

Annual Report

2012-13

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About Maidstone and Tunbridge Wells NHS Trust

Maidstone and Tunbridge Wells NHS Trust (MTW or The Trust) is a large acute hospital Trust in the south east of England.

The Trust provides a full range of general hospital services and some areas of specialist complex care to around 500,000 people living in the south of west Kent and the north of East Sussex.

The Trust's core catchment areas are Maidstone and Tunbridge Wells and their surrounding boroughs. In addition, the Trust provides specialist cancer services to 1.8 million people, from its flagship cancer centre at Maidstone, for the whole of Kent, Hastings and Rother.

MTW services are available to any patient from outside of these areas through Patient Choice www.nhs.uk

The Trust raised standards of privacy and dignity for NHS patients to new levels in 2011 with the opening of the first NHS hospital in the country to provide all inpatients with single rooms and ensuite facilities.

It has also created centres of expertise in its hospitals for planned and emergency surgery and women and children's care as part of its clinical strategy to further improve patient care.

Our Staff

The Trust employs a team of 5,525 full and part-time staff, equating to a whole time equivalent of 4,972 people. For more information about opportunities to work at MTW visit www.mtw.nhs.uk or www.jobs.nhs.uk

Our Hospitals

The Trust primarily works from two main clinical sites at Maidstone Hospital and Tunbridge Wells Hospital at Pembury. It also provides radiotherapy services at Kent & Canterbury Hospital, Canterbury.

The Trust closed Kent & Sussex Hospital in Tunbridge Wells in September 2011, following the opening of the £230 million Tunbridge Wells Hospital.

The MTW Mission, Vision and Values

The Trust is on a journey to achieve Foundation Trust status by continually improving standards of care and the overall experience that its patients have when they use its services.

The Trust has a clear mission, vision and values to help achieve its aim.

Our Mission

The Trust's mission is: Our focus is our patients

Our Vision

The Trust's vision is to be a successful integrated healthcare provider in the top 20% of Trusts nationally for the patient services we deliver.

Our Values

The Trust's values are shared widely with its staff and underpin the achievement of its Mission and Vision.

The five Trust values are represented as the word PRIDE



Patient First

We always put the patient first



Respect

We respect and value our patients, visitors and staff



Innovation

We take every opportunity to improve services



Delivery

We aim to deliver high standards of quality and efficiency in everything we do



Excellence

We take every opportunity to enhance our reputation

Our Strategic Objectives

The full opening of the Tunbridge Wells Hospital and service changes made in autumn 2011 marked the final stage of the successful implementation of the Trust's clinical strategy.

The Trust is embarking upon the development and implementation of further clinical developments and strategies over the next five to 10 years that continue to reflect the needs of patients, GPs and advances in medical and surgical care.

Further clinical developments occurred in 2012/13 at the Trust, with the launch of long-term clinically-led plans to enhance services at Maidstone Hospital.

These plans will transform the hospital over the next five years, transforming ward areas and services alike, improving and increasing the range of acute hospital care services available locally, and reflecting moves to keep people well and in their own homes longer.

The Trust's clinically-led developments are supported by four strategic objectives that reflect the direction of the NHS and local commissioning intentions. They are:

- To become a truly patient and customer centred organization
- To deliver services that are viable and sustainable
- To collaborate and compete in the delivery of integrated care in our area
- To operate at high levels of quality and efficiency to support long-term financial sustainability

These four strategic objectives underpin the Trust's aim to become a Foundation Trust.

The Trust's vision, mission and values are reflected in the summary sheets of all Board reports to monitor the contribution of any works towards the Trust's overall strategic vision and the provision of safe, quality care. The Trust's Board reports can be viewed at www.mtw.nhs.uk

Quality Accounts

The provision of safe quality services and experience for patients, staff and the public is central to Maidstone and Tunbridge Wells NHS Trust's Vision.

The Trust's key priorities for 2012/13 were:

Patient Safety

- To reduce our Clostridium difficile rate by 23% and maintain or reduce cases of MRSA bacteraemia, maintaining our zero tolerance of avoidable infection
- To reduce the number of falls in the year by 10%
- To meet national and local goals and monitoring requirements on venous thromboembolism (VTE)
- To ensure all patients identified as at risk of VTE via VTE risk assessment receive appropriate thromboprophylaxis
- To reduce the incidence of hospital acquired VTE

Clinical Effectiveness (stroke, dementia, discharge)

- To improve the quality of care and health outcomes for patients who have had a stroke
- To identify those patients with dementia with a view to ensuring that an effective care plan is in place to enable them to receive the best care possible throughout their pathway between the acute and community sectors
- Ensure all patients have their discharge from hospital planned to ensure there is a seamless transfer home with appropriate support in place and communication with all relevant parties

Patient Experience

- To ensure that all complaints are seen as an opportunity to learn from and that we embed the learning. In addition we aim to ensure complainants receive timely responses which have been fully investigated and address all issues raised
- To gain feedback on patient satisfaction to enable improvements to care and overall service to be made in a timely manner
- To see demonstrable improvements in patient satisfaction with care reflected in the National Patient Surveys, CQUINs and Local Patient Survey

Progress in 2012/13

Progress has been made in all key priorities though for some there remain challenges and they are listed in the key priorities that are being consulted on. A full review of performance against key patient standards is provided from pages 11 to 19 of this report. The following is a summary of Trust performance.

Although levels of hospital acquired infection remained low, the Trust reduced cases of C.difficile by 8% during the year, it missed its target of 23%. It also had two cases of MRSA, which was above the standard set by local commissioners.

The Trust did not achieve an overall 10% reduction in falls, but did see a considerable drop in the number of falls resulting in significant harm. The Trust made good progress against its VTE standards in 2012/13, meeting all of the standards.

Improvements have also been seen in stroke care, with 90% of stroke patients spending 90% of their time in a stroke unit. This is ahead of the 80% target. The Trust ensured 50% of high risk TIA patients were seen within a TIA clinic within 24 hours, falling short of its target of 60%.

Screening, risk assessment and referral for specialist diagnosis have all improved during the year for patients with potential dementia.

The Trust saw an improvement in the handling of patient complaints and overall satisfaction in responses. There is also greater clinical ownership and management of complaints.

The Trust continues to increase the quantity and quality of patient feedback through weekly patient surveys, annual surveys, and use of social media. Local patient surveys showed overall satisfaction of 90%.

Looking ahead – our key priorities for 2013/14

The Trust consulted with its Patient Experience Committee members in March 2013 as part of the process of identifying its key priorities for 2013/14. The committee includes members of staff, patients and the public.

Three key priorities have been identified. These are: reducing **A&E waiting times**, improving **length of stay** and further improving **infection control**.

The Trust's priorities for the year will also be influenced by the findings of the Francis report. Other on-going priorities from 2012/13 where improvement continues to be sought also include:

- Reduction in harm from falls
- Improving the results of our friends and family survey reports
- Reducing the number of VTEs

The full Quality Account was presented to the Trust's Quality and Safety Committee and to the Audit and Governance Committee in June 2013. The document was published on the Trust's website (www.mtw.nhs.uk) on 30th June 2013. It was also presented to the Trust Board meeting on 24th July.

Board members



Anthony Jones
Chairman
 Chair - Remuneration Committee



Glenn Douglas
Chief Executive
 Chair – Trust Management Executive



Phil Wynn-Owen
 Non-Executive Director
 Chair – Finance Committee, Charitable Funds Committee



Kevin Tallett
 Non-Executive Director
 Chair – Workforce Committee



Sylvia Denton
 Non-Executive Director
 Chair – Patient Experience Committee, Quality and Safety Committee



Beverley Evans
 Non-Executive Director
 Chair – Audit Committee
 1st April 2012 to 3rd April 2013



John Kennedy
 Interim Director of Nursing
 27 September 2012 to 1st July 2013



Paul Sigston
 Medical Director



John Headley
 Finance Director
 14 May 2012



Angela Gallagher
 Chief Operating Officer

Maidstone and Tunbridge Wells NHS Trust appointed two new Board members in 2013. Avey Bhatia joined the Trust as Chief Nurse on 2nd July, 2013. Steve Tinton joined the Trust as a Non-Executive Director on 5th April 2013.



Avey Bhatia
 Chief Nurse



Steve Tinton
 Non-Executive Director

Other Directors

Paul Bentley
 Director of Strategy and Workforce

Sara Mumford
 Director of Infection Prevention and Control

Terry Coode
 Director of Corporate Affairs

Stephen Smith
 Associate Non-Executive Director

Mark Worrall OBE
 Non-Executive Director – 1 April 2012 to 26 April 2012

Colin Gentile
 Finance Director - 1 April 2012 to 11 May 2012

Flo Panel-Coates
 Director of Nursing – 1 April 2012 to 26 September 2012

Chairman and Chief Executive's Statement

Maidstone and Tunbridge Wells NHS Trust continued to provide patients with high standards of care in safe surroundings during 2012/13.

This was reflected in the overall patient experience in our hospitals during the year.

MTW was an early implementer of the Friends and Family test in July 2012. Up to March 31st this year, 95% of patients surveyed said they were likely or extremely likely to recommend MTW to their friends and family. You can see more of this important feedback on page 21 of our annual report.

Our services were also compliant with standards monitored by the Care Quality Commission. We were particularly pleased that our older patients told the CQC they were pleased with their care and were being treated with respect and dignity.

We also had some very positive feedback from staff who took part in the 2012 Annual Staff Survey. 93% of staff surveyed said their roles made a difference to patients. Overall, the results of this survey put us in the top 20% of Trusts nationally. More feedback can be seen on page 35.

Ensuring patients are at the centre of everything we do was brought into sharp focus this year with the publication of the Francis Report into Mid Staffs. The Trust has developed its own action plan in response to the report, which is on page 22.

The Trust also worked hard on its own financial wellbeing in 2012/13, making £17.5 million in efficiency savings during the year. At the same time, we invested £14 million in capital developments, opening new services that will help reduce unnecessary hospital admissions, reflecting moves locally towards keeping people healthy and out of hospital. There do, however, remain issues surrounding the PFI and the additional costs of the new hospital. We are working to resolve these with colleagues in Clinical Commissioning Groups, the Trust Development Authority, and the Department of Health.

We opened a new Urgent Medical and Ambulatory Unit at Maidstone Hospital in November 2012 as part of a five-year clinically-led strategy to transform services in the hospital which is now approaching 30 years old. We also started work on new endoscopy and urology investigation units which are due to open this summer alongside better admissions and discharge lounges. You can read more about these developments on page 27.

We also invested time in 2012 to bring our clinical leadership further to the fore through a new Trust Management Executive, made up of our clinical directors and other executives.

Overall, we managed the care needs of more than 350,000 patients during 2012/13. While the vast majority of patients were seen swiftly according to

national standards, there were too many occasions where patients waited longer than necessary in A&E.

Our A&E performance, particularly at the new Tunbridge Wells Hospital, is a key area for improvement in the months ahead.

Part of improving our A&E performance includes improving our length of stay, which is longer than many other acute hospitals. This isn't beneficial for patients who are ready to go home. It also makes it increasingly difficult to ensure patients are admitted to hospital smoothly and without delay.

Our work to reduce and wherever possible eradicate avoidable hospital-acquired infections is another priority area for the Trust, after seeing a slowdown in our rate of improvement, which is covered on page 25 of this report.

As in other years, we must continue to work within the finite resources we are given to provide patient care in 2013/14. Our contribution to local and national efficiency savings this year is circa £20 million. The Board has made their position very clear that while efficiencies must continue to be made they must not adversely affect frontline patient care.

The challenges we face during 2013/14 are severe, but are in no way insurmountable. Once achieved, these will show the Trust as a strong organization ready to take its final steps towards Foundation Trust status.

Changes made to the structure of the NHS on 1st April have already started to see the Trust develop new relationships with Clinical Commissioning Groups throughout Kent and Medway this year. We look forward too, to working closely with new colleagues in Public Health, as we all work to put patients at the centre of everything we do.

We wish to be clear that the Board and the staff at MTW are in no way complacent about our position. Our focus is on patient care and we will not rest until all important patient quality and care measures show us among the top 20% of hospitals in the country.

2012-13 Performance Review

Maidstone and Tunbridge Wells NHS Trust met the majority of national waiting time standards in 2012-13. These are designed to ensure patients are seen appropriately according to their clinical need.

The Trust's overall performance is measured against 70 local and national standards on a monthly basis. These results are shared with commissioners of local health services and are discussed by the Trust Board at its public meetings.

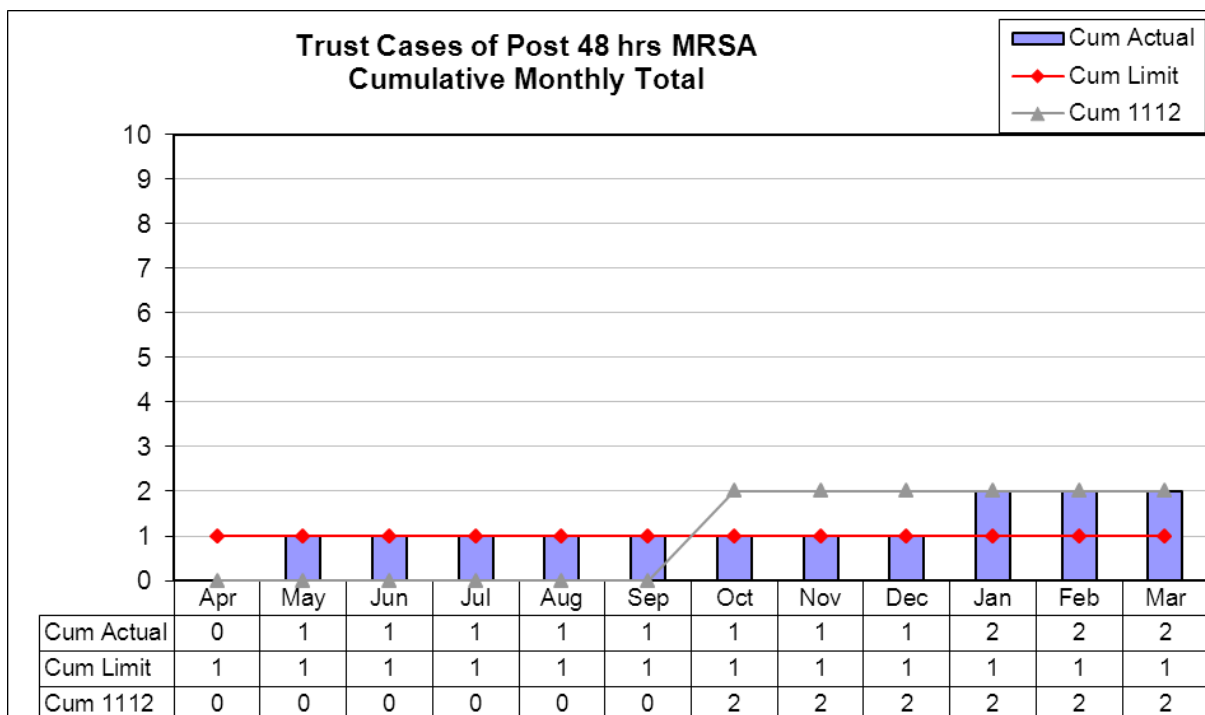
A summary of the Trust's overall performance in all local and national standards for 2012/13 will be available to view on the Trust's website in May 2013 – www.mtw.nhs.uk a summary of the Trust's overall performance for the 11 months up to February 2013 is available on the website now.

The Trust made improvements in care for key conditions such as Stroke and VTE and met all of its CQUIN care indicators. However emergency services remained under pressure for most of the year making it difficult to achieve the four hour target for patients treated in A&E. This is partially due to the high level of patients whose discharge was delayed which reduced the number of beds available to admit patients.

Whilst the Trust achieved most of the key national local standards in 2012/13 the level of performance in infection control and emergency waiting times standards resulted in Trust being rated as "Performance under Review" by the NHS Performance Regime.

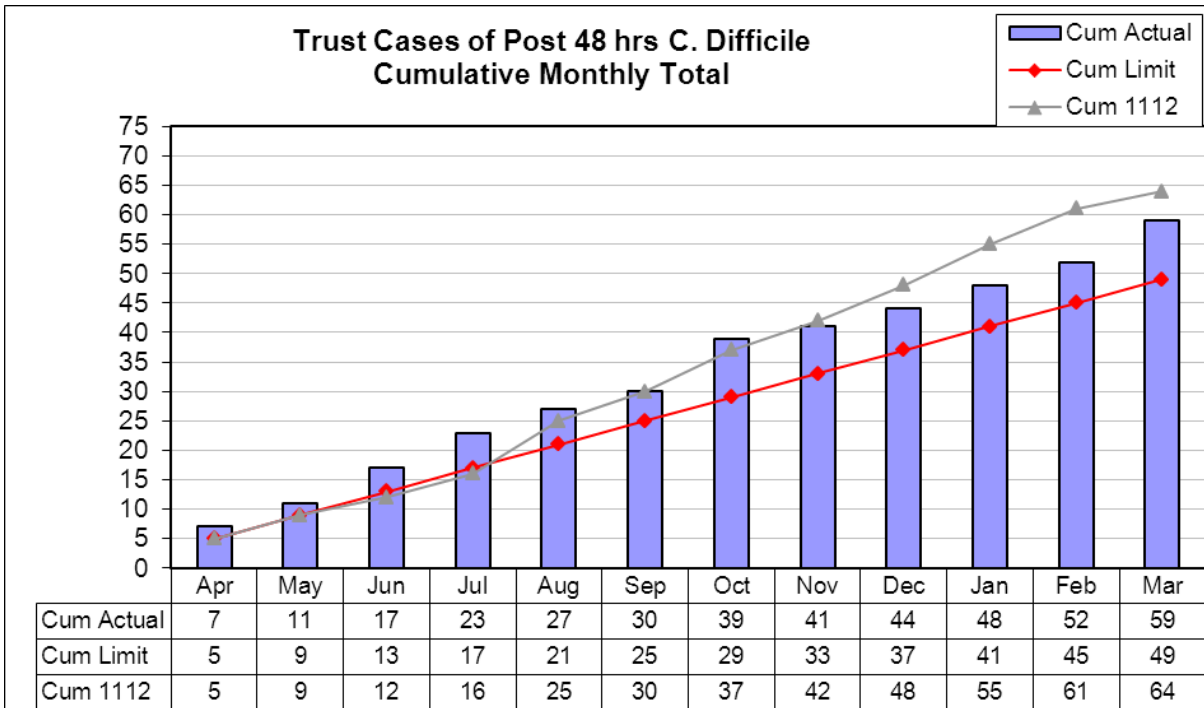


Infection Control – MRSA Cases – The Trust did not achieve this standard, with 2 cases of MRSA throughout the year against a maximum limit of 1 case. The number of cases in 2012-13 was the same as 2011-12.

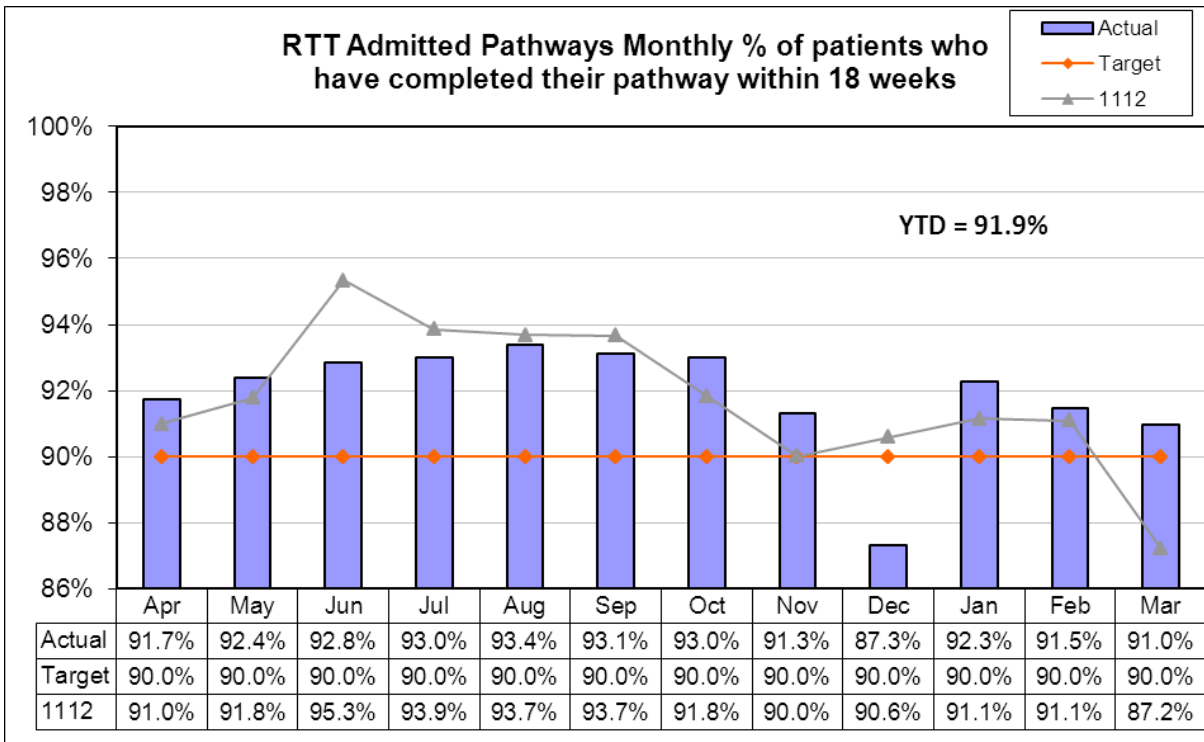


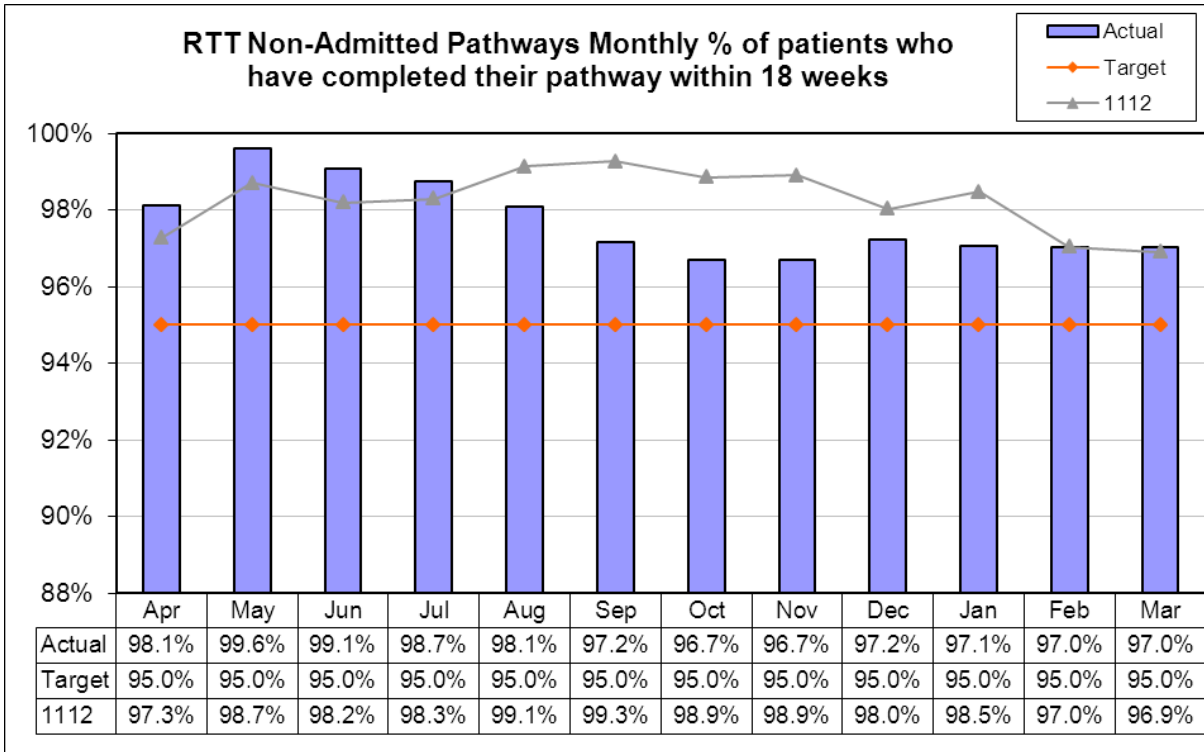


Infection Control – CDifficile Cases – The Trust did not achieve this standard of a maximum of 49 cases for the year. However, the number of CDifficile cases throughout 2012-13 was 5 fewer than the number reported for 2011-12

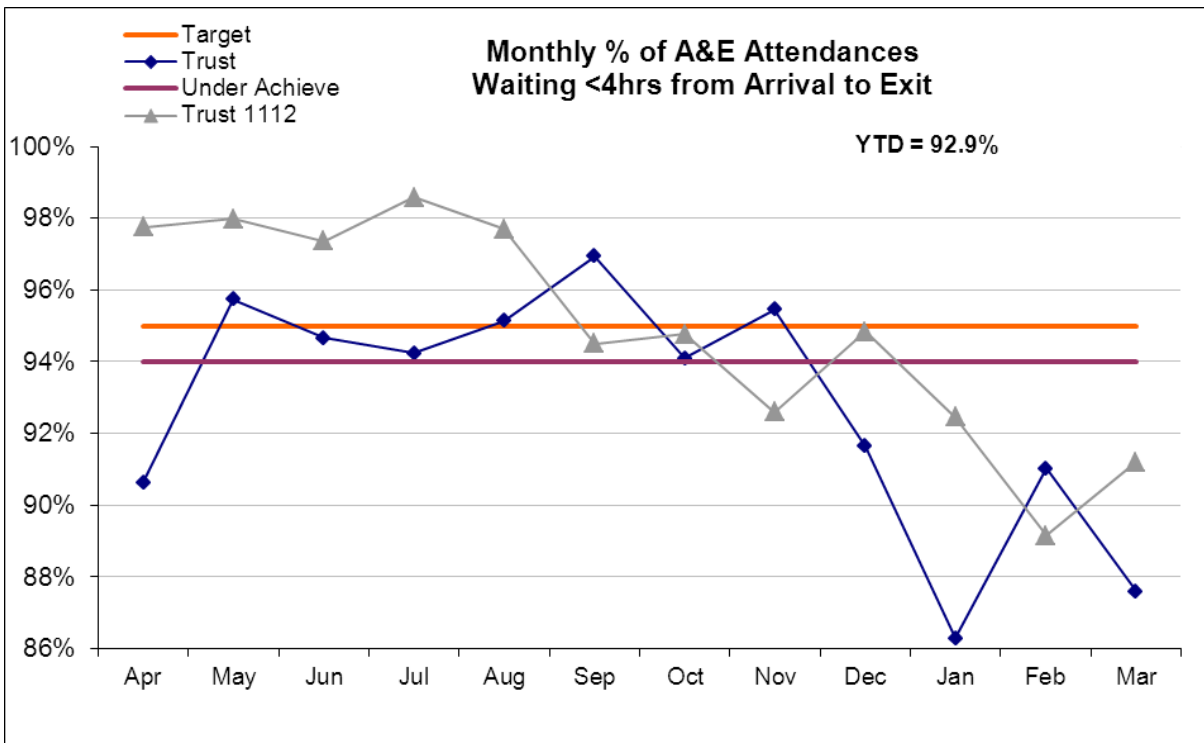


18 weeks standard – The Trust achieved this standard, ensuring at least 90% of admitted patients were treated in hospital following GP referral in 18 weeks. The Trust also ensured 95% of non-admitted patients were seen within the same period.



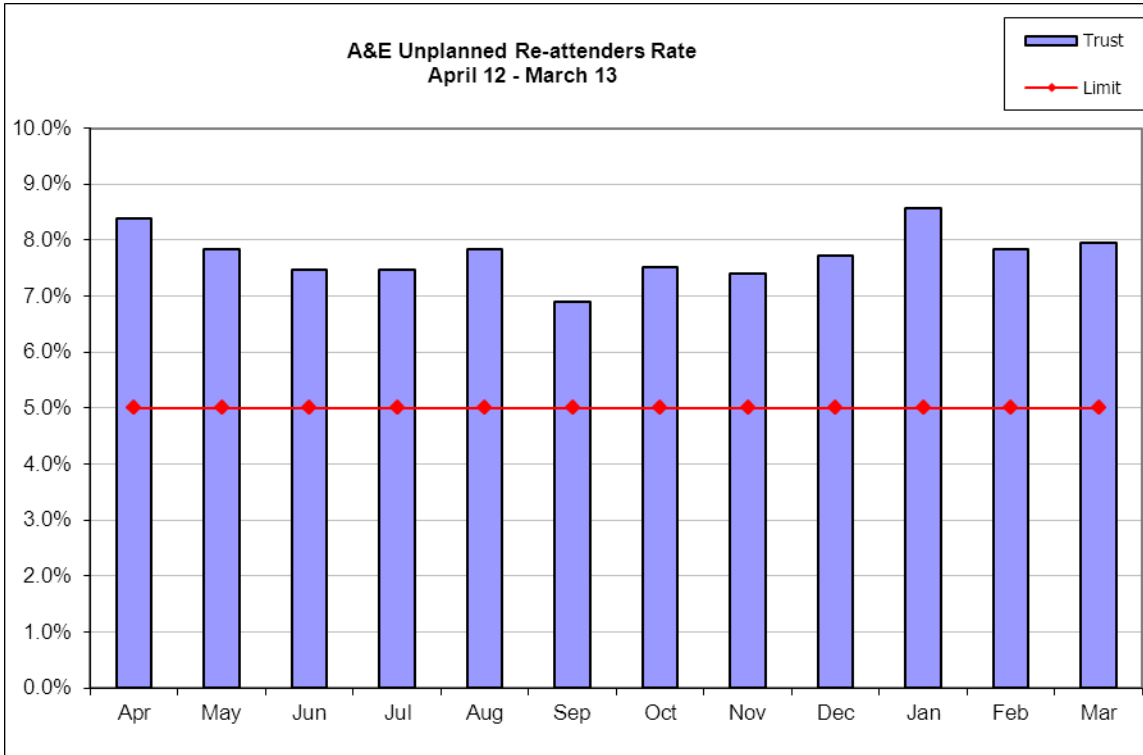


Emergency 4 hour access – The Trust did not achieve this standard of 95% of patients being seen, treated, admitted or discharged within 4 hours of arrival in its A&E departments in 2012-13 at 92.9%.

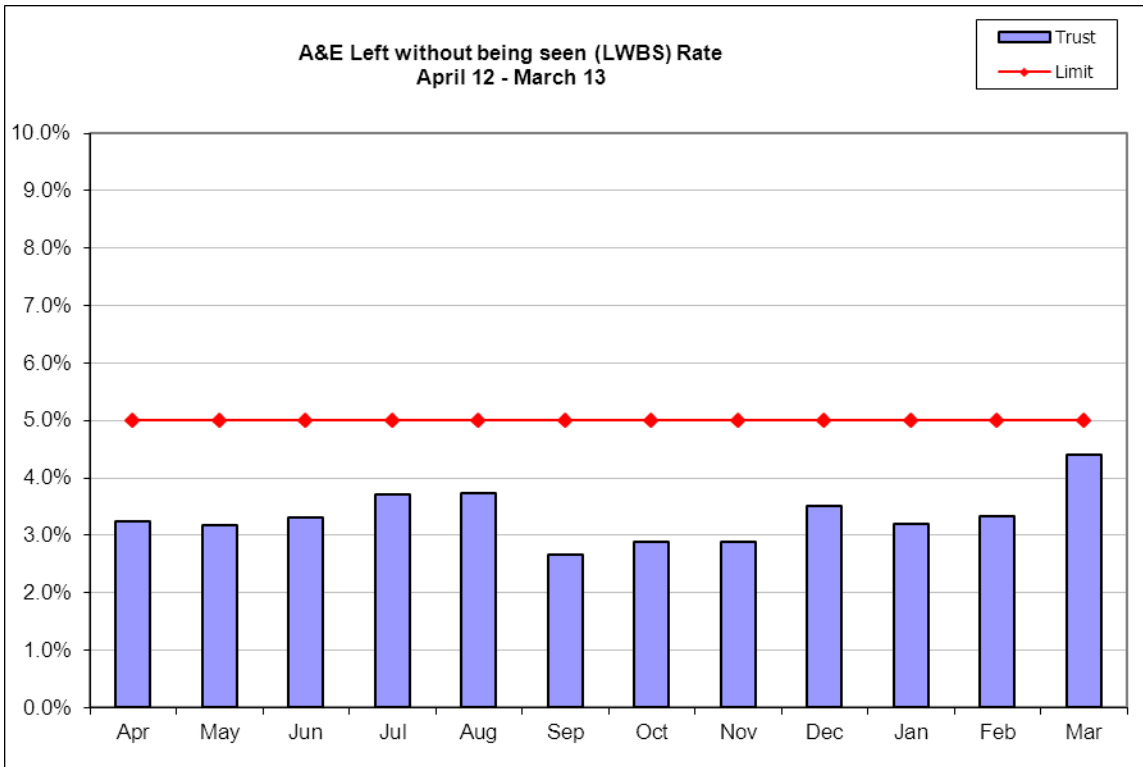




A&E Unplanned Re-attendance Rate – The Trust did not achieve this standard of less than 5% unplanned re-attendance rate.

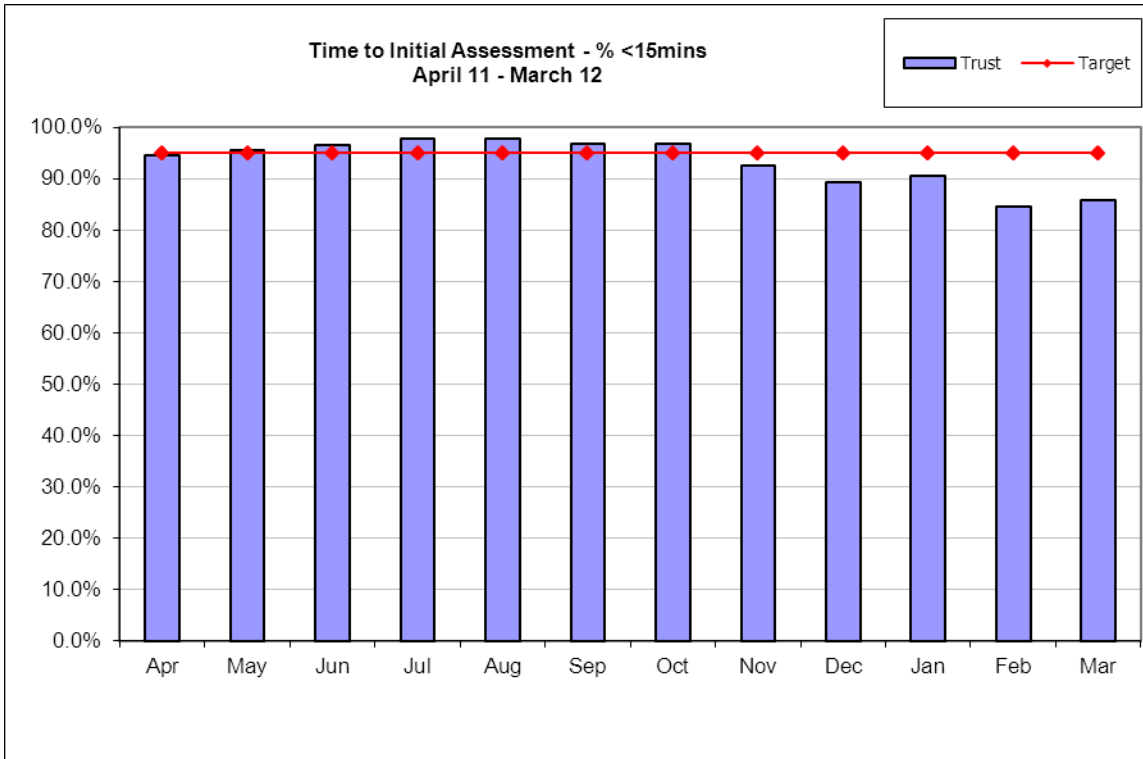


A&E Left without being Seen Rate – The Trust achieved this standard, of less than 5% of patients leaving its A&E Departments without being seen.

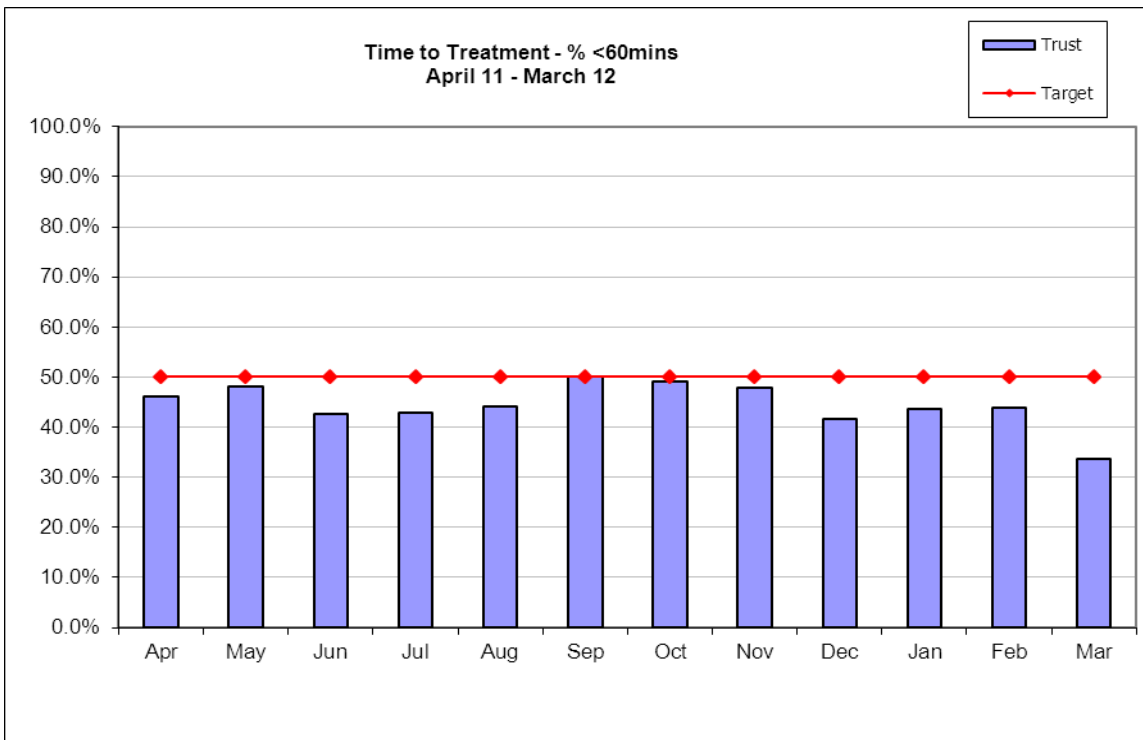




A&E Time to Initial Assessment <15 minutes – The Trust did not achieve this standard of 95% of patients arriving in its A&E Departments being assessed within 15 minutes of arrival.

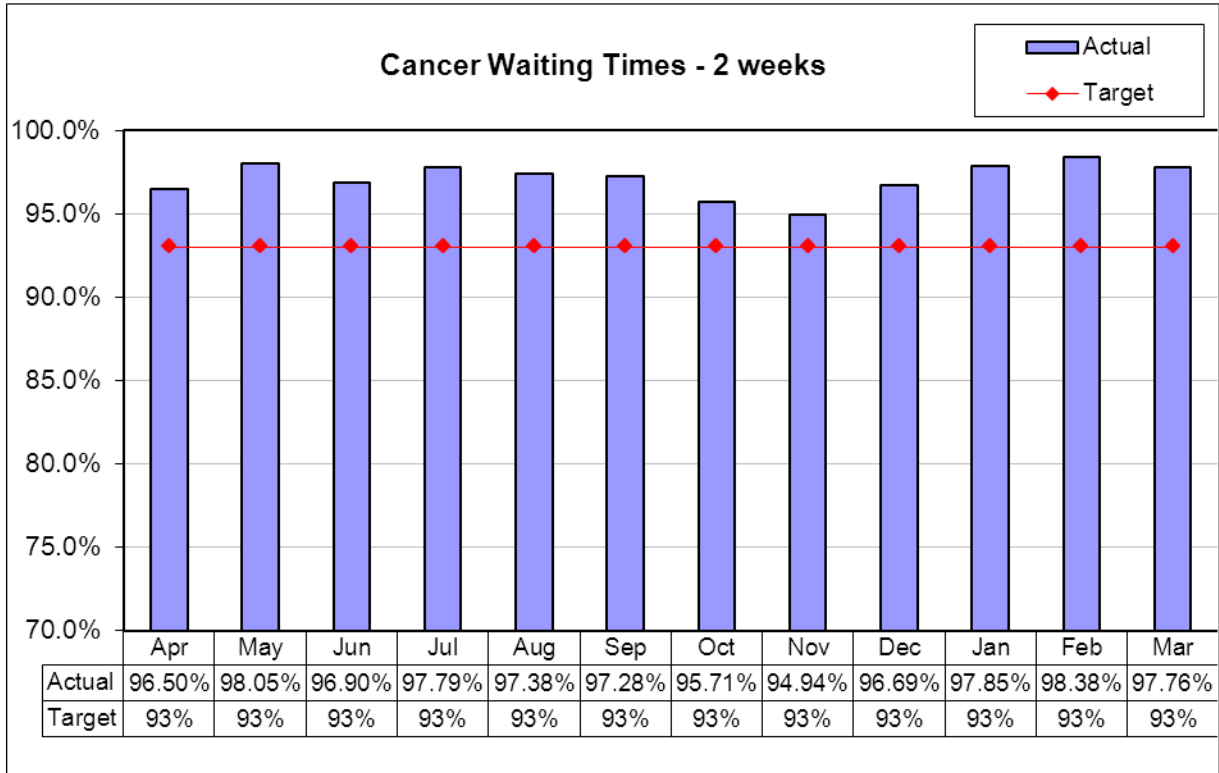


A&E Time to Treatment <60 minutes – The Trust did not achieve this standard of 50% of patients arriving in its A&E Departments being treated within 60 minutes of arrival.

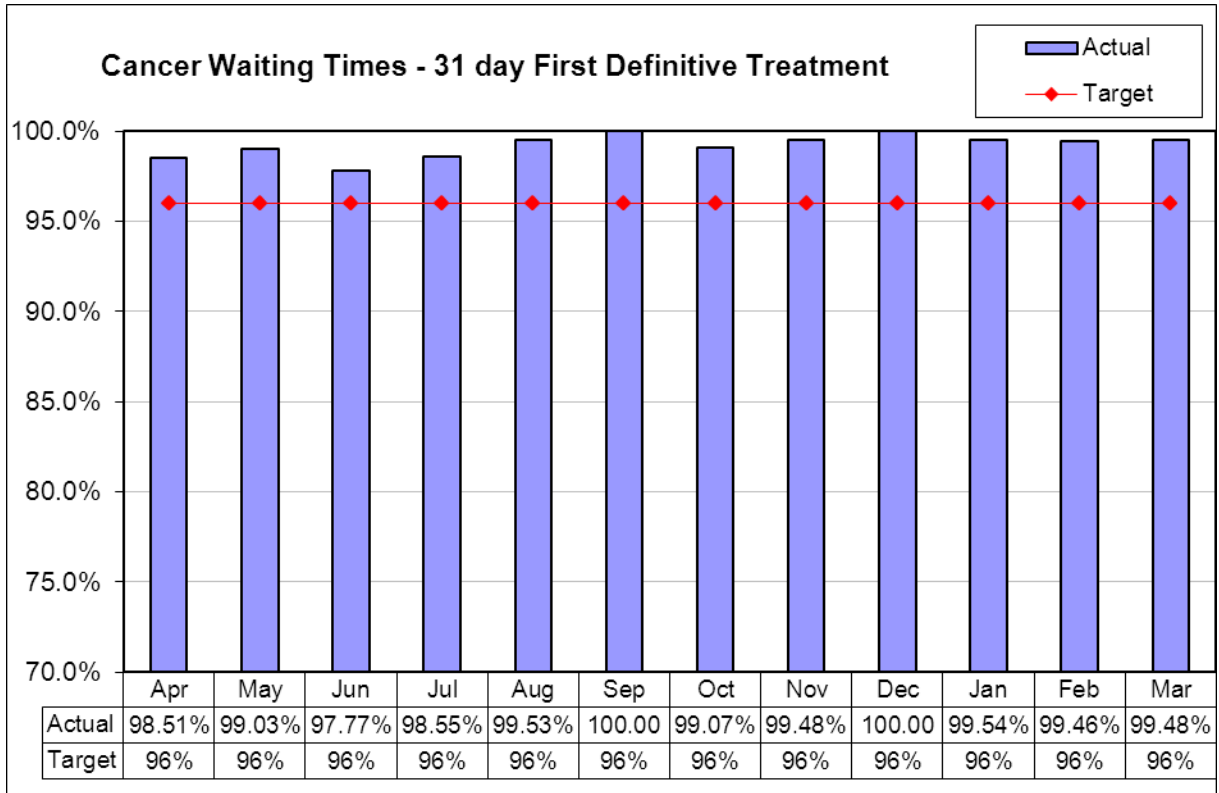




Cancer Waiting Time Targets - 2 weeks from referral – The Trust achieved this standard ensuring that 93% of patients with suspected cancer were seen within two weeks.



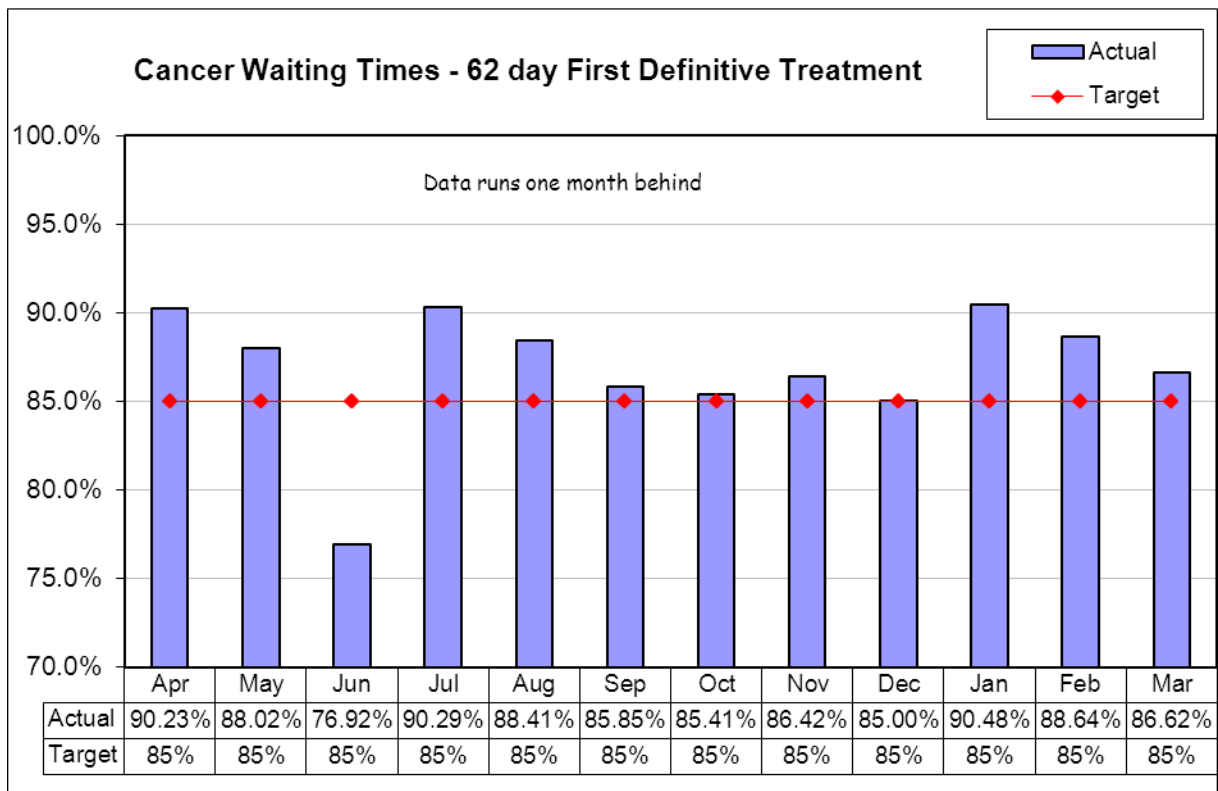
Cancer Waiting Time Targets – 31 Day First Definitive Treatment – The Trust achieved this standard ensuring that 96% of patients who needed to start their treatment within 31 days did so.



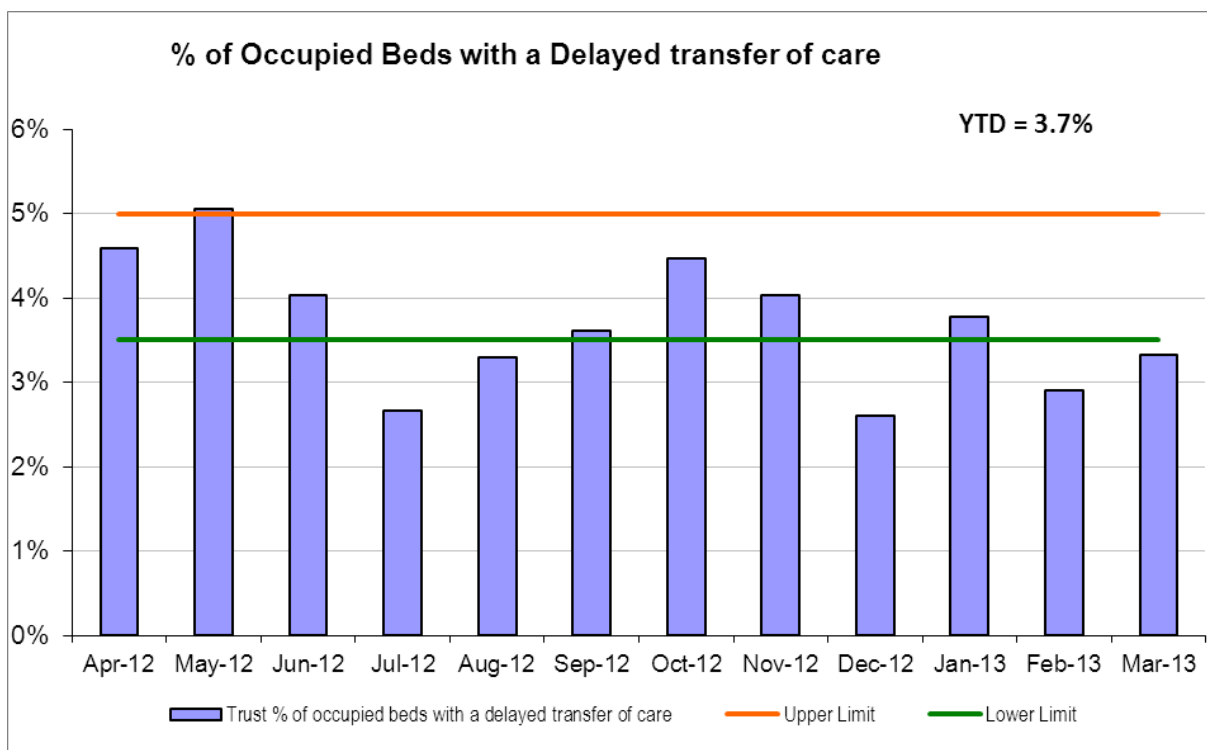


Cancer Waiting Time Targets – 62 day First Definitive Treatment –

The Trust achieved this standard ensuring that 85% of patients who needed to start their first definitive treatment within 62 days did so.

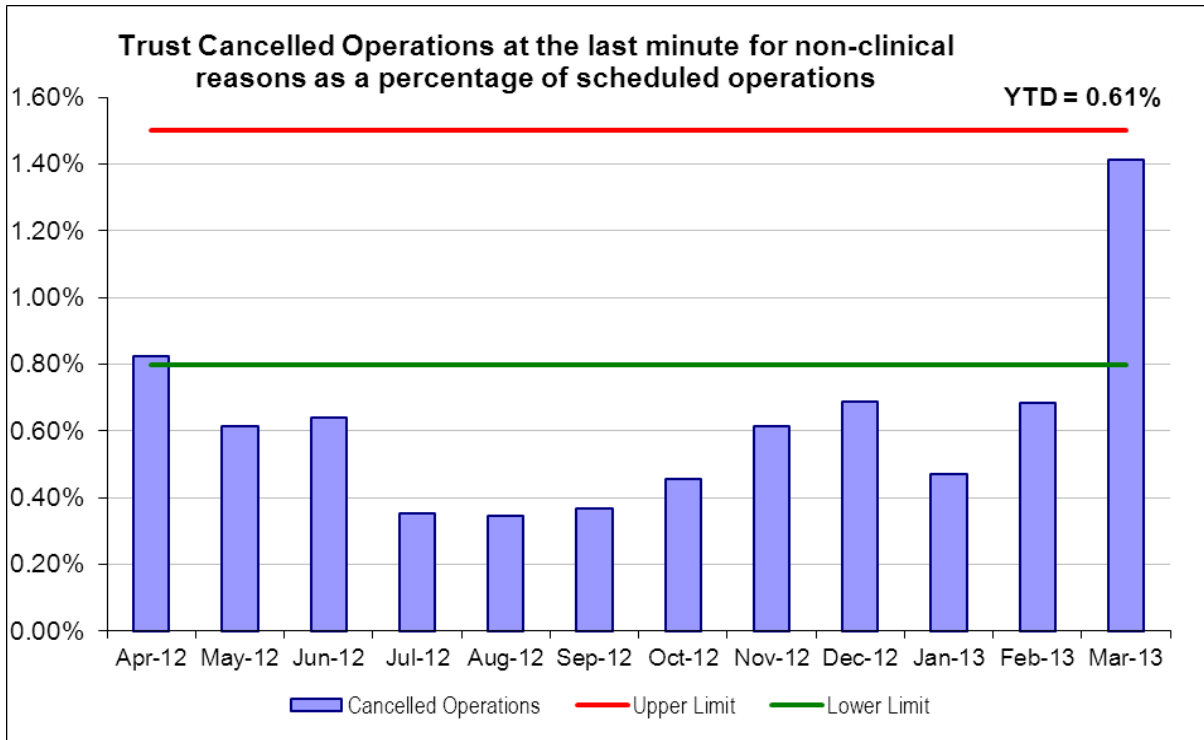


Delayed transfers of care – The Trust did not achieve this standard of Delayed transfers of care remaining below the national limit of 3.5% for the year at 3.7%.

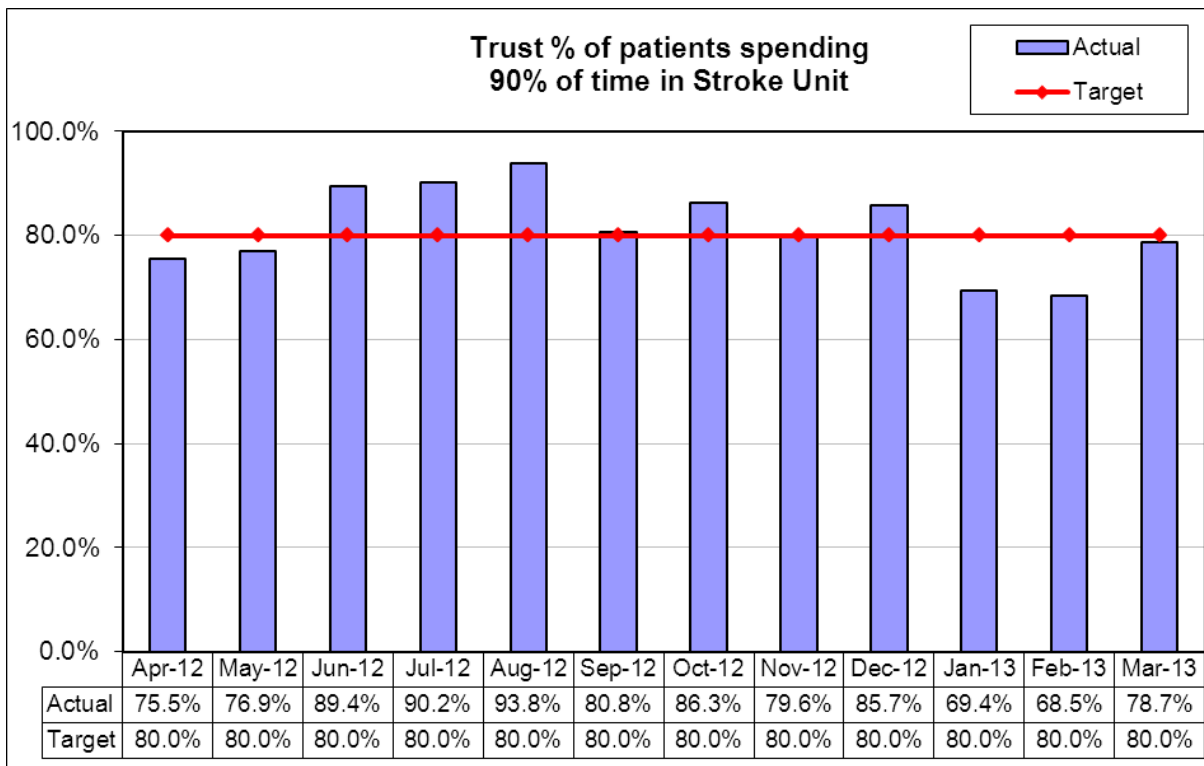




Cancelled operations – The Trust achieved the cancelled operations national standard of 0.8% for the fourth year running.

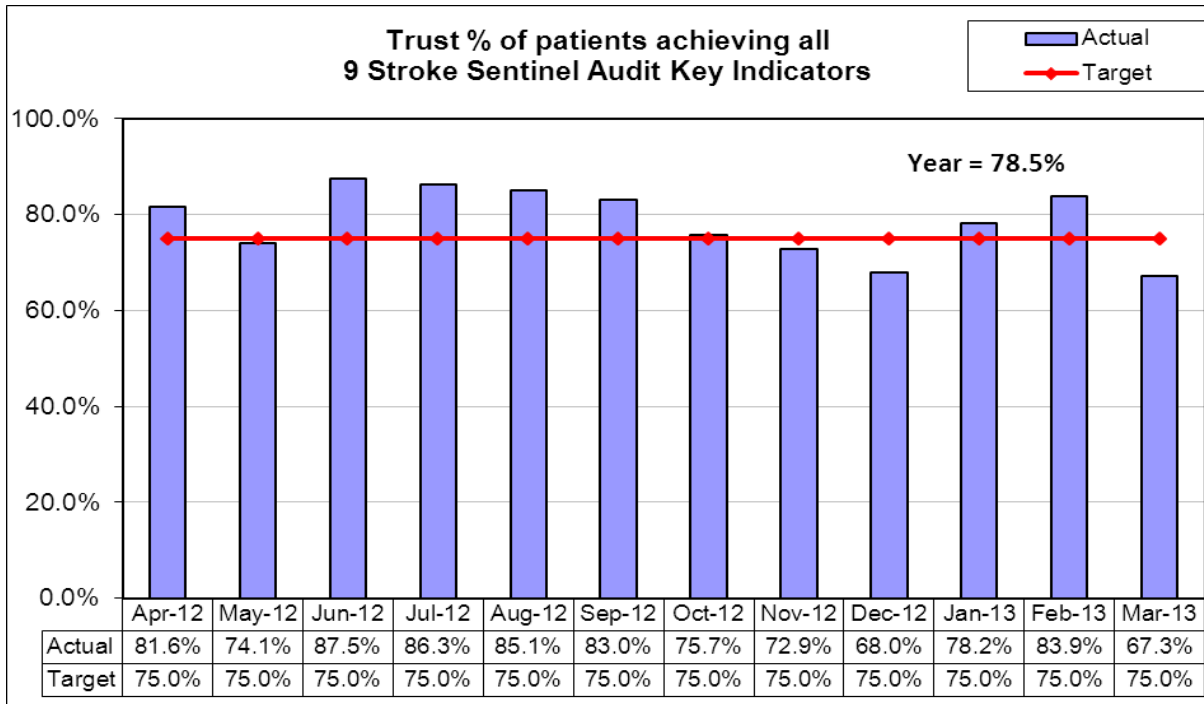


Stroke – The Trust did ensure that 80% of stroke patients spent 90% of their time on a dedicated stroke ward in 2012-13.

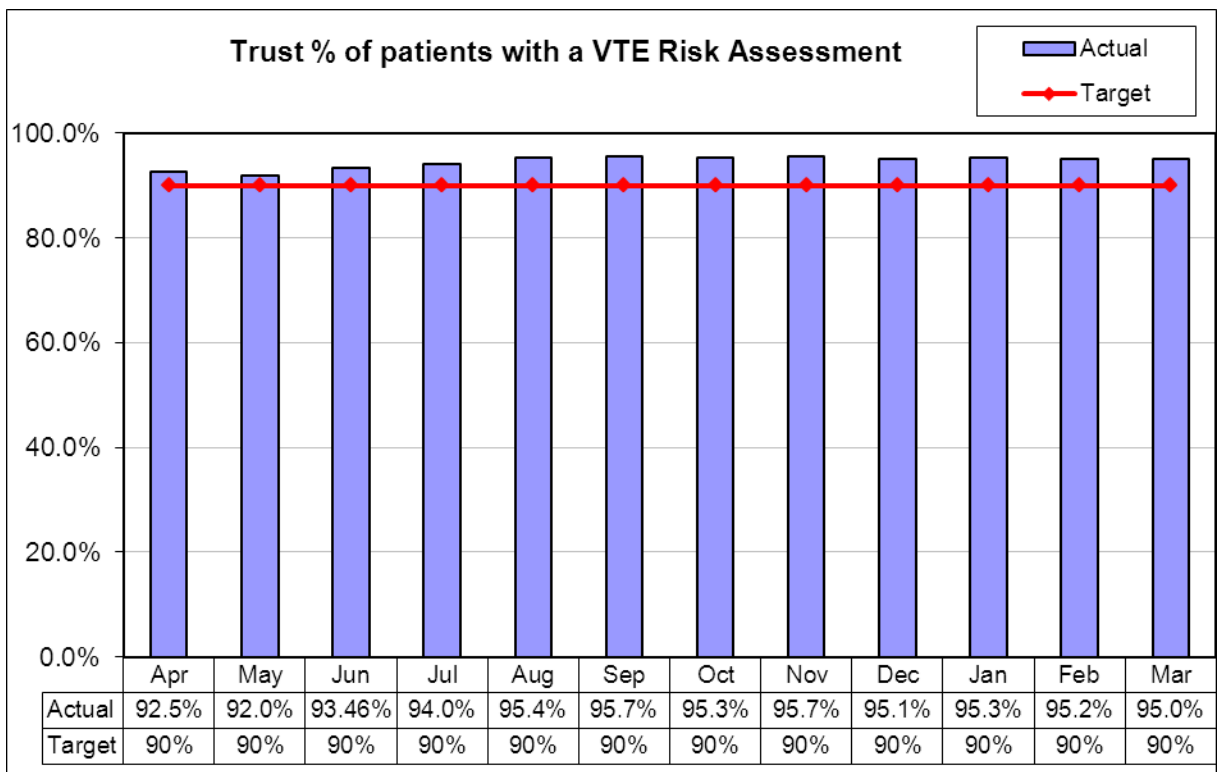




Stroke Sentinel Audit Indicators – The Trust did ensure that 75% of stroke patients achieved all 9 Key Sentinel Audit Indicators in 2012-13.



% Patients VTE Risk Assessment – The Trust ensured that 90% of patients were given a VTE Risk Assessment in 2012-13.



Care Quality Improvements

The provision of safe quality services and experience for patients, staff and the public is central to the work of Maidstone and Tunbridge Wells NHS Trust.

The Trust Board and the senior leadership teams continue to have patient experience as a key driver for all operational decisions. While the Trust has made significant progress in the following areas in 2012/13, it recognises that it remains on a journey of improvement.

Areas of significant improvement during 2012/13

Stroke Services - A Clinical Nurse specialist has been appointed for stroke services who works across all Trust stroke services and sites. This has helped the Trust embed stroke pathways and meet Stroke standards.

Radiology Services – The Trust’s Radiology teams have increased the number of day-case procedures carried out, resulting in fewer patients requiring an overnight stay in hospital. This has reduced delays in treatment times, reduced the risk of infection and enables patients to go home sooner.

Dementia Care – The Trust has implemented a strategy that has helped lead to the early identification of patients with undiagnosed dementia. The ward environment has also been improved to be more dementia friendly, with new pathways of care for dementia patients and training on dementia awareness.

Food and nutrition – The Trust has continued to focus on ensuring patients’ food and nutrition needs are adequately met. Red tray and protected meal times continues to be established. New supplies of assisted cutlery and additional aids have also been purchased that are easier for patients to use.

Reducing incidence of falls – The number of injuries that occurred as a result of a fall dropped during 2012/13. The Trust has trained staff in falls prevention, introduced risk assessments and a falls care plan, and purchases appropriate aids. It has also been fortunate to receive funding from the League of Friends to purchase safety mats that alert staff when a patient at risk of falls stands up or tries to move from a safe place.

Reducing the number of pressure ulcers - The Trust has seen a sustained reduction in grade 3 and 4 pressure damage in 2012/13. The same targeted improvements are being sought to reduce category 2 ulcers in 2013/14.

Reducing risk of deep vein thrombosis – Significant improvements have been made in the early identification of patients who are at increased risk of deep vein thrombosis or veno-thrombo embolism (VTE). The national target is to assess 90% of patients at risk and to implement preventative measures. The Trust was consistently achieving 95% by the third quarter of 2012/13.

Providing same sex accommodation – The Trust has seen a major improvement in single sex accommodation breaches. The Trust had 39 breaches in the 12 months up to March 2013, compared with 1,600 breaches up to same point the previous year. A breach is defined by the admitting of a patient into a bay or sleeping areas shared by patients of the opposite sex. A bay of six beds with five women and one man would be counted as six breaches; the individual 'causing' the breach plus those individuals who are subsequently affected. The 14 breaches in 2012/13 were made up of three separate incidents.

Real-time Patient Feedback and Patient Surveys – The Trust uses an electronic survey system which continues to provide a valuable means of gaining patient feedback.

The system is now well established. The Trust surveyed 6,245 patients while they were in hospital during 2012/13. Ward teams review their own data on a weekly basis, and this is reviewed monthly at nursing key performance indicator meetings. Monthly results and trends are reported to both the Trust's Patient Experience Committee and Quality and Safety Committee.

Patient satisfaction is divided into four categories. The results for 2012/13 were as follows:

- | | |
|-------------------------------------|-----|
| - Patient Information and Treatment | 91% |
| - Staff | 93% |
| - Ward environment | 85% |
| - Overall Satisfaction | 90% |

The Trust introduced the Family and Friends test into its real-time patient feedback system on 1st July 2012. In the nine months up to 31st March 2013, 4,144 patients were asked if they would recommend the Trust to friends and family. 95.22% of patients surveyed said they would be likely to extremely likely to do so.

Francis Report

The Trust developed a six-point action plan in 2012/13 in response to the Francis Report. The actions have been shared widely with staff and will continue to be implemented during 2013/14. The Trust's actions are:

- To ensure all staff wear name badges at all times
- To use more patient comments to inform service developments
- To make it easier for patients to escalate issues
- To improve the Trust's multi-disciplinary ward rounds
- To provide greater focus on staff behaviour and delivery of the Trust's PRIDE values
- To re-launch the Trust's whistleblowing policy.

External reviews

The Care Quality Commission reviewed essential standards of quality and safety for older patients, following a visit to wards at Maidstone Hospital in 2012/13.

Maidstone Hospital was found to be meeting the standards for all areas that were inspected, including:

- People should be treated with respect, involved in discussions about their care and treatment and able to influence how the service is run
- Food and drink should meet people's individual dietary needs
- People should be protected from abuse and staff should respect their human rights
- There should be enough members of staff to keep people safe and meet their health and welfare needs
- People's personal records, including medical records, should be accurate and kept safe and confidential

The CQC report explained that patients told the inspection team what it was like to receive treatment in the hospital and described how they were treated by staff and their involvement in making choices about their care.

The inspection team was led by two CQC inspectors who were joined by an Expert by Experience and a practicing professional. Their report included specific comments made to them by patients, including:

"The staff are very good indeed here and they're always willing to help. I have found them to be polite and professional and I've no complaints at all."

“I’m quite impressed by the food. The meals look nice and overall, they’re quite a good standard. I don’t need help but some who do, get individual help from staff because they find it hard to eat.”

“I’ve not had to complain or say I’m concerned about anything since I’ve been here because all of the staff have been so kind to me. If I needed to say something, I’m sure staff would listen and there’s stuff in the bedside guidebook about what to do if you’re concerned about something.”

“The staff are very attentive usually and they help people and do so willingly.”

“There are records at the end of the bed I could look at. I don’t bother because I trust the doctors and nurses to do their best for me. I haven’t seen anything which leads me to think anything different.”

2012 Inpatient Survey

The findings from the 2012 national inpatient survey for Maidstone and Tunbridge Wells NHS Trust showed that:

The Trust did particularly well in 11 key areas, showed improvements in 21 areas, and identified four areas for further improvement.

Those which showed significant improvement included:

- Patients having privacy when being treated or examined in A&E
- Not having to share sleeping areas with patients of the opposite sex
- Not having to share bathroom/shower facilities with patients of the opposite sex
- Not being bothered by noise at night
- Wards and rooms being clean
- Toilets and bathrooms being clean
- People not feeling threatened by other patients or visitors
- Nurses not talking in front of patients as though they’re not there
- Patients being given enough privacy when talking about conditions or treatment
- Patients being given enough privacy whilst being treated or examined
- Letters sent to patients are written in a way they can understand

The results obtained for privacy and noise at night put Maidstone and Tunbridge Wells NHS Trust in the best performing group of all NHS Trusts.

Areas in which further improvements are needed, where scores had fallen, are:

- How patients feel about the amount of time they were on a waiting list

- Patients not being given clear, written information about their medicines
- Patients being given written or printed information about what they should or shouldn't do after leaving hospital
- Patients having access to information about how to make a complaint if required

The Trust has implemented changes to the complaints process, with new posters and leaflets being made available throughout both sites and steps are being taken to improve the way complaints are made out of hours.

There are also plans in place to review written information provided to patients, before and after their visit, to make it clearer to patients what they should and should not do.

Focus for 2013/14 - In addition to this year's Quality Accounts, additional care quality improvement priorities for the Trust in 2013/14 include:

- Additional learning in patient safety issues linked to the new hospital (such as falls) and learning from national initiatives.
- Ensuring that Infection Prevention remains a key focus, and remains a core element of all improvement plans to enhance the patient experience.
- Further implementation of dementia strategy building on individual care pathways
- Building on improvements to the complaints handling process to ensure that timely responses are maintained and, where required, changes to practice are implemented and evidenced

Infection Prevention and Control

Preventing hospital acquired infections remains one of Maidstone and Tunbridge Wells NHS Trust's top priorities for 2013/14.

During 2012/13, the Trust saw a slowdown in the rate at which cases of avoidable hospital-acquired infections fell, when compared with previous years.

In 2012-13 the Trust had two cases of MRSA. This was above the Trust's limit for the year of one case.

The Trust also missed its target of having no more than 49 cases of Clostridium difficile, ending the year with 59 cases. While this amounted to an eight per cent drop in cases on the previous year (64 cases in 2011/12), the Trust ended 2012/13 10 cases above target.

MRSA bacteraemia

	Monthly target	Monthly Trust Total	Maidstone Hospital	TWH
Apr-12	1	0	0	0
May-12	0	1	1	0
Jun-12	0	0	0	0
Jul-12	0	0	0	0
Aug-12	0	0	0	0
Sep-12	0	0	0	0
Oct-12	0	0	0	0
Nov-12	0	0	0	0
Dec-12	0	0	0	0
Jan-13	0	1	0	1
Feb-13	0	0	0	0
Mar-13	0	0	0	0
Total	1	2	1	1

Clostridium difficile

	Monthly Trust target (post 72 hours)	Monthly Trust Total	Maidstone Hospital	TWH
Apr-12	5	7	4	3
May-12	4	4	2	2
Jun-12	4	6	3	3
Jul-12	4	6	3	3
Aug-12	4	4	3	1
Sep-12	4	3	0	3
Oct-12	4	9	3	6
Nov-12	4	2	0	2
Dec-12	4	3	2	1
Jan-13	4	4	4	0
Feb-13	4	4	4	0
Mar-13	4	7	2	5
Total	49	59	30	29

The Trust's targets for reducing hospital acquired infections in 2013-14 are extremely challenging. It must have no more than one case of MRSA and 42 or fewer cases of C.difficile.

The Trust has established, through root-cause analysis of C.difficile infections, that its cross infection rates are extremely low. It scientifically established a unique genetic fingerprint for every case of C. difficile that occurred in the Trust in 2012/13. This process is called ribotyping and establishes whether there is a link between cases/possible cross infection if two cases share the same genetic make-up.

Using this process, the Trust established that there were two cases of cross-infection for the whole year (2012/13). The majority of cases were caused by the antibiotics given to patients as part of their treatment.

Between 3 and 5% of people carry the C. difficile bacteria harmlessly in their gut. Broad spectrum antibiotics can wipe out good bacteria in the gut, leaving the C. difficile bacteria to grow, produce its toxin and cause the infection.

The Trust proactively identifies and treats some (dormant) carriers of C. difficile bacteria if they are admitted to hospital with diarrhoea symptoms. It routinely tests all patients who are admitted with diarrhoea symptoms for the bacteria. It is not possible to test patients for the bacteria unless they have diarrhoea. During 2012/13 the Trust successfully protected many of these patients by giving them targeted antibiotics to treat their carriage and prevent them developing the infection.

The Trust is focusing on reducing antibiotic prescribing as well as continuing to maintain high levels of cleanliness and infection prevention this year. It is also working with Trusts with the lowest levels of hospital-acquired infections to ensure its practices continue to mirror theirs. The Trust is also working hard to reduce other hospital acquired infections such as chest infections and urinary tract infections that require antibiotic treatment, which can in turn result in a C. difficile infection.

Stakeholder Engagement

The Trust carried out a wide range of stakeholder engagement during 2012/13 and this is set to increase further in 2013/14.

The Trust attended a range of public meetings held by local organisations, presented its strategic plans to authorities such as Kent County Council Health Overview and Scrutiny Committee, and actively involved patients in its activities.

The Trust's Patient Experience Committee continued to be a great success and important way of promoting patient and public partnership in the provision of hospital care.

The Trust launched a new patient newsletter, called Patient First, and set up new social media links. The latter enabled the Trust to respond in real-time to patients and visitors using Facebook and Twitter. The former saw over 15,000 newsletters distributed to patients and visitors to the Trust's hospitals.

The Trust also launched a membership scheme in 2012 as part of its work to become a Foundation Trust. By the end of March 31st, 2013, 2,000 members of the public had signed up to become members.

The Trust plans to sign-up another 6,000 public members during 2013/14. Members receive regular communications from the Trust and comment on Trust services. Early member feedback supports the need for additional patient/visitor car parking at the Trust's hospitals and this is being explored further in 2013/14.

Capital Investments

The Trust spent £14 million on capital developments in 2012/13 as part of its on-going clinical strategy to invest in high quality services and standards of patient care.

Some of these schemes were linked to the Trust's clinically-led plans to transform services at Maidstone Hospital over the next six years.

This included the development of a new Urgent Medical and Ambulatory Unit at Maidstone Hospital, which opened in November 2012 at a cost of £2.9 million.

Patients with urgent medical problems now benefit from fast-track diagnosis and treatment, reducing avoidable hospital admissions. This reflects moves by local commissioners of care to reduce hospital admissions, and the Trust's own plans to reduce length of stay.

The Trust also started work on new endoscopy and urology investigation units at Maidstone Hospital in 2012. This work will be completed in the summer of 2013.

The endoscopy development will enable the hospital to undertake more endoscopic therapeutic treatments, with new dedicated facilities, and support the provision of sigmoidoscopies, as part of Kent's bowel cancer screening programme.

The new expanded urology investigation unit will provide patients with greater privacy and dignity than it is possible to achieve in its current location near the hospital's out-patient department.

Looking ahead, the Trust is also redeveloping Maidstone Hospital's admissions and discharge lounges this year, which will further improve the patient experience, and also contribute to its work to reduce length of stay.

Looking further ahead, the Trust is due to start work in 2014/15 on the redevelopment of Maidstone Hospital's wards.

Some of the Trust's other major investments during the year included:

- **Backlog Maintenance - £1.6m** Several projects were carried out to improve the quality of estate and meet compliance and statutory requirements.
- **General X-ray Rooms - £565,000** To replace two old x-ray machines within Radiology at Maidstone Hospital.
- **CT Scanner @ Maidstone Hospital - £700,000** To purchase a modern CT Scanner to replace an old CT Simulator in Radiotherapy and CT scanner in Radiology.
- **CT Scanner @ Kent & Canterbury Hospital - £600,000** To replace an old CT Scanner.
- **Radiotherapy Equipment - £1m** Various equipment has been purchased throughout the year, including an upgrade to the RapidArc radiotherapy machine at Maidstone Hospital, upgrades to the treatment planning system and equipment for brachytherapy.
- **ICT Projects - £2.5m** There have been various projects to improve the IT infrastructure of the Trust and to support clinical system upgrades. One major project that spans 2 financial years is the implementation of a new telephone system at Maidstone, which will form a combined system with TWH.

The Trust's planned capital spend for 2013/14 is £14 million. Some of the major investment projects are likely to include:

- **Backlog Maintenance - £800,000** To improve the quality of estate and meet compliance and statutory requirements.

- **Admissions Lounge and Discharge Lounge - £1m** Improvements to the existing Admissions Lounge at Maidstone Hospital and to relocate the Discharge Lounge with improved facilities.
- **Equipment Replacement Programme - £2.2m** There are various projects to replace old equipment across the Trust, and buy new equipment to improve patient services.
- **Linear Accelerator Replacement - £2m** To replace an older linear accelerator in the Kent Oncology Centre at Kent & Canterbury Hospital.

Clinical Governance

During 2012-13 the Trust has focused on a wide range of areas within clinical governance.

Incidents

We have continued to build on the strength of the executive-led panel set up to review serious incidents. As well as the sub-group looking at pressure ulcers which has had a positive impact within the Trust, in that we have continued to see a reduced incidence of hospital acquired pressure ulcers compared with the previous year, the Trust has set up similar panels to review patient falls and deep vein thrombosis/pulmonary thrombosis (VTE). In respect of falls, actions have been taken to raise awareness of significance of osteoporosis, information leaflets for staff and patients about osteoporosis, enhanced risk assessments for patients and training in falls prevention. We are currently trialing systems to alert us to patients who are at risk of falling while on the move. A key objective for 2013 is the appointment of a Falls Prevention Co-ordinator to assist with ongoing prevention awareness. The VTE panel has also identified training and education needs for staff in the assessment and documentation of issues relating to thromboprophylaxis which have been addressed throughout the year.

Key areas for action for 2012-13 are to see the implementation of two initiatives to support communication around challenging situations and improving documentation through specialty health records reviews in line with “no harm” assessments.

The Trust’s clinical governance team has successfully implemented a new e-reporting system for incidents. This has seen an increase in reporting over the year. This has helped to ensure more timely reporting and management of incidents. The focus for 2012-13 is to improve the quality of incident investigation in order to optimise learning and so improve the services the Trust provides patients. Also focus on no harm/near miss incidents to identify early trends to avoid harm events in the future. This is a more proactive way of managing patient safety.

Complaints

The Trust has seen a significant reduction in the number of complaints received during 2012/13. In addition, following a revision to structures and processes within the central complaints team, the timeliness and quality of responses has meant that the Trust now has far fewer complaints open (awaiting response) at any one time.

The Trust had 646 complaints in the 12 months up to March 2013, compared with 947 complaints for the same time the previous year. The Trust also had fewer open complaints remaining at the end of March 2013, compared with the same point the previous year.

A quality survey has been introduced so that the Trust can monitor complainants' satisfaction with their responses. This has helped the Trust to make targeted improvements.

The Trust uses complaint themes as an early indicator of poor performance. It also analyzes complaints by service area and location. This contributes to early warning systems. It learns from complaints through the use of Directorate and trust-wide meetings and implementation of identified actions to remedy concerns.

Health and Safety

In 2011/12 the Trust showed a significant decrease in staff injuries. The Board was concerned that the improvement was too good, and a result of reduced reporting. There was also independent evidence that suggested that some staff were not reporting needle stick injuries.

The Board agreed a Health and Safety programme for the trust that included awareness training to increase incident reporting. As a result the statistics for 2012/13 shows an increase in all accident categories. Ignoring the figures for last year and analyzing the data for the last five years show a steady reduction in staff injuries in most categories.

The largest increase in staff injuries was for needle stick and the independent evidence is suggesting this is from improved reporting.

The Trust accident rate (based on serious reportable incidents per 100,000 employees) has reduced again this year. We benchmark well against other Trusts and are rated as green by our Commissioners. The Board programme has been successful as we have increased reporting and reduced the numbers of serious incidents.

Clinical Audit

The Trust has successfully delivered a number of Clinical Audit Strategy objectives during the last year and is on target to deliver all objectives in the

forthcoming year. Most notably, the quality of clinical audits continues to improve as a result of the following steps taken over the past 12 months:

- Producing Trust templates to collect and report audit findings to ensure uniformity and completeness of information
- Increased support to multi-disciplinary directorate staff to produce high quality action plans based on the learning from the Trust Root Cause Analysis training delivered during the year
- Extend the role of the Clinical Audit Team to include the monitoring of action plan implementation, supporting staff to deliver improvements in order to re-audit the impact on patient care.
- Take the learning from audit and share with others 'what works' to better inform staff of the quality of their practice and the improvements that are possible.

MTW participated in all but one of the 50 mandated National Audits during 2012/13. National Audits are set by the Healthcare Quality Improvement Programme (HQIP). Despite not taking part in the National Diabetes Audit (due to local computer software issues), MTW's diabetes services reviewed local practice against the national findings and is fully compliant with all the national recommendations for good practice.

A number of service improvements have been made across all specialties using clinical audit, to ensure patients continue to receive high quality safe care. Key areas of improvement over the last 12 months include the introduction of new policies and procedures, new and revised training events for staff, improvements in recording patient information, changes to clinical pathways to maximize efficiency of working for staff whilst being more convenient for patients.

A number of service improvements suggested by patients have been introduced this year, most notably improvements to the quality of patient leaflets and offering more services during clinic time to ensure patients have a few visits to hospital as possible as an outpatient.

Research and Development

MTW continues to support an increasing number of research studies year on year, increasing from 231 in 20011/12 to 241 in 20012/13, covering all directorates.

Nursing staff, midwives and support staff are increasingly taking the lead role of Principle Investigator for a number of studies alongside consultant colleagues, generating a number of new innovative improvements to patient care.

Midwifery services are currently researching the impact of using the Kanga Cardi for ladies who have recently given birth by caesarean section following the success of the Kanga Wrap. Recent research into the place of birth concluded that planned births in freestanding birthing units results in no significant difference in adverse perinatal outcome.

The Trust's work on sentinel node detection in patients with cancer continues to grow following the ground breaking work of the Trust breast cancer team. During 2012, MTW approved a new procedure to help doctors detect sentinel node involvement in patients with vulva and cervical cancers – MTW being unique in offering this service.

Preliminary findings have been published by the National Nursing Research Unit (NNRU) at Kings College Hospital into the move from the Kent and Sussex and Pembury Hospitals into the new Tunbridge Wells facility (results are on the NNRU website). Results detail staff and patient concerns and expectations regarding the move. Phase two of the study continues, looking at the impact of the move on staff and patients and exploring lessons to be learnt regarding such a significant move. This research will inform future new builds world-wide.

In August 2012, the Trust participated in its first MHRA (Medicines and Healthcare Products Regulatory Agency) routine Good Clinical Practice (GCP) research inspection. The inspection outcomes were excellent, with the inspectorate finding no critical or major findings. A number of 'other' findings were highlighted relating to the completeness of local research policy and procedures and study specific queries. The Trust addressed all findings in-year.

Regulatory Requirements

In line with the Health and Social Care Act 2009, the Trust was registered without condition by the Care Quality Commission, to provide the following regulated activities across the Trust:

- Treatment of disease, disorder or injury
- Surgical procedures
- Diagnostic and screening procedures
- Maternity and midwifery services
- Termination of pregnancies
- Transport services, triage and medical advice provided remotely
- Family planning

The Trust had three unannounced inspections by the Care Quality Commission (CQC) in 2012-13. Two of these related to annual routine reviews and one was part of the national dignity and respect inspection. The Trust met CQC essential standards of quality and safety for older patients as part of the national dignity and respect inspection. The unannounced routine review that took place at Maidstone Hospital demonstrated that the Trust was compliant with the standards inspected. The Trust awaits the results of the routine inspection of Tunbridge Wells Hospital which took place in March 2012.

The Trust continues to comply with Level One NHS Litigation Authority Risk Management Standards.

Information Governance related SUIs

No Serious Untoward Incidents Involving Personal Data were required to be reported to the Information Commissioner's Office in 2012-13. However, due to increased awareness amongst staff of information governance requirements the number of other incidents reported in year significantly increased from previous years as evidenced below.

Summary of other personal data related incidents in 2012-13

Category	Nature of Incident	Total
I	Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	10
II	Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	11
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	47
V	Other	93

The Trust received 333 Freedom of Information Requests in 2012-13.

Emergency Preparedness

The Trust is a Category 1 Responder as defined under the Civil Contingencies Act 2004.

During the year the Trust has continued to be compliant with legislation and guidance and its Emergency Planning Team have continued to liaise with other NHS organisations and emergency responders to co-ordinate its plans.

During the year the Trust has carried out a number of exercises to look at its resilience as an organization and staff continue to receive training in emergency procedures.

The Emergency Planning Team were also involved in commissioning the helipad at Tunbridge Wells Hospital during 2012/13. This included a visit from an RAF Sea King Helicopter from RAF Wattisham, the largest search and rescue helicopter, to test Trust helicopter procedures.

Carbon Management Programme (CMP)

The Trust's CMP reduced emissions by three million kgms during 2012/13 – a 13% per cent reduction.

The saving came from energy, water, waste reduction and recycling and from business travel. The Trust's total emissions from all sources are in excess of 89 million kgms.

Sustainable Development

The Trust has a Sustainable Development Management Plan (SDMP) to monitor and regulate emissions from the entire organisation.

The Trust is working with the NHS Sustainable Development Unit (SDU) to promote sustainability and the Trust has now taken part in two national NHS Sustainability Days of Action. On these occasions the Estates Department organised email promotions and displays to encourage action and pledges by staff to reduce emissions by using less materials and energy e.g. switching off lights, reducing waste paper, reducing photocopying.

Energy Management

The Energy Manager ran energy awareness campaigns in 2012/13. These continue to focus on reducing the Trust's use of electricity, which costs circa £2 million a year.

The following improvement works were carried out in 2012/13 to reduce energy based emissions:

- Improvements to thermal insulation
- Improvements to heating and air conditioning controls
- Replacing traditional hot water calorifiers with plate heat exchangers that are more efficient
- Energy Management software is now in operation and will improve the monitoring and targeting of energy and will save energy
- Laundry – installation of energy saving valves and boiler monitoring

Awards

The Trust's Estates Department was awarded a Green Apple award for the second year running in 2012/13. It was also awarded a Health Business Award for Sustainability.

Carbon Reduction Commitment Energy Efficiency Scheme (CRC)

The Trust registered with the CRC scheme in 2012/13. This scheme is statutory for the Trust, and in 2012 cost £228,516. The Trust can expect to pay a similar amount this year.

The Climate Change Act (CCA) 2008

The CRC scheme was enacted under the CCA, and the Trust is therefore compliant with the CCA. To reduce emissions in line with the CCA targets more legislation may be introduced that will affect the Trust. The SDU and the publication 'Saving Carbon, Improving Health' are promoting a reduction in emissions in line with the CCA. This will require action from all departments within the Trust. Energy accounts for 22% of emissions. The majority of Trust emissions are from Procurement and a significant portion of that is from pharmacy products.

Tunbridge Wells Hospital

A condition of the planning consent for the new hospital is that 10% of energy is from a renewable source; which is three million kWh. The installed biomass boiler produces this amount and reduces carbon emissions by 471,000 kgms.

Valuing our Staff

Our Workforce

The Trust continued to work throughout 2012/13 to ensure the needs of its diverse workforce of over 4,900 staff were thoroughly listened to and met.

The Trust's Occupational Health Department ran a series of schemes during the year to help staff take care of their own health as well the health of the Trust's patients.

The Trust spent £1.043m in 2012/13 on training and education, providing staff with a wide range of opportunities to refresh their training, learn new skills, and gain additional qualifications.

A big effort was also made to ensure staff had an opportunity to be involved in the Trust's development. Staff were involved in a variety of different working groups that were set up to improve services and aspects of patient care.

Open staff meetings were also held to gauge staff opinion and regular staff newsletters and Chief Executive Updates were distributed during the year.

Members of staff also took the opportunity to join the Trust's Foundation Trust membership scheme.

Positive feedback from staff put the Trust among the top 20% of hospital trusts nationally in 13 out of 28 key categories in the annual (2012) National NHS Staff Survey.

Several of the Trust's top scores directly related to patient care. The percentage of staff feeling satisfied with the quality of work and patient care they provide rose from 75% in 2011 to 82% in 2012. A total of 93% of staff who took part in the survey said their role made a difference to patients.

The Trust performed above the national average in nine further areas and met the national average in four. It performed below the national average (by 1%) in one area and was in the bottom 20% of Trusts in another (staff experiencing bullying/harassment/abuse from patients, relative or the public).

Overall, the Trust had the best set of Staff Survey results of all acute hospital trusts in Kent and Medway.

The National Staff Survey showed that the Trust had a higher than average level of staff who experienced harassment, bullying or abuse from patients, relatives or the public (34% against a national average of 30%). This was against lower than average levels of actual physical violence against staff at the Trust. Staff providing emergency services, such as care in A&E, were more likely to experience harassment, bullying or abuse.

The Trust is working with its staff during 2013/14 to look at ways of tackling abuse.

Staff at the Trust were also more likely to report errors or incidents and contribute towards improvements, compared with other trusts (both top 20% scores). The percentage of staff who recommended the Trust as a place to work or receive treatment was above/better than the national average.

The Trust's full 2012 staff survey results can be downloaded from www.nhsstaffsurveys.com

The Staff Survey showed staff at the Trust had among the highest rates of job satisfaction nationally (top 20%), but slightly (1%) below average levels for working extra hours. The Trust's 13 highest (national top 20%) scores were:

- % feeling satisfied with the quality of work and patient care they are able to deliver = 82%
- % agreeing that their role makes a difference to patients =93%
- Work pressure felt by staff (lowest 20%) = 2.94 (sliding scale of 1 to 5 with lower scores better)
- % appraised in the last 12 months = 94%
- % having well structured appraisals in the last 12 months =45%
- Support from immediate managers = 3.71 (sliding scale of 1 to 5 with higher scores better)
- % receiving health and safety training in the last 12 months = 85%
- % suffering work-related stress in the last 12 months (lowest 20%) = 33%
- % saying hand washing materials are always available = 70%
- % reporting errors, near misses or incidents witnessed in the last month = 94%
- % feeling pressure in the last three months to attend work when feeling unwell = 26%
- % able to contribute towards improvements at work = 72%
- Staff job satisfaction = 3.65 (sliding scale of 1 to 5 with higher scores better)

VIEW FROM THE FINANCE DIRECTOR

FINANCIAL PERFORMANCE IN 2012/13

With income of £367m, Maidstone and Tunbridge Wells NHS Trust is a large and complex organisation. All staff members have a role to play in controlling costs and ensuring value for money is achieved.

The Trust managed its costs in line with income, and met its statutory break-even duty for 2012/13, reporting a surplus of £0.1m.

In the current financial climate all NHS organisations need to make efficiency savings. The Trust delivered £17.5m of savings in-year, whilst treating increased numbers of patients compared to the previous year.

At the same time the Trust has spent £14.3m on capital investment including building work on new facilities at Maidstone Hospital, medical equipment and improving IT. All of this expenditure is aimed at improving patient care and the care environment.

The new Tunbridge Wells Hospital is a tremendous asset for the Trust. It also represents an ongoing cost pressure to the Trust of approximately £30m per annum, due to the size, single room configuration and the PFI contract.

This is financed through a mixture of central financial support from the Department of Health, local support from commissioners and efficiency savings generated by the Trust. Financial support in relation to the PFI scheme totaled £24m.

Our Statutory Duties

As a NHS Trust, Maidstone and Tunbridge Wells has a number of statutory duties in terms of its financial management – these were complied with in 2012/13, as explained below. (Note references which are shown in brackets refer to the full accounts which are available on the Trust website.)

Breakeven Duty (Note 43.1)

The statutory 'break-even' duty is formally measured over a 3 year period, or 5 years if agreed by the Department of Health. The requirement is to achieve break-even on an income and expenditure basis and to achieve this each and every year. The breakeven duty will assumed to have been met if the breakeven cumulative net deficit is less than or equal to 0.5% of the turnover of the reporting year.

For 2012/13 the Trust is reporting a £129,000 surplus after technical adjustments and so has maintained its break-even compliance.

Capital Cost Absorption Duty (Note 43.2)

The Trust is required to achieve a rate of return on capital employed of 3.5% and has met that target, achieving a return of 3.5% for the year to March 2013.

External Finance Limit (Note 43.3)

The Trust is required to demonstrate that it has managed its cash resources effectively by staying within an agreed limit on the amount of cash drawn from the Department of Health. In 2012/13, the External Finance Limit (EFL) was set at £5m. The Trust met its EFL by managing the year end position to an under shoot against the EFL of £1m.

Capital Resource Limit (Note 43.4)

The Trust is expected to manage its capital expenditure within its agreed Capital Resource Limit (CRL). For 2012/13, the CRL was set at £15.2m. The Trust spent £13.5m against this target resulting in an underspend of £1.7m.

Prudential Borrowing Loans

The Trust did not take out any additional loans in 2012/13 but received £0.5m of capital PDC from the DH to support a land purchase for development of staff accommodation.

Better Payment Practice Code (Note 11)

The Trust is required to pay its suppliers promptly in accordance with the Better Payment Practice Code (BPPC) and has also signed up to the Prompt Payments code. This requires the trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The trusts BPPC performance over the last two years is given below:

	2012/13	2012/13	2011/12	2011/12
	Number	£000	Number	£000
Total bills paid in the year	81,323	151,501	92,474	157,040
Total bills paid within target	47,788	106,670	84,470	135,477
% paid within target	59%	70%	91%	86%

Unfortunately supplier payment was impacted during the year by late receipt of central financial support and over performance on PCT contracts, where income was only received in the final quarter of the year.

The Trust made one payment of £18 interest and £70 compensation during the year under the 'Late Payment of Commercial Debt Act'.

Sickness Absence Reporting

The figures below have been provided by the Department of Health.

	2012-13	2011-12
	Number	Number
Total Days Lost	42,305	37,187
Total Staff Years	4,940	4,780
Average working days lost	8.6	7.8

Counter Fraud

The Trust Board is committed to maintaining high standards of honesty, openness and integrity within the organisation. It is committed to the elimination of fraud within the Trust, and to the rigorous investigation of any suspicions of fraud or corruption that arise.

Between 2011/2012 and 2012/2013 the Trust updated its Standing Financial Instructions to reflect the implementation of the Bribery Act and communicated the key points to staff.

The Trust continues to support the development of an open and transparent anti fraud policy.

Accounting Issues

The accounts were prepared in accordance with guidance issued by the Department of Health and in line with International Financial Reporting Standards ('IFRS').

The accounts were prepared under the "Going Concern" concept

Constitution of the Audit Committee

The Audit & Governance Committee is constituted by the Board as a Non-Executive Committee of the Board. The Committee has no executive powers. The Committee members are appointed by the Trust Board from amongst the Non-Executive Directors of the Trust and consists of not less than three members. All non-executive Directors are deemed to be full members of the Committee when in attendance at meetings. The Chairman of the Trust is not a member of the Committee.

Mrs Beverley Evans has been Chair of the Committee from April 2010.

The following individuals routinely attend meetings of the Committee:

Director of Finance

Deputy Director of Finance

Head of Quality & Governance

Internal Audit Manager and other appropriate representatives

External Auditor and other appropriate representatives

Local Counter Fraud Specialist

The Chief Executive is invited to attend, at least annually. Other Executive Directors are invited to attend when the Committee is discussing areas of risk or assurance that are the responsibility of that Director and it is felt that their attendance is necessary to fully understand or address the issues.

External Auditors

The trust's External Auditors are Grant Thornton; their charge for the year (including VAT) was £132,110 which includes an additional £12,000 (including VAT) in respect of the audit of the quality accounts. The 2011/12 fee was £197,000.

LOOKING FORWARD TO 2013/14

In line with the general economic outlook, the 2013/14 financial year will be challenging. Tariffs have been issued with a headline expectation of a 1.3% reduction however the impact of tariffs for 2013/14 based on the Trust case mix equates to closer to a 2.0% reduction. Meanwhile the tariffs for specialist cancer work have also reduced.

The Trust will continue to receive financial support both from the Department of Health and from commissioners. The amount of support will however decrease by £4m to £20m.

The Trust has developed a £23.6m efficiency programme to save in excess of 6.5% of turnover. Cost savings schemes are developed within our Clinical Directorates, and are subject to a Quality Impact Assessment process so the Trust can be assured that the need to make efficiency savings and live within budget does not impact adversely upon patient safety and care.

We will continue to invest in improving our buildings, medical equipment and IT infrastructure, and have plans to spend £14.5m in 2013/14 to ensure the ongoing improvement of the setting in which we deliver patient care.

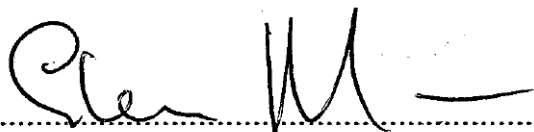
2012-13 Annual Accounts of Maidstone and Tunbridge Wells NHS Trust

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Signed..........Chief Executive

Date.....3/6/13.....

2012-13 Annual Accounts of Maidstone and Tunbridge Wells NHS Trust

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

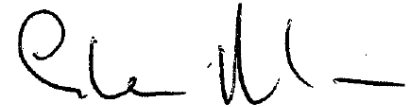
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

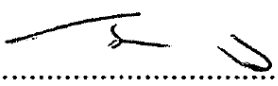
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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

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

By order of the Board

3/6/13 Date  Chief Executive

30/5/13 Date  Finance Director

ANNUAL GOVERNANCE STATEMENT

1. Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Maidstone and Tunbridge Wells NHS Trust 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 Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the Accountable Officer Memorandum.

2. The Governance Framework

The Trust Board comprises a Chair, 5 Non-Executive Directors, 5 voting Executive Directors and 2 non-voting Executive Directors. The Trust Board meets each month, alternating between Board meetings held in public and Board Forum events which focus on strategy and development. All Trust Board meetings during the year were quorate and well attended.

At the beginning of the year the Trust Board re-affirmed the vision and strategic aims of the Trust and established corporate objectives for the year.

The Trust Board has ultimate responsibility for governance and risk management. All members of the Board are aware of the implications of this responsibility. A Board development programme, facilitated by the McKinsey consultancy was delivered during the year and supported the continuing development of Board operation and performance. The programme has provided a review of Board effectiveness and has given 360 degree feedback to each Board member.

In addition, Board members participate in mandatory training activities, including sessions on, for example, risk management and health and safety. Strategy development activity is also used for Board member learning.

The Trust Board is supported by a structure which included the following Board Committees which operated through the year; they are listed below in alphabetical order:

- Audit Committee: ensures effective governance, risk management and internal control across the whole of the organisation's activities (both clinical and non-clinical), supporting the achievement of the organisation's objectives. Internal Audit (South Coast Audit), External Audit and Counter-fraud all report to the committee

- Charitable Funds Committee: ensures that the Trust's charitable funds are managed efficiently and effectively in accordance with the directions of the Charity Commission and the wishes of donors.
- Finance, Treasury and Investment Committee: provides the Trust Board with assurance on the effectiveness of financial, treasury and capital expenditure management and provides advice and recommendations on all key issues of financial management and financial performance.
- Foundation Trust Steering Committee: oversees the Trust's programme to prepare for an application to become a NHS Foundation Trust.
- Patient Experience Committee: actively promotes partnership by engaging with, and seeking feedback from, patient and public representatives in the development and performance of the Trust
- Quality & Safety Committee: is the designated Risk Committee and oversees the implementation and management of structures, systems and processes to facilitate risk assessment (both clinical and non-clinical), mitigation and monitoring to support the delivery of the organisation objectives and promote a culture of improvement and excellence. The sub-committees that report to the Quality and Safety Committee include:
 - Health and Safety Committee
 - Standards Committee
 - Clinical Governance Overview Committee
 - Safeguarding Adults Committee
 - Safeguarding Children Committee
 - Infection Prevention and Control Committee
- Remuneration & Appointments Committee: determines the appointment, remuneration, and terms of service of Executive Directors and other staff appointed on Trust contracts. The Committee also reviews other significant employment terms changes.
- Trust Management Executive: comprises Executive Directors and Clinical Directors and oversees the operational performance and service development of the Trust
- Workforce Resources Committee: oversees the development, planning and performance of the workforce and approves associated strategies and policies for ratification by the Trust Board

Each Committee has terms of reference agreed by the Trust Board and is chaired by a Non-Executive Director. Committee chairs report to the full Board on the main issues arising from each committee meeting, highlighting any significant risk or control issues.

Each Committee also has a lead Executive Director according to the alignment of Committee and Executive Directors remits.

In addition to the Board Committees, the Executive Directors of the Trust meet weekly as an Executive Committee. The Trust Executive Committee is comprised of Chief Executive (Chair), Chief Operating Officer, Medical Director, Director of Nursing, Director of Finance, Director of Strategy and Workforce and Director of Corporate Affairs.

Key service delivery performance indicators are reviewed monthly by the Executive team.

Executive Directors meet individually with the Trust's Risk Management lead bi-monthly in order to review their Board Assurance Framework and the Board level Risk Register entries. The performance objectives of Executive Directors are set having regard to the challenges identified in the Trust's corporate objectives, Board Assurance Framework and Board level Risk Register.

The Trust acts as host on behalf of the local health economy for the Kent and Medway Health Informatics Service (HIS) and for the Kent and Medway Clinical Local Research Network (CLRN).

The HIS governance arrangements are underpinned by formal agreements with all HIS customers. There is explicit risk sharing arrangements which share risks or liabilities in a transparent and equitable way and provides fair protection to MTW as the host. This includes explicit arrangements in respect of any member requiring exit. Each customer organisation has an individual Service Level Agreement to reflect the range of services they wish to commission. There is a regular HIS Board meeting which is attended by a senior representative of each customer organisation which acts as a decision making forum.

The CLRN is covered by a host agreement. A recent internal audit review made some recommendations to improve the governance arrangements. In response the Trust has designated the Executive Director for Strategy and Workforce to be the lead Director. There are regular review meetings. There are also regular CLRN Board meetings where all stakeholders attend. There is a nationally sponsored governance review of all CLRNs commissioned by the National Institute of Health Research which is the funding body for CLRNs across the NHS. This review is expected to report in the near future.

3. Risk Assessment

All risks are identified, analysed and controlled in accordance with the Trust's Risk Management Policy and Strategy. The process adopted by the Trust follows the Health & Safety Executive's five steps to risk assessment. All risks are graded for their potential impact and likelihood of harm using a risk grading matrix.

The risk register identifies risk in a structured and co-ordinated way across the organisation. When risks require action outside the remit of the responsible

manager the risk is escalated in line with agreed policy. Risks may also be discussed at specialist risk committees if the expertise of competent persons is required. Where risks cannot be mitigated at Directorate level they are raised to the Corporate risk register and managed through the Executive Directors and the Risk Manager. Risks are reviewed at least bimonthly and reported to the Quality & Safety Committee (overarching risk committee).

Actual risks are recorded within the Trust's risk register whilst risks to achieving the Trust's objectives are recorded within the Board Assurance Framework. This aligns principal risks against the Trust's strategic aims, assigns individual accountability to specific Executive Directors, and monitoring to specific Board Committees.

A total of 21 risks were highlighted in the Board Assurance Framework for 2012/13, approved by the Board in May 2012. In the February 2013 Assurance Framework, 4 of these risks were red rated, as follows:

- National targets. Over the year Maidstone and Tunbridge Wells undershot the access targets for A&E, with 92.9% of patients seen within 4 hours. This has been the subject of regular review and focus each month at the Executive Performance meetings and also at Trust Board. The Trust has worked with the Emergency Care Intensive Support Team (ECIST) to bring an external perspective and learn from best practice. The failure to deliver the 95% A&E access target related largely to the issues in the flow of patients through the Trust's hospitals, manifested in an increase in the average length of stay. Reducing the length of stay where clinically appropriate and speeding up the flow of patients is a key priority for the Board in 2013/14. At the time of signing this Annual Governance Statement, A&E performance is showing a significant improvement.
- Clostridium Difficile. 59 cases of hospital acquired C Difficile infections were recorded, in excess of the agreed annual trajectory, although 5 cases fewer than the previous year. Health care acquired infections are the subject of scrutiny by the Quality and Safety committee, which devoted a whole meeting to this topic in November 2012. The Director of Infection Prevention and Control attends Board meetings and updates the Board directly. Actions taken to understand and reduce the level of C Difficile include Executive Director involvement in Root Cause Analysis meetings for every case of infection, and a Risk Summit process for Clinical Directorates where there are a number of cases. The Trust has obtained peer review of its infection control policy and practice from other Trusts.
- Workforce. The risk relates to difficulties in achieving staff cost savings and reducing agency spend. This has been reviewed by the Workforce Committee, and also by the Finance Committee. The Workforce Committee sought and received assurance on the steps taken to create substantive employment opportunities for healthcare professional and reduce the gap between demand and supply. The committee also provided Board assurance that processes for the engagement of temporary medical staff were robust.

- Financial performance. This relates to the risk of missing budget targets and generating a deficit. Financial performance is reviewed monthly at the Finance Committee, which reports to the Trust Board. One key element of financial risk was the delivery of cost savings, against a backdrop of higher than anticipated activity and operational pressures – which was overseen by the Finance Committee throughout the year – and another was the risk associated with securing financial support for PFI costs. The anticipated financial support was received in the year and a shortfall on cost savings was compensated by the income related to additional activity. This enabled the in-year risks to be mitigated and the Trust accounts show the Trust's duty to achieve financial breakeven was delivered.

Meanwhile, 7 new risks were added to the Corporate Risk Register over the year, and 11 removed. Of the new risks, 4 were red rated. These were:

- Discharges. Issues around speeding up discharges and communicating promptly to GPs. This relates to patient flow issues described above.
- Clostridium Difficile. Exceeding the agreed trajectory, as explained in the Assurance Framework risks.
- Financial performance. Risks to achieving financial balance, as explained above.
- Trainee doctors. Risks related to surgical foundation year trainees at the Tunbridge Wells Hospital. This area is further explained as a significant issue later in this document.

Information Governance

The Trust achieved a 80% score against the Information Governance Toolkit Version 10, and achieved a minimum of level 2 against all the requirements of the Toolkit as required by the Operating Framework for England for 2012/13. The Trust achieved level 3 against 19 of the 45 requirements. The Trust has established a robust Information Governance Management Framework that has been in place throughout the year and significant improvements have been made in many areas. An action plan has been developed to address the areas of weakness identified. The Trust Board is kept fully apprised, by the Senior Information Risk Owner of Information Governance issues affecting the organisation.

The Trust has worked proactively with the Information Commissioner's Office which conducted a consensual audit in May 2012. A number of recommendations were made as a result of this audit and an action plan was developed to address the issues raised. A follow-up audit was conducted in January 2013. As a result of the audits the ICO were able to provide an audit opinion of 'reasonable assurance'.

Significant improvements were made in year to Trust processes in relation to Subject Access Requests and as a result the Trust is better placed to meet its statutory responsibilities as set out in the Data Protection Act 1998 in this regard.

There were no lapses of data security that were required to be reported to the Information Commissioner's Office.

Climate Change and the Departmental Adaptation Plan

It is recognised that climate change could have significant implications for the health and wellbeing of the UK population. As a result of undertaking a climate change risk assessment the Department of Health have developed a climate change plan and adaptation plan which identified a number of key priorities:

- Build environment
- Service design and delivery
- Informatics
- Workforce
- Knowledge and research
- Finance
- Procurement

The Trust is playing its part by actively monitoring and reducing its carbon emissions derived from energy, transport and waste.

The Trust has prepared a Sustainable Development Management Plan that deals with ten key areas of sustainable development:

- Energy and carbon management
- Procurement and food
- Transport
- Water
- Waste
- Design of the built environment
- Organisational and workforce development
- Role of partnerships and networks
- Governance
- Finance

These areas are in accordance with the 'Saving Carbon, Improving Health' paper published by the NHS Sustainable Development Unit. During 2013/14 a Sustainability Committee will be set up to coordinate implementation of the Plan across the Trust.

4. Risk and Control Framework

The Risk Management Policy and Strategy is reviewed annually by the Board, most recently in March 2013.

The Policy defines how the Trust will establish a risk management process and a culture where people are risk aware as a means of creating a safe environment for staff and patients.

The Strategy includes the following:

- Executive and management roles and responsibilities
- Clinical governance and risk management structures
- Trust committee structure for managing risk
- Process for strategic and corporate management of risk
- Process for local management of risk
- Process for risk assessment
- Process for management of adverse incidents
- Process for management of the Board Assurance Framework, and local and Corporate risk registers
- Risk management training for the Board and senior managers.
- Risk training for all Trust employees

Risks are managed through a committee structure that is embedded within the organisation, to monitor and escalate risks and ensure they are managed effectively. Departmental managers are held responsible for managing the risks in their department. Trust staff are expected to be risk aware at all times and ensure that line managers are notified of hazards and risks that they see in the workplace. Key staff are trained to assist managers in completing their statutory duties. Board level risks are embedded within the agendas for the sub-committees of the board to ensure that there is a full and robust discussion re risks and their mitigation.

The Board assurance framework and Corporate risk register are reviewed by the Board twice a year, and reviewed in detail by the Executive Directors 6 times a year.

5. Review of the effectiveness of risk management and internal controls

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit opinion for 2012/13 is "significant assurance".

My review is also informed by the following evidence:-

- Care Quality Commission Registration without conditions, results of inspections and the continuous monitoring process
- Performance dashboard reporting to the Trust Board
- Financial performance reports
- External Audit reports
- Internal Audit reports
- Counter Fraud Annual Report
- The work of Board subcommittees which I attend personally and/or hear reported back to the Trust Board

Significant Issues

One significant issue occurred during 2012/13

- As a consequence of the reconfiguration of emergency surgery on one site, issues have arisen with regard to continuity of patient care and education of trainee doctors. A Deanery visit to the Tunbridge Wells Hospital concluded that these junior trainees should be removed from that educational placement for a period of 4 months. Further changes have taken place and this restriction has been lifted from April 2013.

Accountable Officer: Glenn Douglas, Chief Executive Officer

Signature:



Date:

3/6/13

Statement of Comprehensive Income

For the Year ended 31 March 2013	2012/13 £000s	2011/12 £000s
Revenue from patient care activities	326,254	302,932
Other operating revenue	41,137	42,169
TOTAL REVENUE	367,391	345,101
Operating expenses	(351,895)	(360,560)
Operating surplus (deficit)	15,496	(15,459)
Finance costs:		
Investment revenue	30	40
Other gains and (losses)	(98)	7,943
Finance costs	(13,982)	(13,352)
Surplus/(deficit) for the financial year	1,446	(20,828)
Public Dividend Capital – dividends payable	(6,150)	(6,285)
RETAINED SURPLUS (DEFICIT) FOR THE YEAR	(4,704)	(27,113)
Other Comprehensive Income		
	2012/13 £000s	2011/12 £000s
Impairments and reversals	0	582
Gains on revaluations	0	12,187
Receipt of donated/government granted assets	0	0
Net gain/(loss) on other reserves (e.g. defined benefit pension scheme)	0	0
Net gains/(losses) on available for sale financial assets	(136)	0
Reclassification adjustments:		
- Transfer from donated and government grant reserves	0	0
- On disposal of available for sale financial assets	0	0
Total comprehensive income for the year	(4,840)	(14,344)
Financial Performance for the year	£'000	£'000
Retained surplus/(deficit) for the year	(4,704)	(27,113)
IFRIC 12 adjustment	2,041	8,269
Impairments	2,610	18,820
Adjustments re: donated assets & government grants	182	324
Break even duty – retained surplus	129	300

Statement of Financial Position

As at the 31 March 2013	31 March 2013 £000	31 March 2012 £000
Non-current assets:		
Property, plant and equipment	411,838	421,144
Intangible assets	2,179	1,424
Trade and other receivables	44	8,436
Total non-current assets	414,061	431,004
Current assets:		
Inventories	8,773	8,819
Trade and other receivables	35,117	17,183
Other current assets	0	0
Cash and cash equivalents	2,792	2,268
	46,682	28,270
Non-current assets held for sale	1,500	1,017
Total current assets	48,182	29,287
Total assets	462,243	460,291
Current liabilities:		
Trade and other payables	(36,141)	(22,911)
Other liabilities	0	0
DH Working capital loan	0	0
DH Capital loan	(2,174)	(2174)
Borrowings	(4,531)	(3,871)
Provisions	(1,477)	(2,297)
Net current assets/(liabilities)	(44,323)	(31,253)
Total assets less current liabilities	417,920	429,038
Non-current liabilities:		
Borrowings	(217,582)	(222,113)
DH Working capital loan	0	0
DH Capital loan	(21,024)	(23,198)
Trade and other payables	0	0
Provisions	(1,982)	(2,055)
Other liabilities	0	0
Total assets employed	177,332	181,672
Financed by taxpayers' equity:		
Public dividend capital	182,068	181,568
Retained earnings	(66,876)	(63,304)
Revaluation reserve	62,140	63,408
Total Taxpayers' Equity	177,332	181,672

Chief Executive.....



Date.....

3 6 13

Statement of Cash Flows

As at 31 March 2013	2012/13 £000	2011/12 £000
Cash flows from operating activities		
Operating surplus (deficit)	15,496	(15,459)
Depreciation and amortisation	19,118	20,579
Impairments and reversals	2,610	23,645
Net foreign exchange gains/(losses)	0	0
Donated Assets received credit to revenue non-cash	0	(104)
Government Granted Assets received credited to revenue but non cash	0	0
Interest paid	(13,976)	(13,345)
Dividends paid	(6,250)	(6,333)
(Increase)/decrease in inventories	46	(2,175)
(Increase)/decrease in trade and other receivables	(9,613)	7,125
(Increase)/decrease in other current assets	0	0
(Increase)/decrease in trade and other payables	12,317	(7,659)
Provisions Utilised	(611)	(509)
Increase/(decrease) in provisions	(288)	1,457
Net cash inflow/(outflow) from operating activities	18,849	7,222
Cash flows from investing activities		
Interest received	30	40
(Payments) for property, plant and equipment	(12,508)	(25,207)
Proceeds from disposal of plant, property and equipment	459	9,631
Payments) for intangible assets	(850)	(106)
Proceeds from disposal of intangible assets	0	0
Payments) for investments with DH	0	0
Payments) for other investments	0	0
Proceeds from disposal of investments with DH	0	0
Proceeds from disposal of other financial assets	0	0
Revenue rental income	0	0
Net cash inflow/(outflow) from investing activities	(12,869)	(15,642)
Net cash inflow/(outflow) before financing	5,980	(8,420)
Cash flows from financing activities		
Public dividend capital received	500	13,000
Public dividend capital repaid	0	0
Loans received from DH	0	0
Other loans received	0	0
Capital Investment Loans Repayment of Principal	(2,174)	(2,174)
Loans repaid to DH	0	0
Other loans repaid	0	0
Other capital receipts	89	0
Capital element of finance leases and PFI	(3,871)	(1,948)
Cash transferred to NHS Foundation Trusts	0	0
Net cash inflow/(outflow) from financing	(5,456)	8,878
Net increase/(decrease) in cash and cash equivalents	524	458
Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year	2,268	1,810
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	0
Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year	2,792	2,268

Statement of Changes in Taxpayers Equity

**FOR THE YEAR ENDED
31 MARCH 2013**

	Public dividend capital (PDC) £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2011-12					
Balance as 1st April 2012	181,568	(63,304)	63,408	0	181,672
Retained surplus/(deficit) for the year	0	(4,704)	0	0	(4,704)
Transfers between reserves	0	1,132	(1,132)	0	0
Impairments and reversals	0	0	0	0	0
Net Gain/(Loss) on revaluation of property, plant, equipment	0	0	0	0	0
Net Gain/(Loss) on revaluation of intangible assets	0	0	0	0	0
Net Gain/(Loss) on revaluation of assets held for sale	0	0	(136)	0	(136)
Net Gain on revaluation of financial assets	0	0	0	0	0
Net Gain/Loss on other reserves (e.g. defined benefit pension scheme)	0	0	0	0	0
Movements in other reserves	0	0	0	0	0
Reclassification adjustments:					
- Transfers from donated asset/government grant reserve	0	0	0	0	0
- On disposal of available for sale financial assets	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0
Originating capital for trust establishment in year	0	0	0	0	0
New PDC received	500	0	0	0	500
PDC repaid in year	0	0	0	0	0
PDC written off	0	0	0	0	0
Other movements in PDC in year	0	0	0	0	0
Balance at 31 March 2013	182,068	(66,876)	62,140	0	177,332

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Taxpayers Equity and supporting notes on the external finance limit, capital resource limit, prudential borrowing loans, better payment practice code and sickness absence reporting.

This report is made solely to the Board of Directors of Maidstone and Tunbridge Wells NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's directors and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of directors and auditor

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 statement within the Annual Report 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 statement.

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

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the Maidstone and Tunbridge Wells NHS Trust for the year ended 31 March 2013. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements 3rd June 2013 and the date of this statement.

GRANT THORNTON UK LLP

Grant Thornton UK LLP

Grant Thornton House, Melton Street, Euston Square, London, NW1 2EP

Date: 14 AUGUST 2013

REMUNERATION REPORT

In accordance, with Section 234b and Schedule 7a of the Companies Act. as required by NHS Bodies. This report includes details regarding “senior managers” remuneration. In the context of the NHS this defined as:

‘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 decisions of individual directorates or departments.’

The Trust has established a Remuneration Committee to advise and assist the Board in meeting its responsibilities to ensure appropriate remuneration, allowances and terms of service for the Chief Executive and Directors and other key senior posts. Membership of the committee consists of Trust Chair and all Non-Executive Directors.

The Chief Executive and Directors remuneration is reviewed annually by the Remuneration Committee and decisions are based on market rates, national pay awards and performance. Reward is primarily through salary adjustment, although non-recurrent awards can be used to recognise exceptional achievements.

Pay rates for Non-Executive Directors of the trust are determined in accordance with national guidelines. Remuneration for the Chair is set by the Independent Appointments Commission.

Salaries for other senior managers are determined in accordance with national pay arrangements.

The Directors are normally on permanent contracts and subject to a minimum of 3 months notice period; the Chief Executive’s notice period is 6 months. Contract, interim and seconded staff will all have termination clauses built into their letters of engagement, which will be broadly in line with the above.

Termination arrangements are applied in accordance with statutory regulations as modified by Trust or National NHS conditions of service agreements, and the NHS pension scheme. The remuneration Committee will agree any severance arrangements following appropriate approval from Strategic Health Authority and Treasury as appropriate

Financial Information (Audited)

The figures included in the tables below show details of salaries, allowances, pension entitlements and any other remuneration of senior managers i.e. non recurrent awards etc.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation’s workforce.

The banded remuneration of the highest paid director in Maidstone and Tunbridge Wells NHS Trust in the financial year 2012-13 was £210k to £215k (2011-12 £245k to £250k). This was 7.6 (2011-12 9.2) times the median remuneration of the workforce, which was £27.6k (2011-12 £26.9k).

In 2012-13, No employees received remuneration in excess of the highest paid director (2011-12 no employees). Remuneration ranged from £6k to £210k (2011-12 £5k to £247.5k).

Total remuneration includes salary, non-consolidated performance related pay and benefits in kind, but does not include severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The calculations included in this analysis are based on the month 12 remuneration on an annualised basis (remuneration divided by Whole time Equivalent multiplied by 12) and therefore is not necessarily the actual remuneration received by those individuals in the financial year.

The ratio of median remuneration to the highest paid director for 12/13 has reduced primarily due to a change of the most highly paid director following the substantive appointment of the Finance Director. The highest paid director is now the Chief Executive Officer.

Reporting relating to the review of tax arrangements of public sector appointees (not subject to audit)

As part of the *Review of Tax arrangements of Public Sector Appointees* published by the Chief Secretary to the Treasury on 23rd May 2012, the Trust in common with all public bodies, is required to publish information in relation to the number of off payroll arrangements meeting two specific criteria set by the Treasury.

1. Off payroll engagements exceeding £58,200 per annum in place as at 31st January 2012

- The Trust identified 5 arrangements of which;
- None of have since come onto the Trust Payroll
- 4 have been renegotiated to include contractual clauses allowing the Trust to seek assurance as to their tax obligations
- 1 came to an end (April 2012)

2. New off payroll engagements identified between 23rd August 2012 and 31st March 2013, for more than £220 per day and more than 6 months

- The Trust identified 14 new arrangements all of which include contractual clauses giving the Trust the right to request assurance in relation to income tax and national insurance obligations.

Assurance has been requested from all of the 18 continuing arrangements from points 1 and 2 above, and at the end of July 2013 assurance has been received from 8 of these. The remaining 10 have been chased for a response and the Trust will take appropriate action in cases where the assurance is not provided.

Salary and Benefits of Senior Managers (Audited)

		2012/13			2011/12		
		Salary	Other Remun.	Benefit in Kind	Salary	Other Remun.	Benefit in Kind
		(Bands of £5000)			(Bands of £5000)		
		£000s	£000s	£00s	£000s	£000s	£00s
In Post at 31 March 2013							
A Jones – Chairman	A	40-45	-	-	40-45	-	-
P Wynn Owen – Non Executive Director	A	Waived	-	-	Waived	-	-
K Tallett – Non Executive Director	A	5-10	-	-	5-10	-	-
S Denton – Non Executive Director	A	5-10	-	-	5-10	-	-
M Worrall – Non Executive Director (Deceased)	A	0-5	-	-	5-10	-	-
B Evans – Non Executive Director	A	5-10	-	-	5-10	-	-
S Smith – Associate Non Executive Director	B	Waived	-	-	N/A	-	-
G Douglas – Chief Executive	A	200 - 205	10 - 15	71	185-190	10 - 15	80
J Headley – Finance Director	C	130-135	-	49	N/A	-	-
C Gentile – Finance Director	D	5-10	-	-	245-250	-	72
F Panel-Coates – Nurse Director	E	50-55	-	-	105-110	-	-
T Coode – Human Resources Director – Corporate Affairs Director	A	90-95	-	-	90-95	-	-
P Sigston – Medical Director	A	85-90	105 -110	-	85-90	100-105	-
P Bentley – Director of Strategy & Workforce	A	130-135	-	-	125-130	-	-
A Gallagher – Chief Operating Officer	A	100-105	-	34	35-40	-	13
J Kennedy – Acting Director of Nursing	F	45-50	-	-	-	-	-
S Mumford – Director of Infection Prevention and Control	A	15 - 20	100 -105	-	15 - 20	95 - 100	-

Note 1

Benefits in kind are recorded in hundreds of pounds, whereas other figures are recorded in thousands and relate to the non-cash benefit of a lease car.

Note 2

Appointments and departures in the Financial year 1st April 2012 to 31st March 2013

A in post for full year

B S Smith in post from 30th May 2012

C J Headley in post from 14th May 2012

C Gentile left post 14 May 2012

D C Gentile was not employed directly by the Trust. His salary was paid though a company which he controls – Cogent Health Solutions Ltd

E F Panel-Coates left post 28th September 2012

F J Kennedy in post from 8th October 2012

Pension Entitlements of Senior Managers (Audited)

	Real increase in pension (P) and related lump sum (L) at age 60 (bands of £2,500)	Total accrued pension (P) and related lump sum (L) at age 60 at 31 March 2013 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2012	CETV at 31 March 2013 Note 2	Real Increase in CETV Note 3	Employers Contribution to Stakeholder Pension To nearest £100
	£000s	£000s	£000s	£000s	£000s	
Mr G Douglas – Chief Executive (Note 4)	0.0 – 2.5 (P) 2.5 – 5.0 (L)	60 – 65 (P) 180 – 185 (L)	1,114	1,229	58	0
Ms A Gallagher – Acting Chief Operating Officer	2.5 – 5.0 (P) 10.0 – 12.5 (L)	30 – 35 (P) 100 – 105 (L)	513	616	76	0
Dr P Sigston – Medical Director	(0.0) – (2.5) (P) (0.0) – (2.5) (L)	35 – 40 (P) 115 -120 (L)	617	660	11	0
Ms E Panel-Coates – Director of Nursing and Patient Services	2.5 – 5.0 (P) 10.0 – 12.5 (L)	20 – 25 (P) 70 – 75 (L)	265	340	61	0
Mr J Kennedy – Interim Director of Nursing	5.0 – 7.5 (P) 12.5 – 15.0 (L)	30 – 35 (P) 90 – 95 (L)	435	548	90	0
Mr J Headley – Director of Finance	2.5 – 5.0 (P) 0.0 – 0.0 (L)	10 – 15 (P) 0 – 0 (L)	83	128	40	0
Mr T Coode – Human Resources Director	0.0 – 2.5 (P) 0.0 – 2.5 (L)	10 – 15 (P) 30 – 35 (L)	207	238	20	0
Mr P Bentley – Director of Strategy and Workforce	0.0 – 2.5 (P) 2.5 – 5.0 (L)	40 – 45 (P) 125 – 130 (L)	642	715	40	0
Dr S Mumford – Director of Infection Prevention & Control	5.0 – 7.5 (P) 0.0 – 0.0 (L)	40 – 45 (P) 0 – 0 (L)	385	497	92	0

Note 1

As Non-Executive Directors do not receive pensionable remuneration there will be no entries in respect of pensions for Non-Executive Directors. Interim Directors will have their pension details recorded in their host organisations. Please see accounting policy note 1.12 in full set of accounts for further details of the treatment of pension liabilities.

Note 2

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

Note 3

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). CETVs are calculated based on assumptions set by the Government Actuary Department (GAD). New factors were produced by GAD with effect from 8/12/11, which have been reflected in the 31/03/12 CETV values. The CETV increase disclosures incorporate these changes in assumptions and are therefore not based on common market valuation factors at the start and end of the period.

Note 4

During the year 2012/13 Mr Douglas ceased payments into the NHS Pension scheme. The disclosure reflects the accrued benefits at 31st March 2013 including a restatement of the 2011/12 comparators as the Pensions agency have corrected a disclosure error.

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This annual report is also available in large print and can be produced in different languages on request.

Your views are important to us. Please tell us what you thought about this Annual Report. Contact our communications department on Tel: 01622 225858

The financial statements included within this report may not contain sufficient information for a full understanding of the trust's financial position and performance. Please contact us if you would like to receive a full set of accounts.