Davies	2012
University of Kent	Peter Jeffries	2012
Volunteers working with the Trust	Michael Lyons	2012
Voluntary Sector	Barry Coppock	2012
Eastern and Coastal Kent Community Services	Philip Greenhill	2012

Nominations and Remuneration Committee attendance record

	14/7/10	24/8/10	8/10/10
Governor members			
Jeanne Lawrence	✓	✓	✓
Ray Morgan	✓	✓	✓
Reynagh Jarrett	✓	✓	x
David Shortt	✓	✓	✓
Molly Hunter	✓	✓	✓
Alan Hewett	✓	✓	✓
Board of Director attendance			
Nicholas Wells, Chairman	✓	✓	✓
Peter Murphy, Director of HR and Corporate Services	x	✓	✓
Jonathan Spencer, Non Executive Director			✓

Governors' attendance at Council of Governors public meetings 2010/11

			14/4/10	13/7/10	9/11/10	14/1/11
Karen	Benbow	Partnership Governor - Eastern & Coastal Kent PCT	✓	✓	x	x
Jamie	Bennie-Coulson	Rest of England & Wales	x	x	x	x
Karen Jean	Bissett	Staff Governor	✓	✓	✓	✓
David	Bogard	Staff Governor (Elected from 1 March 2011)				
Mandy	Carliell	Staff Governor (Elected from 1 March 2011)				
Stephen	Collyer	Elected Governor - Dover	✓	✓	x	x
Hazel	Colyer	Partnership Governor - Canterbury Christ Church University	x	x	✓	✓
Barry	Coppock	Partnership Governor - Voluntary Sector		✓	✓	✓
Jocelyn	Craig	Elected Governor - Ashford	✓	✓	✓	✓
Chi	Davies	Staff Governor	x	✓	x	✓
Geraint	Davies	Partnership Governor - SECAMBS	✓	✓	✓	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	✓	✓	✓	✓
Terence J.P.	Golding	Elected Governor - Ashford	✓	x	✓	✓
Philip	Greenhill	Partnership Governor - Eastern & Coastal Kent Community Services	✓	✓	✓	x
Alan	Hewett	Elected Governor - Ashford	✓	✓	✓	✓
Molly	Hunter	Elected Governor - Shepway	✓	✓	✓	✓
Reynagh Henry	Jarrett	Elected Governor - Thanet	✓	✓	✓	✓
Peter	Jeffries	Nominated Governor - University of Kent		✓	x	✓
John	Kemp MBE	Partnership Governor - Local Authority	x	x	x	
Jeanne	Lawrence	Elected Governor - Thanet	✓	✓	✓	✓
Lesley	Long	Staff Governor	✓	✓	✓	✓
Michael	Lyons	Partnership Governor - Volunteers working with the Trust	✓	✓	x	x
Clare	Mackie	Partnership Governor - University of Kent	x			
Ray	Morgan	Elected Governor - Shepway	✓	✓	✓	✓
Elizabeth	Poole	Elected Governor - Thanet	x	x	x	x
Liz	Rath	Elected Governor - Dover	✓	✓	✓	✓
Ken	Rogers	Elected Governor - Swale	✓	✓	✓	✓
John	Sewell	Staff Governor (to October 2010) Elected Governor - Shepway (from 1 March 2011)	✓	✓		
Laurence	Shaw	Elected Governor - Dover	x	✓	✓	✓
Tricia	Shepherd MBE.DL	Elected Governor - Canterbury	✓	✓	✓	✓
David John Skey	Shortt	Elected Governor - Canterbury	x	✓	✓	✓
David	Smith	Elected Governor - Ashford (Elected from 1 March 2011)				
Jan	Stewart	Partnership Governor - Voluntary Sector (KentCAN)	x			
Anne	Tidmarsh	Partnership Governor - Kent County Council Social Services	x	x	x	x
Philip	Wells	Elected Governor - Canterbury (Elected from 1 March 2011)				
Tricia	Swift	Elected Governor - Thanet (Elected from 1 March 2011)				

Directors' attendance at Council of Governors public meetings 2010/11

			14/4/10	13/7/10	9/11/10	14/1/11
Nicholas	Wells	Chairman	✓	✓	✓	✓
Stuart	Bain	Chief Executive	✓	✓		✓
Jeff	Buggle	Director of Finance and Performance Management (from February 2011)				✓
Alan	Clark	Non Executive Director (to December 2010)			✓	
Richard	Earland	Non Executive Director (from January 2011)				✓
Neil	Martin	Medical Director		✓		✓
Debbie	McKellar	Non Executive Director (to October 2010)		✓		
Peter	Murphy	Director of HR and Corporate Services				✓
Valerie	Owen	Non Executive Director				✓
Julie	Pearce	Chief Nurse and Director of Quality and Operations		✓		
Liz	Shutler	Director of Strategic Development and Capital Planning				
Jonathan	Spencer	Non Executive Director			✓	✓
Martyn	Scrivens	Non Executive Director (from November 2010)				
Richard	Suthers	Non Executive Director				

* The Council of Governors identify key topics of interest for their meetings and key Board members (and/or key members of their Directorate) are invited as appropriate to the agenda for the day. Stuart Bain, Chief Executive, attends each formal public meeting to provide an update on the Trust's performance in line with the Council of Governors' statutory duties. The Council of Governors also held three Away Days during 2010/11 where key members of the Board of Directors were invited. A joint meeting of the Council of Governors and Board of Directors is held on an annual basis and all members of both bodies are required to attend.

Council of Governors Committee statements

Audit Working Group

The Audit Working Group was established in 2009/10 to work with the Trust's Integrated Audit and Governance Committee to fulfil the Council of Governors' statutory duty to appoint the Trust's External Auditors. KPMG were successfully appointed from 1 April 2010.

During 2010/11, the Council of Governors endorsed a proposal at their July 2010 meeting regarding the future role of the Audit Working Group. It was agreed the Audit Working Group would undertake further work with the Trust's Finance Team and Integrated Audit and Governance Committee to review the Auditor's plan and work timetable for the year (February/March each year) and to review the Auditor's performance and review any year end audit recommendations (August each year).

Reynagh Jarrett, Lead Governor

Communication and Membership Committee

The Communication and Membership Committees merged during 2010/11 due to the number of similar or related responsibilities. The Committee met a total of 12 times during the year (on a monthly basis) and the following key achievements may be noted:

- Timetable and process for production of a membership newsletter three times per year
- Key facilitative role in the Trust's membership road shows and other key events to promote the Trust's services and increase the Trust's membership
- The production of a 'membership recruitment video', working closely with the Trust's Communications Department.
- Providing input into the membership and Governor sections of the Trust's website as a means of communication with members.

Proposals to further strengthen membership engagement going forward were put forward for discussion and endorsement by the Council of Governors at their March 2010 Away Day.

David Shortt, Vice Chairman of the Council of Governors and Chair of the Communication and Membership Committee

Nominations and Remuneration Committee

The Nominations and Remuneration Committee is a statutory Committee of the Council of Governors. During 2010/11, the Committee met a total of three times to lead the process of the appointment of two Non Executive Directors, working closely with the Appointments Commission and Trust's Human Resources Department. The Trust was pleased to welcome Martyn Scrivens, who was appointed from 9 November 2010 and Richard Earland who was appointed from 1 January 2011. Both appointments were endorsed by the Council of Governors at an Extraordinary Public Meeting held in November 2011.

Jeanne Lawrence, Committee Chair, Nominations and Remuneration Committee

Patient and Staff Experience Committee

The Committee met a total of 11 times during 2010/11 and has worked closely with the Head of Patient Experience, the Deputy Director of Nursing, Midwifery & Quality, and the Membership Engagement Manager.

The main project undertaken this year was to plan and carry out a patient survey in Orthopaedic outpatient clinics on the three acute hospital sites. Using the results of the survey, the Committee compiled a number of recommendations which were passed to the Directorate of Trauma & Orthopaedics. A resulting Action Plan has been formulated by the Directorate and is currently being implemented.

Following the survey undertaken last year on meal service provision, the Committee received an update from the Associate Director of Facilities outlining how feedback from the survey was being utilised by the Trust to develop tender specifications for the new catering contract. Three members of the Committee have volunteered to assist in the Trust's Assisted Feeding Programme.

The Committee also received presentations on the LEAN programme, the Trust's Patient Safety Governance Structure and on the new Central Admissions Lounge at QEQM.

Our plans for 2011/12 include a staff experience project, to underpin the results of the National Staff Survey.

Jocelyn Craig, Committee Chairman, Patient and Staff Experience Committee

how the Trust is run: membership of the Foundation Trust



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. 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 - 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 increased during the year. 1288 new public members were recruited while 576 were removed. With the addition of 6804 staff members this gives the Trust a total membership of 16234 at the end of March 2011.

The Trust has a membership strategy

to ensure the Trust's membership is as representative of the local population as possible. The Trust continues to promote membership amongst sections of the community identified as 'seldom heard'. The membership now contains a number of representatives of such groups who are willing to be specifically consulted in terms of their age, gender, religion, sexuality, ethnicity or disability in future consultations.

Membership by constituency as at 31 March 2011

Constituency	Public
Ashford	945
Canterbury	2880
Dover	1127
Shepway	813
Swale	499
Thanet	1810
Rest of England and Wales	1340
Staff	6804
Total	*16218

*16 Public members declined to give postal addresses and are not included in this analysis

Communicating with our members

- We held four Health Road Shows focusing on chronic pain for members in Thanet, Swale, Ashford and Dover, in partnership with Eastern and Coastal Kent Community Services.
- We also held three Health Matters Events focusing on Breast Cancer, in association with East Kent Hospitals Charity.
- We also consulted with members through the 'virtual panel' on the Trust's draft Patient and Public Engagement and Experience strategy and on their recent experience of hospital meal times.
- We sent copies of the members' magazine, edited by the Council of Governors.

The Membership Office can be contacted on 01843 225544 ext 62696, or through the membership area of the Trust's website: www.ekhuft.nhs.uk/members

Who are our members: table of membership demographics

Age	Public	Eligible pop.	Public out of catchment	Staff	Total	Members % of Total Eligible Population 31/03/2011	By % of Eligible Population 31/03/2010
0 to 16 years	4	9154	6	0	10	0.11	0.04
17 to 21 years	638	41788	417	93	1148	2.75	1.43
22 years +	4158	498660	753	6711	11622	2.33	2.00
NK	3290		164		3454		
Total	8090	549602	1340	6804	16234		
Ethnicity	Public	Eligible pop.	Public out of catchment	Staff	Total	Members % of Total Eligible Population 31/03/2011	By % of Eligible Population 31/03/2010
Not specified	675	0	125	252	1052		
White	7044	671750	806	5831	13681	2.04	1.80
Mixed	66	5418	50	51	167	3.08	1.85
Asian or Asian British	182	5295	203	480	865	16.34	11.61
Black or Black British	73	2250	127	107	307	13.64	7.42
Other Ethnic Group	50	3374	29	83	162	4.80	3.85
Other	0	0	0	0	0		
Total	8090	688087	1340	6804	16234		
Social Grade	Public	Eligible pop.	Public out of catchment	Staff	Total	Members % of Total Eligible Population 31/03/2011	By % of Eligible Population 31/03/2010
ABC1	6274	269318	18	5042	11334	4.21	3.94
C2	223	85627	0	182	405	0.47	0.44
D	778	90219	1	645	1424	1.58	1.48
E	781	88144	0	532	1313	1.49	1.38
Not assigned	34	0	1321	403	1758		
Total	8090	533308	1340	6804	16234		
Gender	Public	Eligible pop.	Public out of catchment	Staff	Total	Members % of Total Eligible Population 31/03/2011	By % of Eligible Population 31/03/2010
Male	2722	260092	453	1322	4497	1.73	1.50
Female	5281	289510	863	5481	11625	4.02	3.46
Transgender	1	0	1		2		
Not specified	86	0	23	1	110		
Total	8090	549602	1340	6804	16234		
Do you consider you have a disability	Public	Eligible pop.	Public out of catchment	Staff	Total	Members % of Total Eligible Population 31/03/2011	Response 2010
Total					993		833
Despite continued efforts there remains a gender discrepancy with most married couples electing one, rather than both partners, to join as members.							

how the Trust is run: **membership of the Foundation Trust**

Board of Directors

The Board of Directors is responsible for developing the Trust's strategic direction, overseeing its performance in realising its objectives and ensuring appropriate standards of corporate governance are maintained. The Board of Directors is also responsible for ensuring compliance with its terms of authorisation and mandatory guidance issued by Monitor as well as all other statutory requirements and contractual obligations. All Board Directors have joint responsibility for decisions.

The Board of Directors comprises the Chair, seven Non Executive Directors and six Executive Directors. The Board of Directors has a Deputy Chairman who also serves as the Senior Independent Director.

The Executive Directors manage the day to day running of the Trust, while the Chair and Non Executive Directors provide advice, particularly regarding setting the strategic direction for the organisation, scrutiny and challenge based on wide ranging experience gained in other public and private sector bodies.

Non Executive Directors are appointed by the Council of Governors, who also set their remuneration and terms and conditions of office. The appointment of the Chief Executive is by the Non Executive Directors, subject to ratification by the Council of Governors. The terms of office and professional backgrounds of each Non Executive Director is presented on pages 71.

The Board has reviewed and confirmed the independence of all the Non Executive Directors who served during the year, none of whom have declared any significant conflicts of interest.

The full time Executive Directors have extensive experience as NHS Directors and the Board is satisfied that its balance of knowledge, skills and experience is appropriate to the work of the Board. The professional background of each Executive Director is presented on page 69.

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. Performance reports, agendas and minutes are made public via the Trust's website www.ekhuft.nhs.uk. Copies are also shared with the Council of Governors.

The Trust holds its Annual General Meeting in September. In September 2010, around 200 people were in attendance consisting of local people, Governors, staff and other key stakeholders. The Trust presented its performance for the past year and the event provided the opportunity for the public to meet and ask questions of the Chairman, Chief Executive and Lead Governor. Details of all public meetings are available on the Trust's website www.ekhuft.nhs.uk.

The Executive Directors

Chief Executive	Stuart Bain
Director of Finance and Performance Management	Rupert Egginton (to December 2010) Jeff Buggle (from February 2011)
Interim Director of Finance and Performance Management	Jeff Buggle (from January 2011)
Chief Nurse and Director of Quality and Operations*	Julie Pearce
Medical Director	Neil Martin
Director of Human Resources and Corporate Affairs	Peter Murphy
Director of Strategic Development and Capital Planning	Liz Shutler (maternity leave from December 2010)
Acting Director of Strategic Development and Capital Planning	Caren Swift (from December 2010)
Acting Director of Nursing, Midwifery & Quality*	Sally Moore (to December 2010)

* Julie Pearce was formally the Director of Nursing, Midwifery and Quality for the financial year to December 2010 but also undertook the role of Acting Chief Operating Officer. Sally Moore was acting into the role of Acting Director of Nursing, Midwifery and Quality during this period. The post of Chief Nurse and Director of Quality and Operations was formally established in January 2011, combining the Director of Nursing, Midwifery and Quality and Director of Operations roles.

Rupert Egginton was also the Trust's Deputy Chief Executive. Following his departure in December, Dr Neil Martin was appointed to this position alongside his role as Medical Director.



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.



Jeff Buggle, Director of Finance and Performance Management

Jeff Buggle, Director of Finance and Performance Management, joined the Trust as Interim Director from 4 January 2011 and was successfully appointed to the substantive position from 1 February 2011. Jeff is a certified accountant with 27 years' experience working in the NHS. He has previously been a Finance Director at a number of other organisations including a Foundation Trust and two teaching hospitals, as well as for the NHS in Wales.



Rupert Egginton, Finance Director and Deputy Chief Executive (to December 2010)

Rupert Egginton, Finance Director and Deputy Chief Executive, joined the NHS in 1987. He became a Finance Director in 1999 and joined the Trust in January 2003. Rupert left the Trust's employment on 31 December 2010.



Dr Neil Martin, Deputy Chief Executive/Medical Director

Dr Neil Martin, Medical Director, joined the Trust in 1987 and the Board of Directors as Medical Director in August 2007. He became Deputy Chief Executive from January 2011. Dr Martin is a Consultant Paediatrician and Neonatologist and has joint lead accountability for patient safety across the Trust.



Peter Murphy, Director of Human Resources and Corporate Affairs

Peter Murphy, Director of Human Resources and Corporate Affairs, joined the Trust in 2000 and was appointed to the Director position in 2002. Previously, he was a Lieutenant Commander in the Royal Navy.



Julie Pearce, Chief Nurse and Director of Quality and Operations

Julie Pearce, Chief Nurse and Director of Quality and Operations, joined the Trust in 2007. Julie is a Registered Nurse with 30 years experience of working in the NHS, including 15 years as an Intensive Care Nurse. She has had previous experience of working at Board level in an acute Trust, a Strategic Health Authority and was Nursing Advisor to the Department of Health for Acute and Specialist services between 2001-2003. Julie has joint accountability for Patient Safety and Clinical Quality with the Medical Director.



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.



Caren Swift, Acting Director of Strategic Development and Capital Planning

Caren Swift has been Acting Director of Strategic Development and Capital Planning since December 2010 covering maternity leave.

Non Executive Directors as at 31 March 2011

	Current Term of Office Ends	Responsibilities
Nicholas Wells	3 September 2012	Chairman
Jonathan Spencer*	31 October 2011	Senior Independent Director Deputy Chairman (from November 2010) Chair of Finance and Investment Committee Chair of Charitable Funds Committee Chair of Remuneration Committee (from January 2011)
Richard Samuel	31 October 2011	
Valerie Owen	30 November 2012	
Christopher Corrigan	31 December 2012	
Richard Suthers	28 February 2013	
Martyn Scrivens	8 November 2013	Chair of Integrated Audit and Governance Committee
Richard Earland	31 December 2013	

* Jonathan Spencer was formally confirmed as Deputy Chair by the Board of Directors in December following the departure of Debbie McKellar. This position was endorsed by the Council of Governors in January 2011 in line with the Trust's constitution.

Non Executive Directors who served during 2010/11

	Term of Office Ended	Responsibilities
Debbie McKellar	31 October 2010	Chair of Integrated Audit and Governance Committee Deputy Chairman
Alan Clark	31 December 2010	Chair of Remuneration Committee



Nicholas Wells, Chairman

Nicholas Wells has been a Non Executive Director of the Trust since November 2001 and was appointed as Chairman in September 2008. His professional background is a health economist with more than 30 years experience working in commercial, public and academic settings.

Significant commitments of the Trust Chairman include: member of Strobe Park Council of Management and Executive Committee; and Non Executive Director, York University Health Economics Consortium.



Christopher Corrigan, Non Executive Director

Christopher Corrigan was first appointed in January 2009. Christopher is a Professor of Asthma, Allergy and Respiratory Science at King's College Hospital, London, based at Guy's Hospital.



Richard Earland, Non Executive Director

Richard Earland was appointed in January 2011. Richard's background includes public sector experience in defence, health and policing, spanning 39 years.



Valerie Owen, Non Executive Director

Valerie Owen was first appointed in December 2008. Her principal areas of expertise are in property, specialising in asset management, sustainable development and community regeneration.



Richard Samuel, Non Executive Director

Richard Samuel was first appointed in November 2007. He has over 30 years experience working in local government and extensive experience in housing and regeneration. Richard is the Chief Executive of Thanet District Council (since October 2001).



Martyn Scrivens, Non Executive Director

Martyn Scrivens was appointed in November 2010. Martyn is a chartered accountant with 32 years experience in audit and risk management consulting services, operating at Board and Managing Director level within both the public and private sector.



Jonathan Spencer, Deputy Chairman/Senior Independent Director/Non Executive Director

Jonathan Spencer was first appointed as Non Executive Director in November 2007. He was appointed as Senior Independent Director from 2 March 2009 for the period of his tenure and as Deputy Chairman from November 2010. By profession, he was a Senior Civil Servant, including Board membership of the DTI and DCA (Department of Constitutional Affairs).



Richard Suthers, Non Executive Director

Richard Suthers was appointed in March 2010. Richard is a qualified chartered accountant and has significant experience in the area of senior financial management with large companies in the private sector.

Register of Directors' interests

The Board of Directors are required to declare other company directorships and significant interests in organisations which may conflict with their Board responsibilities. A register of Directors' interests is updated annually and is available on request.

Evaluation of performance

The Trust has a process in place for performance evaluation of Non Executive Directors and the Chair that complements existing arrangements for Executive Directors. The annual appraisal of the Chairman is led by the Senior Independent Director and involves collaboration with the Lead Governor and Council of Governors. Executive Directors have six monthly and annual performance appraisals which are conducted by the Chief Executive and considered by the Remuneration Committee. Non Executive Director and Chief Executive performance is reviewed by the Chair.

The Board of Directors also undertake an annual review of effectiveness. During 2010/11, members of the Board were asked to participate in a board evaluation survey and results were reviewed at the September 2010 Board. The survey focused on Board focus, structure (including committee structure) and composition. Further detailed discussions of the analysis took place at Away Days in October 2010 and February 2011. Following on from this, a Board Development Plan was created in 2010/11.

The Board Committees also undertake an annual review of effectiveness on an individual basis. This is conducted via questionnaire amongst its membership and subsequent evaluation.

Attendance at Board of Directors meetings

The Board of Directors held 12 meetings during 2010/11. Board Committees also meet regularly throughout the year and undertake work delegated from the Board. Board Committees are chaired by Non Executive Directors and the Board of Directors receive reports at each meeting.

Board of Directors April 2010 onwards attendance

	28-Apr-10	26-May-10	25-Jun-10	28-Jul-10	27-Aug-10
Nick Wells	✓	✓	✓	✓	✓
Stuart Bain	✓	✓	✓	x	✓
Rupert Egginton (to December 2010)	✓	✓	✓	✓	x
Julie Pearce	✓	✓	✓	✓	✓
Neil Martin	✓	✓	✓	✓	x
Peter Murphy	✓	✓	✓	✓	✓
Liz Shutler	x	✓	✓	✓	✓
Dr J Spencer	✓	✓	✓	✓	✓
Richard Suthers	✓	✓	✓	✓	✓
Debbie McKellar (to October 2010)	✓	✓	✓	✓	✓
Chris Corrigan	x	✓	✓	✓	x
Richard Samuel	✓	x	✓	✓	✓
Alan Clark (to December 2010)	✓	✓	✓	✓	✓
Valerie Owen	✓	✓	✓	✓	x
Sally Moore	x	x	x		
Jeff Buggle (from January 2010)					
Martyn Scrivens (From November 2010)					
Caren Swift (from December 2010)					
Richard Earland (from January 2011)					

Board Committee membership

Integrated Audit and Governance Committee	Debbie McKellar (Chair to October 2010) Martyn Scrivens (Chair from November 2010) Valerie Owen Jonathan Spencer Alan Clark (to December 2010) Richard Earland (from January 2011)
Finance and Investment Committee	Jonathan Spencer (Chair) Nicholas Wells Richard Samuel Richard Suthers Stuart Bain Jeff Buggle (from January 2011) Rupert Egginton (to December 2010)
Charitable Funds Committee	Richard Samuel (Chair) Nicholas Wells Richard Suthers Stuart Bain Liz Shutler Neil Martin Jeff Buggle (from January 2011) Alan Clark (to December 2010) Rupert Egginton (to December 2010)
Remuneration Committee	Alan Clark (Chair to December 2010) Valerie Owen (Chair from January 2011) Nicholas Wells Richard Suthers Richard Samuel Jonathan Spencer Christopher Corrigan Martyn Scrivens (from November 2011) Richard Earland (from January 2011) Debbie McKellar (to October 2010) Alan Clark (to December 2010)

24-Sep-10	27-Oct-10	26-Nov-10	22-Dec-10	28-Jan-11	25-Feb-11	25-Mar-11
✓	x	✓	✓	x	✓	✓
✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓			
✓	✓	✓	✓	x	✓	✓
✓	✓	✓	✓	✓	✓	✓
x	✓	✓	✓	✓	x	✓
✓	✓	✓				
✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓
x	✓					
✓	✓	✓	✓	✓	x	✓
✓	✓	✓	✓	✓	x	✓
x	✓	✓	✓			
✓	✓	✓	✓	✓	✓	✓
				✓	✓	✓
		✓	✓	✓	✓	✓
			✓	✓	✓	✓
				✓	✓	✓

Integrated Audit and Governance Committee attendance record

	08-Apr-10	24-May-10*	17-Jun-10	19-Aug-10	21-Oct-10	14-Dec-10	09-Feb-11
Martyn Scrivens (Chair from November 2010)						✓	✓
Debbie McKellar (Chair to October 2010)	✓	✓	✓	✓	✓		
Alan Clark (to December 2010)	✓	✓	✓	✓	✓	✓	
Jonathan Spencer	✓	✓	✓	✓	✓	✓	✓
Valerie Owen	✓	✓	✓	x	✓	x	x
Richard Earland (from January 2011)							✓

* Joint meeting with the Finance and Investment Committee. Only IAGC member attendance is recorded above.

The Integrated Audit and Governance Committee (IAGC) is a non-executive committee of the Board and has no executive powers. The Committee was previously known as the Audit Committee and formally changed its name in May 2010.

The IAGC advises the Board of Directors on the robustness and effectiveness of the Trust's systems of internal control, risk management, governance processes, and systems and processes for ensuring value for money. Feedback from the IAGC is a standing agenda item at Board of Director meetings and the Committee also presents an Annual Report. A statement from the IAGC Chair on the 2010/11 work programme of the Committee is presented on page 78.

Auditor Independence

The Trust has a policy in place for the engagement of the external auditors for non-audit work. This policy complies with all relevant auditing standards and follows industry practice in terms of defining prohibited work and setting out the approval and notification processes all non-audit work should be subject to. The policy is reviewed annually by the IAGC and it receives confirmation through KPMG progress reports to each of its meetings that it has been complied with.

Remuneration Report

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 2010/11

Name	Title	9/07/10	3/11/10	16/02/11
Alan Clark	Chair (until Dec 2010), Non Executive Director	✓	✓	x
Debbie McKellar	Non Executive Director	✓	x	x
Dr Jonathan Spencer	Non Executive Director	x	x	x
Richard Samuel	Non Executive Director	x	x	x
Nicholas Wells	Chairman	✓	✓	✓
Valerie Owen	Chair (from Jan 2011), Non Executive Director	✓	✓	✓
Chris Corrigan	Non Executive Director	✓	x	x
Richard Suthers	Non Executive Director	✓	✓	✓
Martyn Scrivens	Non Executive Director			x
Richard Earland	Non Executive Director			✓

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
- Advice was received, in regard to job evaluation and benchmarking pay, from the HayGroup.

Remuneration of senior managers

In 2010/11 the Remuneration Committee agreed a new local pay policy for senior managers, in particular the Divisional Director roles advertised and appointed to in 2010/11. Other than these Senior Managers and Board members all other staff 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 which was provided in this financial year by HayGroup.

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 2010 the performance related pay arrangements for Executive Directors were removed. Performance related pay was therefore not paid to any members of staff in 2010/11.

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 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 2010/11 the definition applies only to those listed in the table of salaries and allowances shown overleaf.

how the Trust is run

Senior Managers' salaries and non-cash benefits

Name	2010/11			2009/10		
	Salary	Other remuneration	Benefits in kind	Salary	Other remuneration	Benefits in kind
	note 1	note 1	note 2	note 1	note 1	note 2
Nicholas Wells	50-55			50-55		
Alan Clark to 31/12/10	5-10			10-15		
Christopher Corrigan	5-10			10-15		
Richard Earland from 01/01/11	0-5			0		
Deborah McKellar to 31/10/10	5-10			15-20		
Valerie Owen	10-15			10-15		
Richard Samuel	10-15			10-15		
Martyn Scrivens from 09/11/10	5-10			0		
Jonathan Spencer	15-20			10-15		
Richard Sturt to 28/02/10	0			10-15		
Richard Suthers from 25/02/10	5-10			0-5		
Stuart Bain	170-175		6.4	175-180		7.2
Jeff Buggle from 04/01/11	40-45			0		
Rupert Egginton to 23/12/10	95-100			125-130		
Tracey Fletcher to 23/03/10: note 3	0			175-180		
Neil Martin	130-135	55-60		130-135	55-60	
Peter Murphy	95-100		0.3	95-100		1.0
Julie Pearce	120-125			100-105		
Elizabeth Shutler	90-95		2.0	100-105		4.1
Caren Swift from 06/12/10: note 4	40-45		0.5			
Sally Moore from 15/02/10: note 4	45-50			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
5. Includes £17k recharge from previous NHS employer whilst Acting Director of Finance during January 2011.

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
			at 31 Mar 2011	at 31 Mar 2011
	note 1	note 1	note 2	note 2
Stuart Bain	0-2.5	2.5-5.0	90-95	275-280
Jeff Buggle	0-2.5	0-2.5	50-55	150-155
Rupert Egginton	(2.5)-0	(2.5)-0	35-40	110-115
Neil Martin	0-2.5	0-2.5	80-85	245-250
Peter Murphy	0-2.5	2.5-5.0	10-15	35-40
Julie Pearce	(2.5)-0	(2.5)-0	35-40	110-115
Elizabeth Shutler	(2.5)-0	(5.0)-(2.5)	20-25	65-70
Caren Swift (note 3)	0-2.5	2.5-5.0	25-30	85-90
Sally Moore (note 3)	0.25	2.5-5.0	20-25	60-65

Notes to Pension Benefits of Senior Managers table

All figures are in £thousands.

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. Increase/decrease is 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 accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. The cumulative pension figures represent the benefits accrued by the individual from their entire membership of the pension scheme, including any 'transferred-in' service and any purchase of added years by the individual.

Real Increase in CETV

This reflects the change in CETV effectively funded by the employer (where increased) or of benefit to the employer where the value has reduced. The Government announced in July 2010 that from April 2011 the Retail Price Index would be replaced by the (lower) Consumer Prices Index for uprating benefits from public sector pensions. The Pensions Agency has used the most recent actuarial factors produced by the Government Actuaries Department following this decision; as a result the accumulated CETV values have generally fallen since 31/03/2010.



Chief Executive

27 May 2011

Cash Equivalent Transfer Value	Opening CETV	Real Increase in CETV
at 31 Mar 2011	at 31 March 2010	
2041	2063	(106)
717	767	(13)
536	599	(66)
1849	1891	(118)
243	242	9
674	723	(79)
290	352	(77)
639	580	11
309	311	(11)

Statements from Chairs of Committees

Audit Committee

In May 2010 the Audit Committee was renamed the Integrated Audit and Governance Committee (IAGC). The IAGC Chair has recent and relevant financial experience and is a fellow of the Institute of Chartered Accountants in England and Wales. The Committee comprises four Non Executive Directors including the Committee Chair. The Committee is regularly attended by the Director of Finance & Performance Management, the Chief Nurse & Director of Quality & Operations and Trust Secretary. The Chief Executive is invited to attend the Committee at least annually. Internal and external auditors and the Local Counter Fraud Specialist attend meetings to present their findings and provide assurance. They also meet separately with the Committee Chair to cover potentially sensitive matters and to ensure their independence is maintained.

The main role and responsibilities of the IAGC 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 controls, governance and risk management systems, and monitor and review the effectiveness of the Trust's audit arrangements.

In order to review and support the annual Statement on Internal Control and the annual Quality Report the IAGC has regularly reviewed the Board Assurance Framework, Corporate Risk Register and the Quality Risk Profile and considered the findings and recommendations from the Trust's auditors. It has received regular assurance reports from management, for example on health records and cleaning standards, and other areas where specific action was required. It receives minutes and exception reports relating to the Executive-led Risk Management and Governance Group, and Clinical Management Board. The IAGC receives reports on the Trust's compliance with CQC and NHSLA standards and ensures that reports from other external bodies are properly considered and any recommendations responded to appropriately and on a timely basis. From time to time, the Committee requests specific reviews in areas of particular interest such as a detailed comparison of the Trust's governance structures with Monitor's Quality Governance Framework and other areas where specific action was required, for example, improving the management of theatre stocks, better control of transport and postage costs and improving the accuracy and completeness of clinical coding. Following each Committee meeting the Chair presents a summary of key issues and matters to be addressed to the Board of Directors for consideration, action and support.

The IAGC works closely with the Audit Working Group (a representative body of the Council of Governors), in the appointment and ongoing monitoring of the Trust's external auditors.

The IAGC undertakes annual self assessment to identify areas for improvement. Feedback from self assessment is incorporated into the Committee's annual report to the Trust Board, reviewing progress against annual objectives and compliance with terms of reference. The Committee receives technical briefings and updates from finance, auditors and the executive team in order to remain up to date with current requirements.

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).

At the start of the year, the working methods and terms of reference for the Committee were reviewed. It was agreed that the Committee should focus its work around five main areas:

- Development and maintenance of the Trust's medium and long term financial strategy;
- Review and monitoring of financial plans and their link to operational performance;
- Financial risk evaluation, measurement and management;
- Scrutiny and approval of business cases and oversight of the capital investment programme;
- Oversight of the finance function and other financial issues that may arise.

The Terms of reference were restructured accordingly.

In the light of the significant deterioration in the Trust's financial performance against budget in the latter part of 2009/10, the Committee devoted much of its time in the early part of the year to monitoring financial performance generally, and

the £24m (risk adjusted to £20m) cost improvement programme (CIP) in particular. We initiated a rolling programme of discussions with the clinical and other directorates about their progress, especially in relation to achievement of their cost improvement plans. In the event, the CIP got off to a slightly slow start, but has hit the overall target for the year as a whole. The programme for 2011/12 has been prepared significantly earlier than in previous years, and is under way at the time of writing. And the Trust's financial performance for 2010/11 has come in very close to the original budgeted figures, albeit these were rather lower than had been anticipated at the time of FT authorisation.

The Committee reviewed the forward capital programme and priorities within it in the autumn of 2010. The lower levels of EBITDA and overall surplus being generated have reduced the sums available for capital expenditure from around £35m pa at the time of FT authorisation to around £25m maximum, and around £20m for 2011/12. Criteria have been developed to assist in prioritisation of projects. Priority has been given to necessary service developments and to new and improved medical equipment and clinical facilities, with major investments in infrastructure and ward blocks being pushed back. Of the latter, the plans to replace the existing Buckland Hospital with new facilities on the present site remain the top priority.

In the latter part of the year, the Committee reviewed the progressive development of the Trust's Business Plan for 2011/12. This has been a particularly challenging exercise this year, given both the sharply downward pressure on tariffs and on available funding from the PCT, and separately the considerable uncertainty generated by the Government's plans for NHS reform, and especially the potential stances to be taken by the new GP commissioning consortia.

In January, the Committee welcomed the new Trust Finance Director, Mr Jeff Buggle. As part of his review of finance work in the Trust, he has been preparing a new financial strategy for the Trust, to replace the one embedded in our FT authorisation proposals in 2008/9, and has also carried out a review of the finance function following the creation of the new divisional structure. These pieces of work will enable the Committee to fulfil its role on the first and last of the tasks set out at the start of this report, and which have so far received relatively less attention.

Charitable Funds Committee

The Charitable Funds Committee oversees the administration of the many donations, legacies and investments that are held within the East Kent Hospitals Charity (the Charity). The Charity holds assets totalling £4.5m.

This has been an exciting year for the Charity, with the focus on fundraising and our fundraisers. The Charity launched its major appeal in June for the East Kent Breast Cancer Mammography Appeal (see page 9) and this is helping to raise the profile of the Charity and provides an opportunity to increase the Charity's database of supporters. Marketing materials are being distributed, events promoted via several media and the Charity is aiming to develop its website to maximise this resource.

Despite the continuing economic difficulties the Charity received £331k from donors this year which relates to an increase of 94% compared to the previous year. Donations to the Breast Cancer Mammography Appeal reached £297k representing 89% of the total donations received. In addition to these donations a significant grant of £116k was received from the Walk the Walk Charity for the purchase of scalp coolers used by patients undergoing chemotherapy across the Trust.

The Trust is immensely appreciative of the efforts of the public and the support from the business community in East Kent which enables the Charity to enhance the amenities and the quality of services provided by the East Kent Hospitals University NHS Foundation Trust. In total £620k was spent on the improvement of facilities for patients. Some examples of these are:

- | | |
|---|------|
| • Portable Ultrasound for Rheumatology at Kent & Canterbury Hospital | £39k |
| • Low level beds at William Harvey and Queen Elizabeth The Queen Mother hospitals | £52k |
| • Cryomatic Unit for Ophthalmology at Kent & Canterbury Hospital | £11k |

The year to come promises to be challenging but the Trustees aim to meet these challenges by continuing to develop the way in which the Charity links its programme of grants with those of other charities who support the Trust, such as the Leagues of Friends, and with the Trust's strategic aims.

With the reduction in services provided by The Charity Commission, the Charitable Funds Committee recognises the importance of the changing role of the Association of NHS Charities, of which the Charity is a member, in representing its members with regard to regulatory legislation and specialised advice. Of particular note are the ongoing discussions with the Treasury regarding the application of International Financial Reporting Standards to Charities.

Note: The Trust administers charitable funds, comprising legacies and donations received for the benefit of patients and staff. The Trust is the Corporate Trustee of the funds and the Board of Directors act as the agents on behalf of the Trust. The Charity is registered with the Charity Commission. Income for 2010/11 totalled £844k and included legacies of £229k. The value of funds held increased by £110 during the year. External charities (Leagues of Friends, Cheerful Sparrows) also contributed £408k during the year for the purchase of specific items for use by the Trust.

Remuneration Committee

The Remuneration Committee is one of two obligatory committees required under the NHS Foundation Trust Code of Governance. Its purpose is to set the remuneration, terms of service and other contractual arrangements for the Chief Executive and Executive Directors, and to monitor their performance against individual job descriptions. Membership is made up of all Non Executive Directors. The Chief Executive (CEO), Head of Human Resources and Head of Learning HR Business Partnering (as Minutes Secretary) are normally in attendance.

In May 2010, the main agenda item was an end of year review of 2009/10 performance appraisals, and in July 2010 the main item was a review of individual performance objectives for 2010. At the July 2010 meeting the PRP section of the Pay Policy, which contractually had remained operative until the end of 2009/10, was formally discontinued, subject to review next year or later, and with simpler appraisal paperwork being introduced for 2011/12. The Committee decided that no PRP payments should be awarded for 2009/10, as some of the Trust's financial and governance targets for the year had not been met. Following guidance from the Senior Salaries Review Body and the Department of Health that a nil increase for Very Senior Managers nationally should be observed, the Committee also decided not to award a pay uplift for 2010.

In the November 2010 meeting, the Terms of Reference for the Committee were revised and subsequently approved by the Board of Directors. Changes made covered inclusion of delegated authority powers to the Committee, and an increase in the number required for a quorum from three members to four. The latter amendment reflected the increase in the number of Non Executive Directors during the year from seven to eight.

The November committee meeting also approved the Pay Policy for Senior Managers and asked that the CEO provide a report to the February meeting on the operation of the policy in appointing the new Divisional Directors. It was also agreed to (i) commission a benchmark report to provide evidence for all the Executive Director (ED) roles for pay review purposes, and (ii) to consider appointing a consultant to prepare a report on Rewarding Performance for EDs which should also include behavioural indicators. The November meeting was the last one chaired by Alan Clark, who stood down from the Board of Directors in December 2010. Committee members and the Trust Chairman, Nicholas Wells, thanked Alan warmly for his service.

The meeting in February progressed all the items discussed in November, and focused on the effectiveness of the Pay Policy for Senior Managers.

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 the 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 NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust 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 NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Chief Executive
27 May 2011

Statement on Internal Control 2010/11

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 2011 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 individual in the post of Chief Nurse and Director of Quality and Operations (CN and DoQ and O) for the year 2010/11. In order to support this role, and recognising that risk management is a corporate responsibility, all executive directors carry functional accountability for maintaining robust systems of internal control and for providing assurance of their effectiveness through the governance structures embedded throughout the Trust.

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

The Trust Board's IAGC has overarching responsibility for the review and scrutiny of the Trust's internal control and risk management systems, including financial and clinical aspects. The Committee also 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.

All staff have been trained to manage risk commensurate with their role and responsibilities and this requirement is articulated in all job descriptions. The training 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 continue to be developed throughout 2011/12 as part of the overarching strategy to embed lessons learned from incidents occurring in the organisation.

Staff awareness is further enhanced through internal corporate and directorate publications outlining key risks and the actions taken to mitigate them, as well as 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 IAGC for monitoring and receiving assurance on the effective management of risk. A revised strategy was approved by this Committee in October 2010 and reported to the Trust Board in November 2010.

The key elements of the strategy continue to 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, at quarterly and monthly intervals respectively, 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 sustain the 18 week referral to treatment standard for admitted patients in some specialties.
- Patient safety, experience and effectiveness is compromised through inefficient patient pathways and patient flow.
- Failure to sustain both 62 day cancer pathway standards
- Impact of the financial downturn on the future public sector funding constraints.

- Achieving Quality and CQUIN standards.

The first three areas developed into issues, which the Trust managed by formally developing action plans. The latter two risks were managed as part of routine business without the requirement of high level and dedicated immediate action.

Assurance Framework

The Assurance Framework is a key tool by which the principal risks that could impact on the achievement of the Trust's annual and strategic objectives are effectively monitored by the Board and its principal sub-committees. In 2011 an additional Non Executive Director sub-committee was established to provide monthly Board assurance of progress against the 18 week RTT and 62 cancer pathway targets. 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. Of the agreed 13 annual objectives, sustaining a maximum referral to treatment time (RTT) of 18 weeks at speciality level was the only one that was not wholly achieved. The Board agreed and implemented a plan to reduce the backlog to half a week of activity (c450 patients) by 01 Apr 11. This was to ensure both compliance and sustainability of the 18 week RTT standard in the new Financial Year. This plan has delivered its key targets.

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 of the risks occurring 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 their executive performance review.

Adverse Incident Reporting

All staff are encouraged to report incidents and near miss events as part of the Risk Management Strategy and recent staff survey results have shown the Trust as an above average NHS performer in terms of the fairness and effectiveness of incident reporting procedures. 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 has this year been superseded by the phased implementation of an electronic system. The system has improved the timeliness of feedback to reporters and enables 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 IAGC 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 this year had stricter evidence requirements. Despite this the Trust has been able to evidence full compliance with the requirements of the Information Governance Toolkit to meet the Assurance Statement; we therefore do not believe that there is significant risk of the Trust losing personal data. The Trust successfully concentrated on the 22 key requirements necessary for Level 2 compliance, though this was achieved at the expense of the other 22 requirements relevant to the Trust. There has been some movement to a more secure NHS net system this year but the full migration plan will not be developed until the next Financial Year. Further improvements in non mandatory requirements are also required to strengthen both corporate and clinical information governance. The improvement programme has been monitored through the RMGG and the IAGC.

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 that it is fully compliant with the essential standards set by the Care Quality Commission. Monitoring since the submission continues to show full compliance with no lapses identified for this financial year. The Trust therefore achieved an unconditional registration for the full year.
- The Trust successfully attained NHS Litigation Authority Level 2 compliance in maternity risk management standards in 2010 to supplement the Level 3 compliance (highest level possible) for general risk management standards already achieved at the end of the previous financial year.
- 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 reduction set by the commissioners for this financial year and the Department of Health national targets against both the MRSA and C Diff metrics. Successful achievement of both targets continues to place the Trust within the highest performing organisations in the country.

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. As part of this process the organisational Gender Equality Scheme was reviewed, with help from the Gender Trust, amended and approved by the Trust Board this year.
- 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 required to have an equality impact assessment.
- There is a dedicated equality and diversity manager in post to provide 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 Foundation 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 2010/11 were based on the overarching patient safety programme, which continues to be integrated with the three core areas of patient safety, clinical effectiveness and patient experience in order to provide a balanced approach to the delivery of improvements against each area. Responsibility for the programme is shared at Executive level between the Medical Director and the CN and DoQ and O. The Quality Account is also subject to external audit.

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 IAGC. There are two committees supporting the patient experience programme; one is led by the Governors. Again, reports from these groups are received by the Clinical Management

Board and scrutinised by the IAGC.

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 as part of the monthly Clinical Quality and Patient Safety Board Report. 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. Monitoring reports for this programme are presented to the Board as the first agenda item at every meeting. The results of findings from the use of the UK Trigger Tool to record harm events to patients are used to inform these indicators and the set improvement targets.

The data used to support the Quality Report is also 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.

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 internally employing 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 IACG, 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 IAGC 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. This year the IAGC requested reports in operational areas including:

- Clinical Coding
- Health Care Records
- Theatre Stock
- Consultant Pay
- Procurement of IT Systems
- Clinical Audit Programmes.

Three 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 IAGC also reviewed actions taken to reduce procurement spends through the use of the local Collaborative Procurement Hub. As a result, the IAGC, in conjunction with the Director of Strategic Development and Capital Planning, have asked for an audit to be undertaken on local procurement processes and local monitoring of declared Collaborative Procurement Hub savings.

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 also 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 IAGC 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 and Corporate Risk Register provide me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Board received regular reports on patient safety and experience, the corporate risk register and the Assurance Framework for 2010/11. 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 IAGC 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;

- 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 maternity risk management standards for Level 2;
- 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 an external review of midwifery services at one of our sites as a result of an internally identified Serious Untoward Incident. This piece of work validated the approach taken by the Trust to resolve the issue and has led to the commencement of a health economy wide review of maternity services by the local PCT. In addition an Emergency Care Intensive Support Team (ECIST) health economy review into urgent care was also commissioned by the Trust Board; this resulted in an action plan being developed to improve the flow of patients through the system by the re-allocation of financial and human resources as well as minor building works. The Trust Board also commissioned an internal re-structuring of the Trust to reduce the operational span of control in order to improve the systems of internal control and responsibility within the organisation. This included the development of an enhanced internal operating framework and Organisational Development Plan.

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. The Head of Internal Audit has provided an opinion on the effectiveness of the system of 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 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 within their functional areas 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 RMGG is the principal Committee for reviewing risk in the Trust; the committee is chaired by the CN and DoQ and O.

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 and for maternity services the Risk Management assessors for the NHS Litigation Authority. In addition in November 2010 an OFSTED/CQC inspection of Kent wide Safeguarding of Children Services was undertaken, this resulted in a set of organisational actions being developed which are currently assessed as either on target or of low risk to delivery, though one target has had the implementation target date extended. The achievement of these improvements are however in many cases dependent on the delivery of actions in other organisations. In January 2011 there were assessments of all three hospital sites for Clinical Biochemistry and Immunology for Clinical Pathology Accreditation (CPA) of the Pathology Directorate. Conditional accreditation was given and no critical non conformities were identified. In March 11 the Health and Safety Executive also inspected the William Harvey Hospital, Ashford. For the latter two inspections issues were identified for action, including improvement notices, and are on target for completion by the agreed dates.

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 2011/12. In addition, the Trust is committed to a programme of continual improvement around the controls and assurances already in place. The actions for 2011/12 include:

- Improve delivery of emergency care
- Maintain and improve assurance of compliance with the quality and safety standards for CQC Registration across all services and sites.
- Sustain and improve 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
- Improve infection prevention and control.

7. Conclusion

Based on available Department of Health and Monitor guidance, the Trust's internal and external auditors' views and from a review of the Board Assurance Framework, the Board of Directors has confirmed that there are no gaps in control.



27 May 2011
Stuart Bain, Chief Executive

NHS Foundation Trust Code of Governance

The Trust became an NHS Foundation Trust on 1 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 1 April 2010 to 31 March 2011.

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.

