

# Annual Report

2010-11

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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 parts of north 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](http://www.nhs.uk)

The Trust is at the forefront of developments in minimally invasive laparoscopic surgery in the NHS and is increasing the range of other highly specialised services available to patients locally through its clinical strategy.

In 2011-12 the Trust fully opens the first NHS hospital in the country to provide all inpatients with single rooms and en-suite facilities. It is also creating centres of expertise in its hospitals for planned and emergency surgery and women and children's care.

### Our Staff

The Trust employs a team of approximately 4,700 whole time equivalent staff (5,500 whole time and part-time staff). For more information about opportunities to work at MTW visit [www.mtw.nhs.uk](http://www.mtw.nhs.uk) or [www.jobs.nhs.uk](http://www.jobs.nhs.uk)

### Our Hospitals

The Trust primarily works from four clinical sites: Maidstone Hospital, Kent & Sussex Hospital (Tunbridge Wells), the new Tunbridge Wells Hospital at Pembury and Preston Hall (Aylesford, near Maidstone).

The first phase of a new £230 million hospital (the Tunbridge Wells Hospital at Pembury), opened in January 2011 and fully opens in September 2011. Once open, it will replace Kent & Sussex Hospital.

## The MTW Vision

The Trust's vision is: To provide excellent health services delivered by high performing staff, to exemplary standards, providing care, comfort and dignity within a safe and efficient environment.

## MTW strategic aims

The Trust's Clinical Strategy sets out MTW's long-term strategic aims for the development of health services in Maidstone and Tunbridge Wells.

As part of this strategy, in 2011-12 the Trust is creating centres of expertise for planned and emergency surgery and women and children's care in Maidstone and Tunbridge Wells.

The centres will focus on different areas of care, with specialist dedicated teams of doctors, nurses and other staff providing better outcomes for patients.

By the autumn of 2011 MTW will have:

- A dedicated centre for planned complex surgery at Maidstone Hospital. Maidstone Hospital is already recognised as a leader in laparoscopic surgery and training and in specialist cancer care
- A dedicated centre for trauma surgery and orthopaedic surgery at the new Tunbridge Wells Hospital at Pembury
- A dedicated centre of women's and children's care at the new Tunbridge Wells Hospital at Pembury, with a new purpose built midwifery-led birthing centre at Maidstone
- Day surgery and '23 hour' surgery continuing at both (Maidstone and Tunbridge Wells) hospitals.

## MTW values

The Trust's values are:

- ⊕ Provide safe, quality services and experience for patients, relatives and the public
- ⊕ Deliver services which are efficient and productive
- ⊕ Ensure effective governance of the Trust and its services
- ⊕ Create a high performance workforce, and, as an employer of choice, encourage innovation and learning

- ✦ Deliver sustainable financial performance
- ✦ Establish the Trust as a lead provider of integrated health services in the healthcare economy

The Trust's vision and values are linked to the Clinical Strategy and overall business development plans. The values are also used in the summary sheets of all Board reports to monitor the contribution of any works towards the Trust's overall strategic vision and provision of safe, quality care.

The Trust is reviewing its vision and strategic aims in 2011-12 as part of the development of a new five-year clinical strategy. Some of the early principles that will guide the Trust's new clinical strategy include:

- Developing MTW as a healthcare provider with services that stretch beyond traditional hospital-based care.
- Providing ambulatory care as close to a patient's home as possible.
- Creating centres of expertise where they continue to provide better clinical outcomes or create a critical mass of patients required to maintain high standards of care and safe outcomes.
- Developing MTWs potential to provide specialist rehabilitation in its hospitals and complex rehabilitation in other locations
- Enhancing MTWs potential to provide day case, one-stop specialist and complex ambulatory services in its hospitals
- Maintaining a smooth link between acute, primary, community and social care.

## Meeting our public pledges

MTW set five priorities in its 2009/10 annual report for 2010-11. These formed part of its Quality Account – a joint commitment with the public, patients and other organisations to improve key areas of healthcare.

The Trust has made progress against its 2010-11 priorities. Patient feedback, local and national auditing and monthly Trust performance reports show that in 2010-11:

- ✦ MTW continued to reduce the number of hospital acquired infections with further falls in both MRSA and Clostridium difficile.
- ✦ Reducing ward to ward moves for patients remained a challenge in the summer of 2010-11, but the overall patient experience improved markedly towards the end of the year.
- ✦ MTW improved some areas of communication with patients and expects to see further improvement in 2011-12.
- ✦ The Trust has improved some areas of information given to patients and the public and expects to see further improvement in 2010-11
- ✦ MTW has improved quality by meeting the majority of its local and national standards.

The Trust has established a new set of priorities for 2011-12 with its stakeholders through its Quality Account. These are set out on page 26 of this report.

## Board members



**Anthony Jones**  
Chairman  
Chair - Remunerations  
Committee



**Glenn Douglas**  
Chief Executive



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



**Kevin Tallett**  
Non-Executive Director  
Chair – HR Committee



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



**Mark Worrall OBE**  
Chair – Information  
Governance Committee



**Beverley Evans**  
Non-Executive Director  
Chair – Audit Committee



**Nikki Luffingham**  
Chief Operating Officer



**Flo Panel-Coates**  
Director of Nursing



**Paul Sigston**  
Medical Director



**Colin Gentile**  
Finance Director  
From December 2010

### Other Directors

**Graham Goddard**  
New Hospital Development Director

**Sara Mumford**  
Director of Infection Prevention and Control

**Paul Turner**  
Finance Director  
Left September 2010

**Terry Coode**  
Director of Corporate Affairs  
From February 2011  
HR Director April 2010-February 2011

**Paul Bentley**  
Director of Strategy and Workforce  
From February 2011

## Chairman's and Chief Executive's Statement

Maidstone and Tunbridge Wells NHS Trust is making major clinical changes this year as part of our long-term plans to maintain safe, high quality services for over half a million people.

We fully open our new hospital in September - the first NHS hospital in England to provide every inpatient with their own single en-suite room.

At the same time, MTW is opening new centres of expertise in Maidstone and Tunbridge Wells to maintain high standards of patient care.

These long-term clinical plans will become a reality in one of the most challenging financial climates the NHS has faced for many years.

Staff at MTW moved the Trust further forward in 2010-11 and we are better positioned for the year ahead as a result. As an organisation, some of our clear signs of improvement last year include:

- Making £15 million in efficiencies in 2010-11 while maintaining quality of care, patient safety and low infection rates.
- Heavily investing in our hospital services in Maidstone and Tunbridge Wells in preparation for the completion of our clinical strategy.
- Successfully establishing the first phase of the Tunbridge Wells Hospital at Pembury thanks to the skill and expertise of our staff
- Seeing the consistent achievement of national standards of care for patients in the latter half of 2010-11 despite testing physical conditions in the winter and high levels of demand.
- Seeing improvements in our annual Staff Survey and monthly patient surveys

The Trust experienced surges in demand for emergency care in July and again in December. It was tested to its limits during these periods.

The additional pressure on our hospitals in July led to a temporary dip in patient experience, as shown by our local and national inpatient surveys.

The snow storms and flu in December cancelled operations and procedures, costing MTW £1 million, but as a progressive organisation, the patient experience improved. It kept on improving during January, February and March of this year, proof of a more sustainable, cohesive organisation.

We finished 2010-11 with almost all of our key standards of patient care met and a financial surplus of £1.7 million.



By becoming more proficient and efficient through 2010-11, the Trust has also significantly strengthened its credentials for Foundation Trust status. 2011-12 is another important year for MTW as it strives to become an FT in 2013.

The Trust has developed a programme to make further efficiencies of £15 million in 2011-12 that will not impact on frontline care. This is inline with NHS national efficiency plans.

A major part of our programme will be to further reduce our reliance on agency staff through recruitment. We will also seek more value for money from the products we buy.

We will also be working within the local health economy in 2011 to ensure the area's new hospital continues to be financially affordable as the NHS goes through economic change.

As MTW reaches some important milestones this year in the development of patient care, it is also looking to the future.

The Trust will be seeking the involvement of its stakeholders in the development of a new five-year clinical strategy for the Trust in 2011.

It will also be working closely with the new commissioners of local health services as the Government clarifies the way in which it wants health services to be provided for patients in the future.

MTW faces change, challenge and opportunity in equal measure in the coming year, but is in a good position to continue the progress it has made with further financial efficiencies and quality improvements.

## 2010-11 Performance Review

Maidstone and Tunbridge Wells NHS Trust met the vast majority of national waiting time standards in 2010-11. These are designed to ensure patients are seen appropriately according to their clinical need.

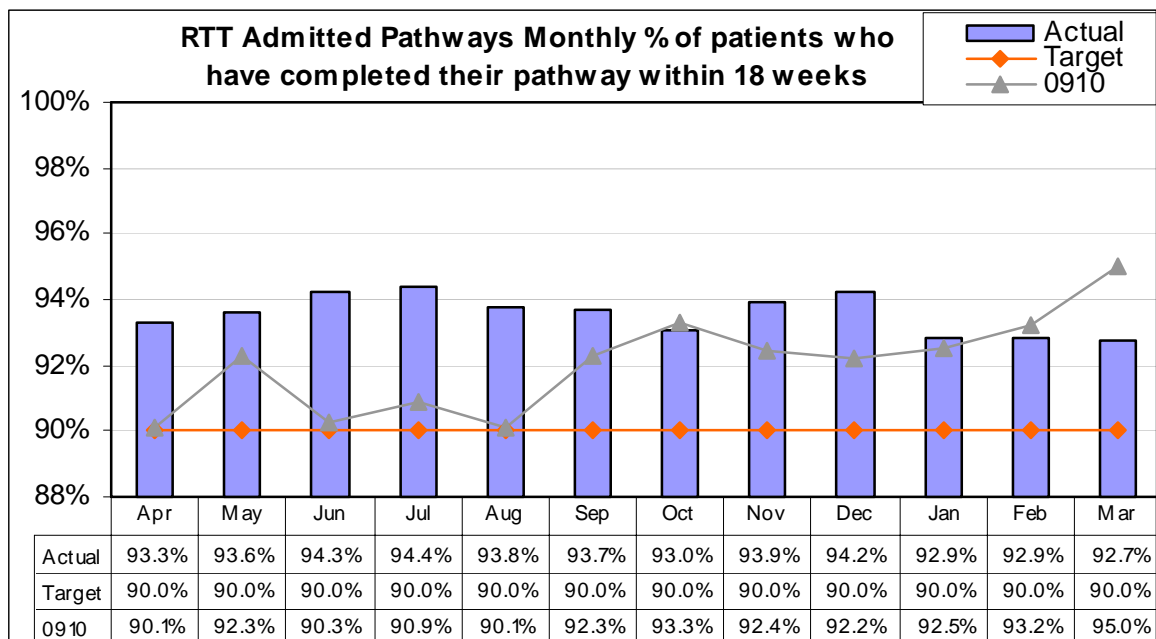
The Trust's overall performance is measured against 70 local and national standards on a monthly basis. These results are shared with commissioners of local health services and are discussed by the Trust Board at its public meetings.

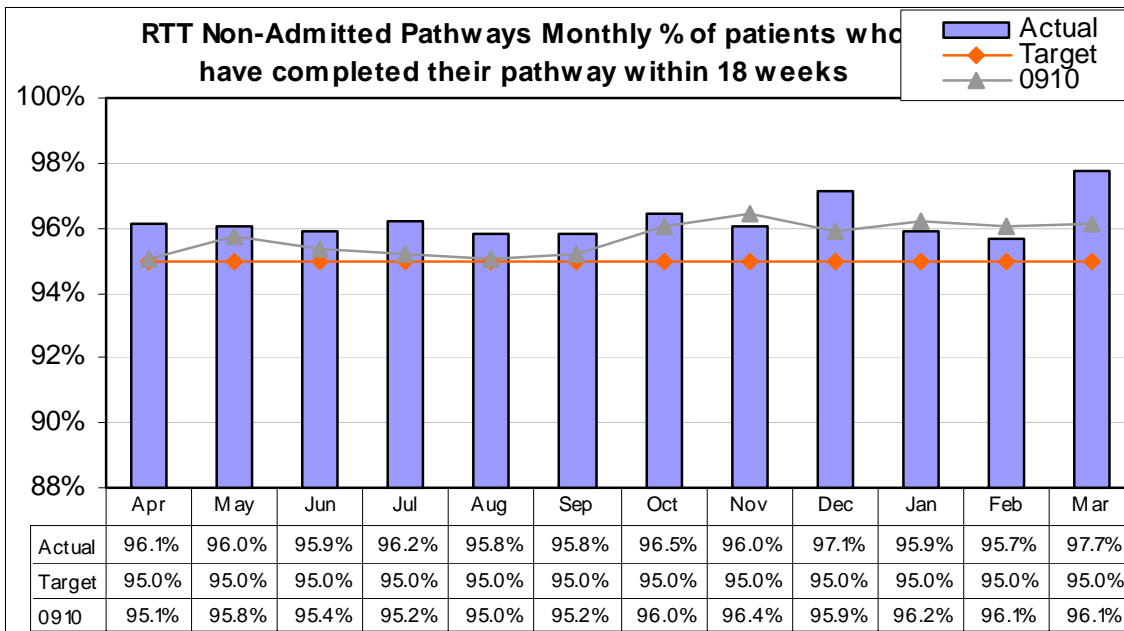
A summary of the Trust's overall performance in all local and national standards for 2010-11 will be available to view on the Trust's website in May 2011 – [www.mtw.nhs.uk](http://www.mtw.nhs.uk) A summary of the Trust's overall performance for the 11 months up to February 2011 is available on the website now.

Early evidence shows that the Trust's performance against key national and local standards in 2010-11 was good with improvements in many areas over 2009-10.

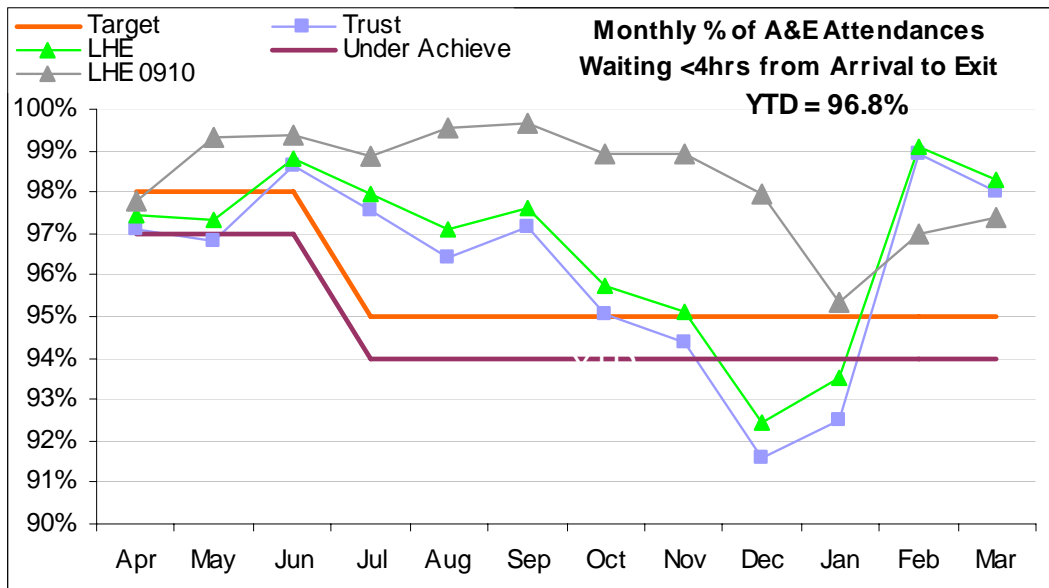


**18 weeks standard** – The Trust achieved this standard, ensuring at least 90% of admitted patients were being treated in hospital following GP referral in 18 weeks. The Trust also ensured 95% of non-admitted patients were seen within the same period. All Trust specialties achieved these targets.





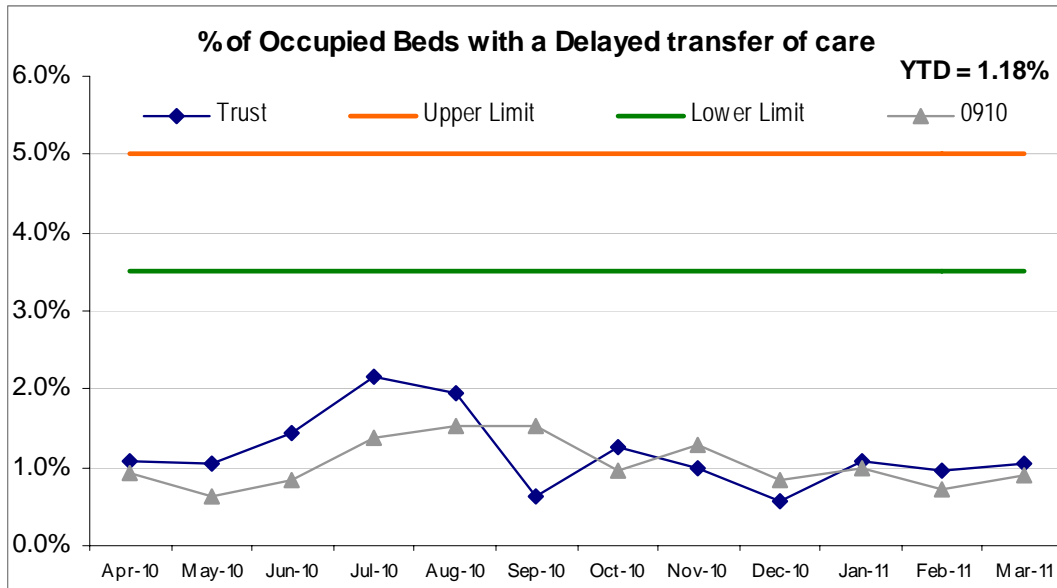
**Emergency 4 hour access** – The Trust saw, treated, admitted or discharged over 95% of patients in its A&E departments in 2010-11, meeting this national standard.



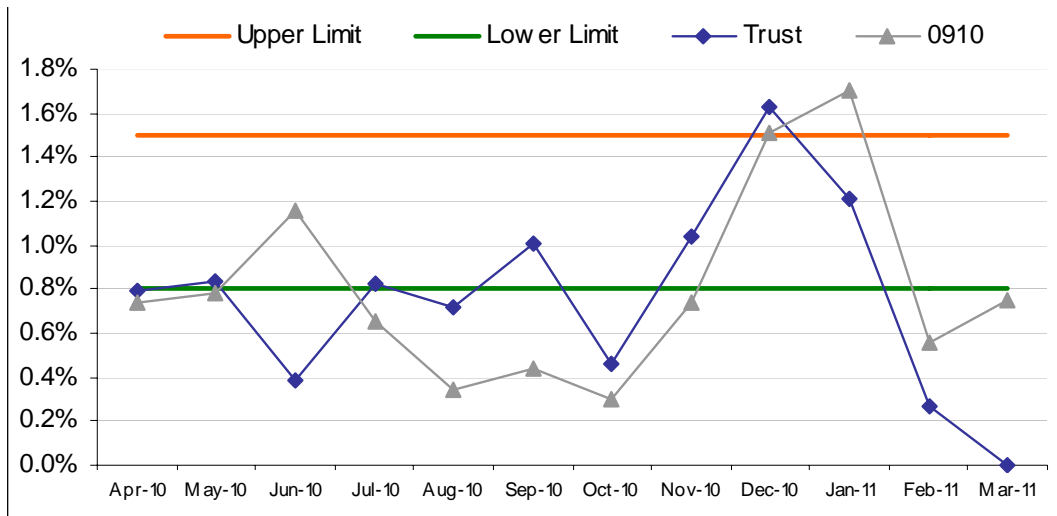
**Genito-Urinary Medicine** – the Trust saw 100% of patients within the 48 hour standard



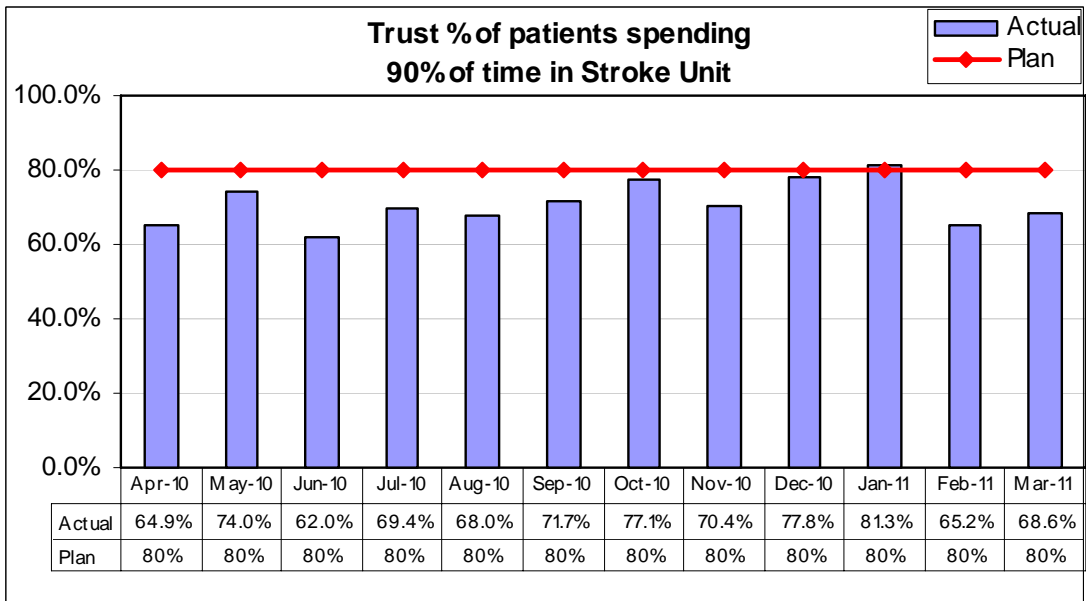
**Delayed transfers of care** – Delayed transfers of care remained well below the national limit of 3.5% at 1.18% throughout the year.



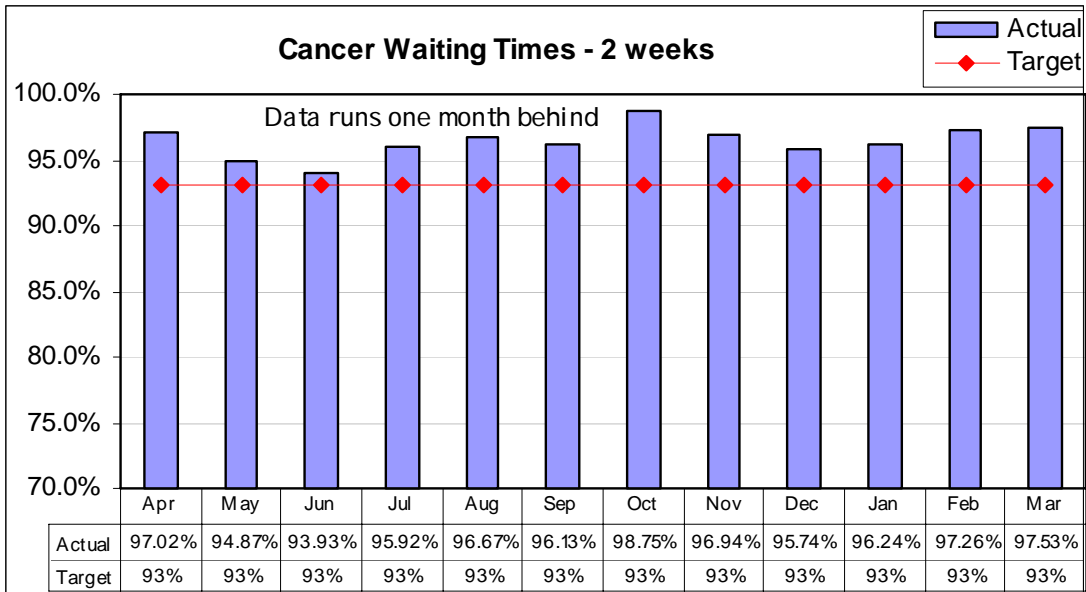
**Cancelled operations** – for the second year running the Trust met the cancelled operations national standard of 0.8%.



**Stroke** – The Trust did not ensure that 80% of stroke patients spent 90% of their time on a dedicated stroke ward in 2010-11. Although the Trust's performance in this area was better than 2009-10, this is an area for ongoing improvement in 2011-12 and is included in the Trust's new Quality Accounts measures.

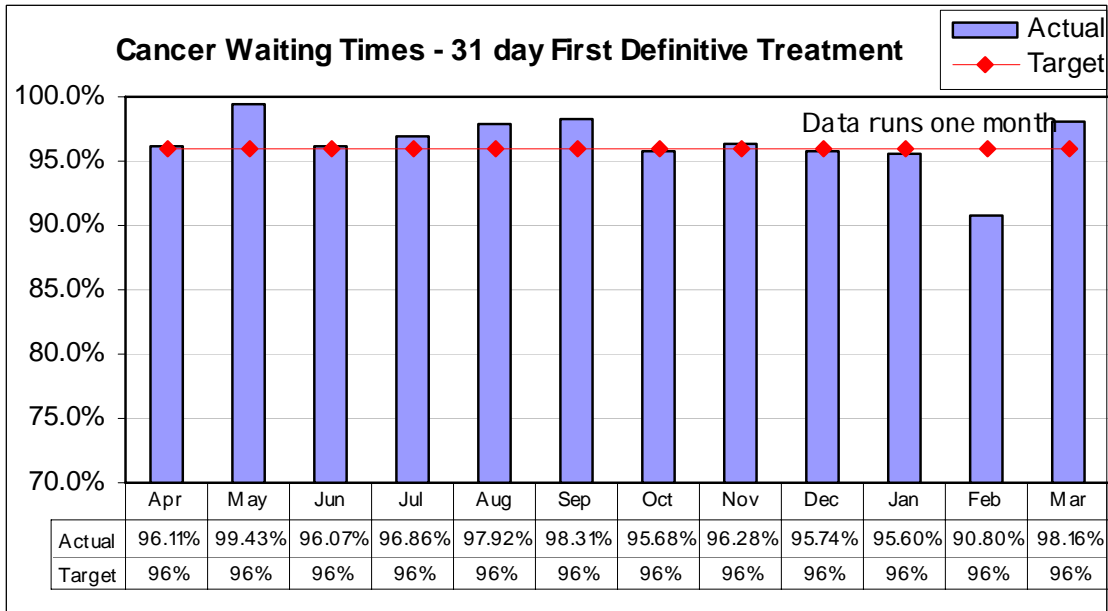


**Cancer Waiting Time Targets** – The Trust ensured 96% of patients with suspected cancer were seen within two weeks, surpassing the national standard of 93%.

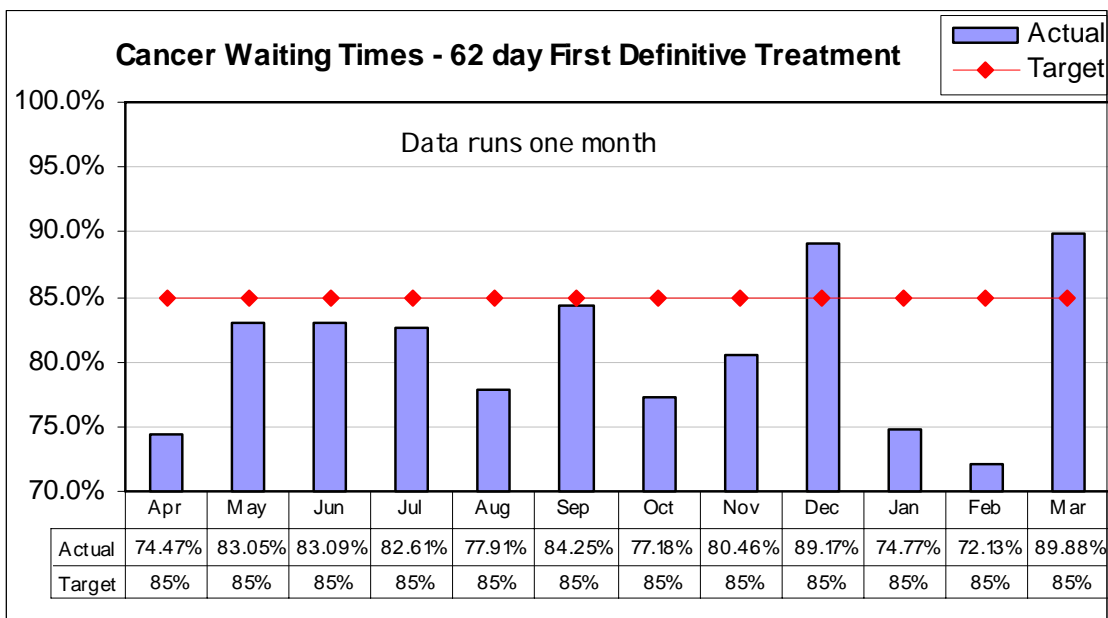




**Cancer Waiting Time Targets** – The Trust ensured 96% of patients who needed to start their treatment within 31 days did so, meeting the national standard.



**Cancer Waiting Time Targets** – the Trust fell slightly behind the national standard for 85% of cancer patients to start their first definitive treatment within 62 days, achieving 80%. It is working with hospitals who refer to its tertiary cancer centre in 2011-12 to ensure all referrals are made in good time.



## Financial Performance in 2010- 11

The Trust was required to generate a surplus of £1.6 million in the 2010-11 financial year in order to meet its statutory break-even duty. The actual performance was £1.7 million surplus resulting in full achievement of its 5 year break-even duty.

This was a very creditable performance which was underpinned by delivering £15.5m of efficiency savings in-year, whilst treating increased numbers of patients compared to the previous year.

MTW has managed the costs of care whilst maintaining or improving the quality of patient care. For example the Trust made savings on the general goods and services it buys to the value of £1.9 million and made savings on the cost of drugs by £500,000.

The Trust also significantly reduced its reliance on locums and agency staff which not only saves money but benefits the continuity of patient care. All of this is managed through clearly defined projects to deliver value for money. There is rigorous performance management to ensure savings are delivered whilst patient care is not compromised.

At the same time the Trust has spent £32 million on improving IT, renewing medical equipment and improving the general condition of existing buildings. All of this expenditure is aimed at improving patient care and the care environment.

## Looking Forward to 2011-12

In line with the general economic outlook the 2011-12 financial year will be challenging. Due to 4% reductions in the prices MTW is paid for the care it provides, it needs to save 4% to simply stand still. In response to this the Trust:

- Is working with its commissioning colleagues to ensure that care is delivered in the most appropriate setting
- Has developed a £15m efficiency programme to save circa 5.0% of turnover
- Continues to measure patient care quality to ensure that savings are delivered in a sustainable way.

The Trust is also working with partners to fund the costs associated with the new hospital development. MTW will continue to invest in improving its buildings and medical equipment and has a plan to spend £28m in 2011-12 to continually improve the setting for delivering patient care (see page 21).

## Care quality improvements

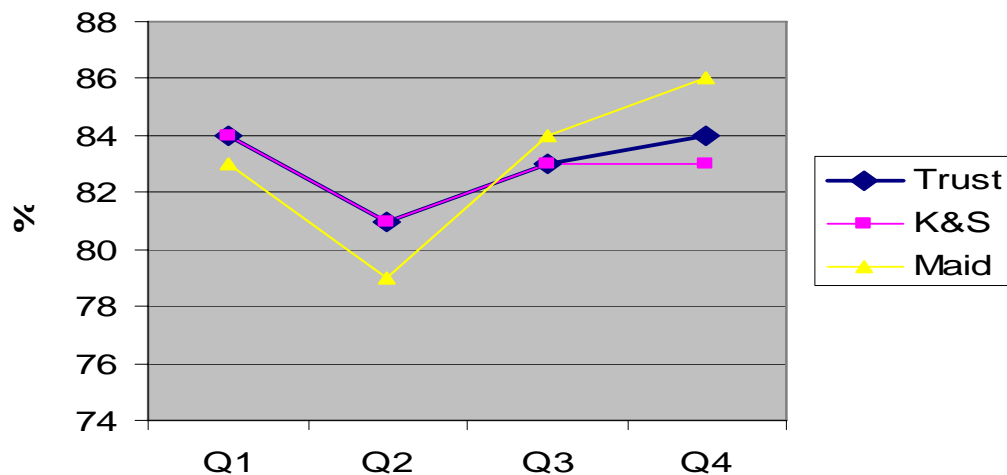
The Trust ended 2010-11 with a consistently high level of patient experience as shown through its monthly patient satisfaction surveys and audits.

The Trust now surveys up to 500 patients a month to gauge levels of satisfaction in four key areas:

- **Patient information and treatment:** this covers aspects such as information regarding medication side-effects, explanation of a procedure, explanation of ward routine and staff having time to listen to concerns.
- **Staff Behaviours:** this covers aspects such as staff introducing themselves, response to call bells and requests for assistance.
- **Ward Environment:** this covers aspects such as ward cleanliness, calm atmosphere, single sex accommodation and number of ward moves during their stay.
- **Satisfaction with overall care:** this asks the patient to rate their overall satisfaction with the care they have received.

The Trust saw a dip in its overall patient experience in the summer of 2010-11. This was mirrored in the national inpatient survey which covered July 2010.

**Overall Satisfaction Scores 2010/11**

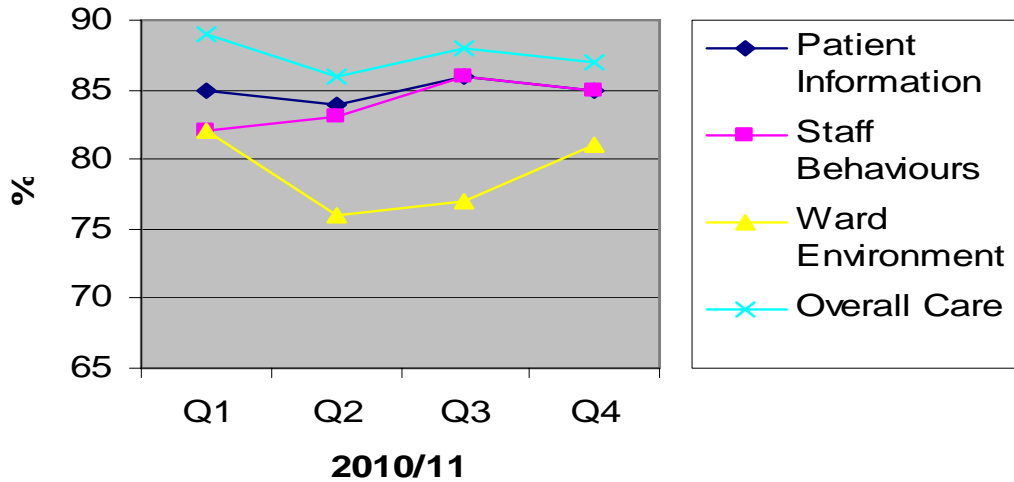


The Trust pinpointed the fall in patient satisfaction to the ward environment. This resulted in a number of initiatives including small scale audits to focus on environmental issues including breaches in mixed sex compliance and patient ward moves.

The Trust saw a steady improvement in the patient experience in the second half of the year as a result of the actions it had taken.



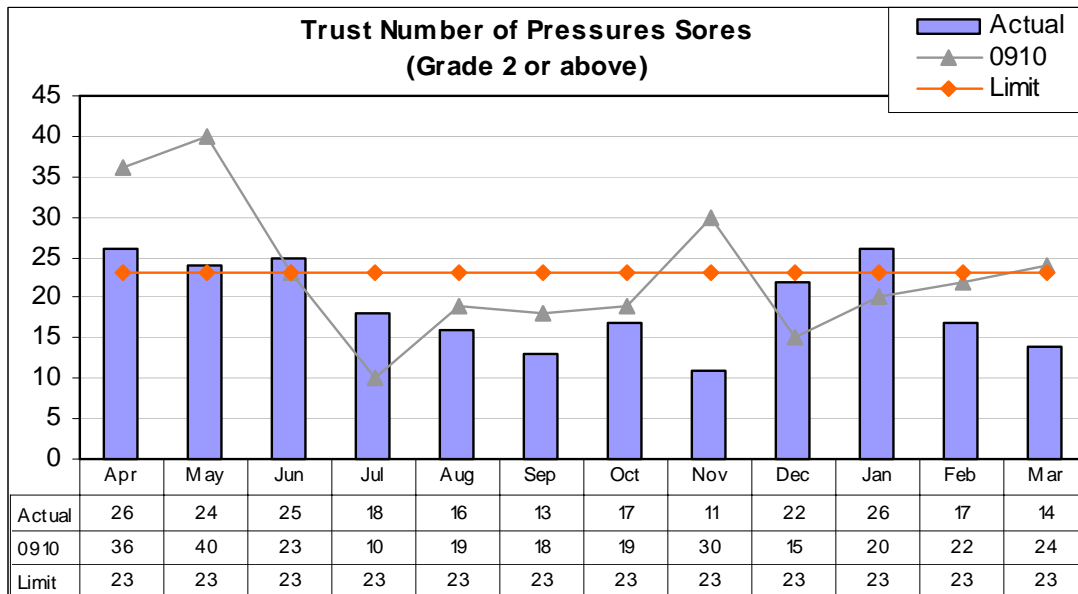
## Satisfaction by theme



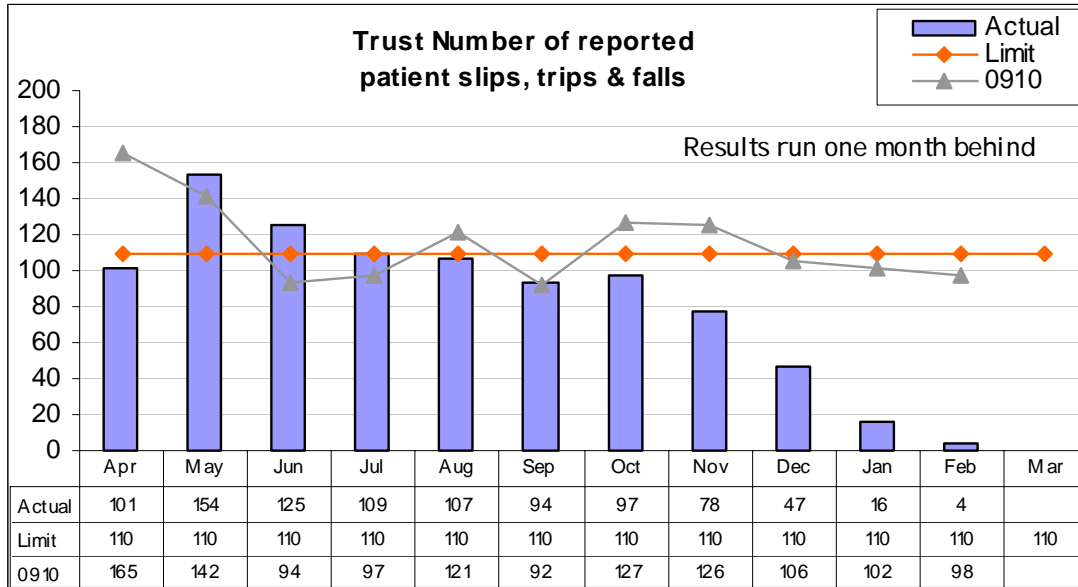
Since January 2011, the Trust has consistently scored well on points such as privacy and dignity, choice of food, help with eating where required and involvement in care.

The patient surveys also helped the Trust highlight a need to improve areas of patient communications and discharge planning. Actions are being developed to improve on these areas and form part of the Trust's Quality Accounts for 2011-12.

Clinically, MTW has seen a reduction in hospital acquired pressure ulcers. MTW's pressure ulcer prevalence audit demonstrated a 4% reduction in 2010. The Trust's hospital acquired prevalence is 8% against a national average of 10%.



The Trust also saw a reduction in patient falls in 2010-11.



Many of the quality care improvements and overall rise in patient satisfaction in 2010-11 were related to:

**Staffing** - The Trust had its lowest vacancy rates for several years across medical, nursing and allied health professionals in 2010-11. This resulted in a decreased reliance in temporary (agency) staff and increased the Trust's ability to provide continuity of care. The Trust is continuing to reduce its agency use in 2011-12.

**Patient Moves** - The Trust's priority will always be to ensure that patients are seen in the most appropriate place to meet their clinical needs. Often this will result in a need to move a patient between wards if their clinical condition changes.

Since August 2010 the Trust has made some significant changes to the way it manages emergency admissions. This included the opening of a GP referral and assessment unit separate from the main A&E Department and introducing a 'way finding nurse' whose role is to ensure that patients are directed to the appropriate urgent care service upon arrival. This may be a referral to the GP Unit, Walk-in Centre or to the main A&E Dept.

The Trust has also worked closely with PCT commissioners to ensure that continuing care arrangements are robust to ensure it is able to safely discharge patients once they no longer require acute hospital care. The Trust has seen reductions in its average length of stay as a result of this. The net effect is to enable MTW to get the patient to the right bed first time from A&E or the Assessment Unit. This work continues in 2011-12.

## Looking ahead to 2011-12

Eliminating mixed sex accommodation remains a challenging area for MTW, particularly at the Kent and Sussex Hospital due to the age of the building and the requirements of modern health care. These problems will be resolved in September 2011 when the new hospital opens fully.

The new hospital will also provide MTW with an opportunity to better manage its beds both from a clinical perspective and a single sex perspective at Maidstone as part of the overall service reconfiguration.

## New Hospital

Maidstone and Tunbridge Wells NHS Trust opened the first phase of the new £230 million Tunbridge Wells Hospital at Pembury in January 2011.

Before the opening, 600 stakeholders were shown the new facilities, which include a new women and children's centre, general outpatients department and medical imaging.

The new women and children's centre includes maternity suite, gynaecology, special care baby unit and inpatient children's ward.

MTW takes ownership of the second phase of the new hospital in May 2011. This includes 10 inpatient wards, theatres, and A&E. The second phase is due to open to patients in September 2011. Services at Kent & Sussex Hospital will move into the new hospital then and the old hospital in Mount Ephraim will close.

More information about the new hospital is available on the MTW Trust website at [www.mtw.nhs.uk](http://www.mtw.nhs.uk)

The Trust continued to invest heavily in services at Maidstone Hospital during 2010-11, spending £8.5 million on new facilities and service improvements there.

This is part of a deliberate strategy to create two hospitals in Maidstone and Tunbridge Wells that work together to provide the highest standards of care for patients throughout West Kent and north East Sussex.

## Infection Prevention and Control

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

In 2010-11 the Trust had **five** cases of MRSA. This was below the Trust's objective limit for the year of six cases, and was a 69% reduction on 2009/10 (16 hospital acquired cases).

The Trust also reduced the number of hospital-acquired cases of Clostridium difficile. It had **67** cases of C.difficile in 2010-11, below its target of 68 cases. This was a 6% reduction on the previous year (71 cases).

### MRSA bacteraemia

	Trust monthly limit	Trust(excl community) Monthly Total	Maidstone Hospital	Kent & Sussex Hospital	Pembury Hospital
Apr-10	1	1	0	1	0
May-10	0	0	0	0	0
Jun-10	1	0	0	0	0
Jul-10	0	0	0	0	0
Aug-10	1	2	1	1	0
Sep-10	0	1	1	0	0
Oct-10	1	1	1	0	0
Nov-10	0	0	0	0	0
Dec-10	1	0	0	0	0
Jan-11	0	0	0	0	0
Feb-11	1	0	0	0	0
Mar-11	0	0	0	0	0
<b>Total</b>	6	5	3	2	0

### CDT

	Post 48 hour inpatients				
	Monthly Trust limit (post 48 hours)	Monthly Trust Total	Maidstone Hospital	Kent & Sussex Hospital	Pembury Hospital
Apr-10	6	6	2	4	0
May-10	6	5	2	3	0
Jun-10	5	3	2	1	0
Jul-10	5	7	6	1	0
Aug-10	5	5	4	1	0
Sep-10	6	7	6	1	0
Oct-10	6	6	5	1	0
Nov-10	6	8	7	1	0
Dec-10	6	2	1	1	0
Jan-11	6	6	2	4	0
Feb-11	6	5	4	1	0
Mar-11	5	7	4	3	0
<b>Total</b>	68	67	45	22	0

Some of the actions that contributed to the Trust's lowest infection rates yet in 2010-11 included:

- ✦ Blood culture training for all junior doctors and some nursing staff
- ✦ Introduction of Difficil-S, a sporicidal cleaner to protect the hospital from contamination with C. difficile
- ✦ Using root cause analysis results to make changes to clinical procedures to make them safer for patients (eg antibiotic prophylaxis for MRSA patients having lines inserted)
- ✦ Screening all admissions for MRSA

The Trust's targets for reducing hospital acquired infections in 2011-12 are extremely challenging. It must have no more than five cases of MRSA and 55 cases of C.difficile.

The Trust has established, through root-cause analysis of C.difficile infections during 2010-11, that its cross infection rates are extremely low. To meet this next reduction in C. difficile the Trust must focus on reducing antibiotic prescribing as well as continuing to maintain high levels of cleanliness and infection prevention standards.

To achieve an ongoing reduction in avoidable hospital acquired infections during 2011-12 the Trust is going to:

- ✦ Continue to drive down the incidence of healthcare associated infection
- ✦ Change the focus of its hand hygiene strategy to adopt the World Health Organisation 'five moments' which is patient focussed and centred around the point of care
- ✦ Work towards reducing the number of antibiotics used within the Trust

## Capital investments

Maidstone and Tunbridge Wells NHS Trust invested over £30 million in capital developments during 2010-11.

The capital investment was used to support the delivery of the Trust's clinical strategy. This directly contributes towards the provision of safe, high quality care for patients throughout West Kent and north East Sussex.

The Trust's capital spend for 2010-11 was as follows:

**New Hospital Development (Tunbridge Wells Hospital at Pembury) = £13.1m**

This includes:

- Equipment = £8m

- IT Infrastructure = £4m
- External Works and Infrastructure = £1.1m

### **Centralisation of Cellular Pathology services = £6m**

The new state of the art unit at Maidstone Hospital will accommodate Cellular Pathology Services for MTW and Medway Foundation Trust. These services are currently provided in old accommodation at Preston Hall Hospital.

Handover of the building was given to the Trust on 28<sup>th</sup> March 2011, and equipping will be complete in time for the services transferring on 20<sup>th</sup> May 2011.

### **New Birthing Centre at Maidstone = £700k**

Work started in 2010-11 on the enabling works to provide a low risk midwife led birthing unit on land adjacent to Maidstone Hospital. The modular building is currently being manufactured and is planned to be delivered on site early June 2011 and will be finished by September 2011 when the consultant-led maternity services at Maidstone Hospital move to the new Tunbridge Wells Hospital at Pembury.

### **ICT projects = £3m**

As well as the rolling replacement of old PCs across the Trust, there has been ongoing improvement to the IT infrastructure i.e. antivirus, cabling, servers, licences, wireless networking etcetera.

Some other projects include:

- GP Order Communications - a system is being implemented to local GP practices to improve the time a patient spends waiting for results, improves patient safety and confidentiality and reduces unnecessary tests.
- Digital Dictation – A Trust wide service to improve administrative efficiency, assisting with clinic letters.
- Electronic Discharge Notification (EDN) – to allow the discharge summary to be started at the point of entry to hospital and continue throughout the entire patient journey until the time of prescribing medication for discharge
- Diabetes System – to create a single system for the collection, monitoring and sharing of Diabetes data.

## **Medical equipment and transport = £4.2m**

Each year the Trust has an equipment rolling replacement programme to replace medical equipment that is beyond its economical life, to ensure that the Trust has reliable and up-to-date devices.

Some other purchases this year include:

- SPECT CT (Single Photon Emission Computed Technology) – this is a hybrid scanner used within Nuclear Medicine Department at Maidstone Hospital (the new Tunbridge Wells Hospital also has a SPECT CT). The scanner will shorten the diagnostic process and reduce the radiation burden to the patient. Total cost for equipment and installation in 2010-11 was £800,000).
- Breast Screening Expansion Programme – the project includes the purchase of two Digital Mammography machines on newly refurbished trailers. This investment has also been made to provide additional PACS (Picture Archiving Computed System) workstations, servers and backup solution. This is part of a Kent wide project including Medway and East Kent. Total cost in 2010-11 was £900,000.
- Patient Warming Devices (aka Hot Dogs) – this equipment is used within Theatres across the Trust and is a sophisticated way to keep a patient's body temperature regulated whilst undergoing surgery. This system improves infection control standards and is more cost effective. Total cost in 2010-11 was £144,000.

## **Estates works = £4.5m**

The Estates and Facilities Department are responsible for maintaining, updating and providing new facilities for the Trust. This involves refurbishment of existing infrastructure, including wards and corridors, improving parking areas, roads and footpaths. Spend in this area in 2010-11 was £1.3m

Some other Estates projects in 2010-11 included:

- Stroke Unit at Maidstone – The Stroke Unit has undergone a major refurbishment to provide a dedicated inpatient rehabilitation and multidisciplinary space. Therapy facilities including a gym, OT kitchen and an activity area. Total cost in 2010-11 was £347,000.
- Refurbishment of ITU at Maidstone – The ITU Department has been completely refurbished to improve the environment for patients and staff. Total cost in 2010-11 was £400,000.

- Switchboard Centralisation – With the new hospital development at Pembury, there arose an opportunity to improve efficiency through the centralisation of switchboard services to a single location at Maidstone Hospital. Total cost in 2010-11 was £330,000.

### Capital investment for 2011-12

There are a number of projects planned for 2011-12, including the final phase of the Tunbridge Wells Hospital at Pembury (£14m), and ongoing replacement of medical and IT equipment and Estates refurbishment.

The total Capital investment is likely to be around £28m and will again be linked to the Trust's clinical strategy and improvements in patient care.

### Clinical Governance

During 2010-11 the Trust has focused on a wide range of areas within clinical governance.

The executive-led panel set up in 2010 to review serious untoward incidents now has a sub-group looking at pressure ulcers – the impact of this has already been seen with a reduction in the number of hospital acquired pressure sores in the last quarter of the year. Due to its success, the Trust is looking to set up a similar panel in 2011 to review patient falls.

There has been an addition in staff to the central complaints team to help MTW with the management of complex, multi site and multi agency cases. This has helped to increase MTW's rates of compliance with a target of responding to patients within a 25 day time frame, or a date negotiated with the complainant if the Trust has needed more time to investigate. At the end of March 2011 the Trust had reached 78% compliance.

To help with the management of complaints, and to help ensure concerns are dealt with immediately to help prevent them becoming formal complaints, MTW also developed a new training programme with Canterbury Christchurch University.

This program involves working through scenarios with actors providing real time feedback on the impact of the conversations they have had with staff, thus providing the opportunity to learn from what works well and what has a negative impact. The feedback has been so good the Trust is looking at widening the availability of this scheme in 2011.

Throughout the year (2010-11) the Trust's clinical governance team has been developing a system to implement a new e-reporting system for incidents. This is helping to ensure more timely reporting and management of incidents in 2011-12 to optimise learning and ultimately improve the services the Trust provides patients.



Clinical audits throughout the year have also enabled MTW to review its compliance with best practice guidelines and also to monitor outcomes to provide assurance of the positive impact of changes to patient care.

There have been some exciting innovations resulting from research within the Trust in 2010-11, most notably in the management of breast cancer, and within maternity services the development of the 'kanga wrap'.

With the opening of the new hospital the Trust is also participating in research to determine the impact on the use of single rooms for patients and staff.

In line with the Health and Social Care Act 2009, the trust was registered without condition by the Care Quality Commission, effective from 1st April 2010 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

The Trust is fully compliant with the Care Quality Commission Essential Standards of Quality and Safety. During the last year the Trust was part of a national inspection programme reviewing health and social care provision of services Safeguarding Children.

### **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 Health Act 2009 requires all NHS healthcare providers in England to provide an annual Quality Account from April 2010.

Locally, a Quality Account is intended to aid the public's understanding of what MTW is doing well; where improvements in service quality are required and what the priorities for improvement are for the coming year.

The Trust's key priorities for 2010-11 were:

- To continue to reduce the number of hospital acquired infections
- Reduce the number of ward to ward moves for patients
- Improve the quality of communication and information given to patients and the public

- Help deliver improved quality through local and national quality targets.  
Priority areas included:
  - Stroke patients
  - Reducing patient falls

The Trust reduced its hospital acquired infections in 2010-11. It started to reduce the number of patient moves during the year and has seen improvements in all but one of six areas of patient communications (information about medication side effects).

As shown earlier, the Trust saw a reduction in patients falls in 2010-11, but did not fully comply with local/national standards of stroke care.

### **Priorities for 2011-12**

The Trust has set its Quality Account priorities for 2011-12 in conjunction with a wide range of stakeholders on its Patient Experience Committee.

The key priorities build on the areas that require ongoing focus from 2010-11, and introduce new areas for improvement. The new areas of weakness have been taken from the Trust's complaints monitoring system, national and local patient survey data and the Parliamentary and Health Service Ombudsman report into Care and Compassion.

The priority areas for 2011-12 are:

#### **Patient Safety**

- Continuing our focus on reducing the number of avoidable healthcare associated infections
- Prevention of blood clots or venous thromboembolism (VTE) – there is a new national target relating to patients who are at risk of VTE receiving treatment to thin the blood (Anticoagulants)
- All patients receive their appropriate nutritional requirements

#### **Clinical Effectiveness**

- Ensure greater efficiency of working at ward level through the implementation of the productive ward programme – “releasing time to care”
- Continuing our focus on improving care for patients who have had a stroke
- Improving the care we provide for patients who are suffering from dementia

#### **Patient Experience**

- Continuing our focus on communication and information for patients
- Improving our management of discharge planning
- Reducing the number of breaches we have in relation to delivering same sex accommodation for patients

The full Quality Account will be presented to the Trust's Quality and Safety Committee and to the Audit and Governance Committee in May 2011. The document will be published on the Trust's website ([www.mtw.nhs.uk](http://www.mtw.nhs.uk)) by 30<sup>th</sup> June 2011.

## Information Governance related SUIs

Summary of Serious Untoward Incidents Involving Personal Data as Reported to the Information Commissioner's Office in 2010-11

Date of Incident (month)	Nature of Incident	Nature of Data Involved	Number of People Potentially Affected	Notification Steps
January 2011	Theft of inadequately protected remote device	Name Date of Birth Graphs and Charts	80	Individuals notified by post. Police notified
Further action on information risk	<p>The Trust will continue to monitor and assess its information risks, in light of the event noted above, in order to identify and address any weaknesses and ensure continuous improvement of its systems.</p> <p>Physical security at Trust premises has been enhanced.</p>			

Summary of other personal data related incidents in 2010-11

Category	Nature of Incident	Total
I	Loss/theft of inadequately protected electronic equipment, devices or paper documents from secured NHS premises	5
II	Loss/theft of inadequately protected electronic equipment, devices or paper documents from outside secured NHS premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	24
V	Other	21

## Emergency Preparedness

The Trust continues to work with other NHS trusts, Independent Sector, Emergency Services and partners to ensure a robust response to emergencies.

The Trust continues to meet its obligations under the Civil Contingencies Act and other DH guidance.

During the year staff at MTW have taken part in a variety of exercises to test plans including a full live fire evacuation exercise in conjunction with Kent Police, Kent Fire Brigade and South East Coast Ambulance Service.

The Emergency Planning Team have continued to work with DH on national projects including the review of the Act and DH guidance to the NHS.

Training continues to prepare staff at all levels to respond to Emergencies. Business Continuity Plans were tested during heavy snow which enabled the Trust to provide all of its critical services.

## Carbon Management Programme

The Trust Board approved Carbon Management Plan (CMP) is now entering its second year following a successful first year.

All targets were met in 2010-11 and improved on. The CMP target is for a total of a 12% carbon reduction by the year 2015. The actual reduction by the end of 2010-11 was 9% and in figures the reduction is from 18,421,883 to 16,710,859 kg of CO<sub>2</sub> emissions.

This reduction is mainly from building energy use but there are contributions to this saving from business travel, transport and waste reduction.

The financial savings from this reduction is £339,533 and this is particularly welcome as the winter of 2010-11 was the coldest for many years.

The reduction in building energy was achieved by a range of minor works –

- Installation of variable speed drives (to save electricity)
- Optimisation heating and ventilation controls to ensure heat is not wasted warming buildings that are not occupied
- Monitoring and Targeting, a regime of improved meter data collection and additional metering now gives a clearer picture of where MTW's energy is going
- Energy audits and surveys are regularly undertaken and action taken to prevent wasted energy.

In the last year there has been an installation of a heat recovery system at the Parkwood laundry unit and the installation of low energy lighting in the Estates and Facilities offices and these projects will add to the savings already being made.

## **Actions for 2011-12**

To improve energy conservation in 2011-12 the Trust is providing technical training for all estates staff, starting with personnel directly involved with the maintenance of the Trust Building Management Systems (BMS).

The majority of the Trust's resource and effort will be in the technical training and optimisation of BMS as this is what controls the Heating, Ventilation and Air Conditioning (HVAC) for the hospital estate.

The Trust anticipates that it will be difficult to demonstrate further significant carbon reductions in 2011-12 due to changes and developments. These include the closure of old hospitals, the new larger Tunbridge Wells hospital opening, for Maidstone Hospital the running of the new IMACS and Cellular Pathology centres, and parallel running of Pembury and Kent and Sussex hospitals.

As a result, the CMP will now necessarily move to a Business As Usual (BAU) scenario when comparing emissions which will now certainly rise.

To reduce carbon emissions in the new hospital, a biomass boiler (burns woodchip) is installed and will provide 10% (3,000,000 kW) of the total energy requirement, and reduce carbon emissions by 85% on this portion of energy resulting in reduced emissions of 471,000 kg of CO<sub>2</sub> when compared to natural gas.

## **Valuing our Staff**

### **Developing our people**

MTW highly values its staff and their invaluable contribute to achieving high standards of care for thousands of patients each year.

The Trust's expenditure on staff learning and education rose by £200,000 from £1.1 million in 2009/10 to £1.3 million in 2010-11. This is a positive move to support staff development and patient care.

The Trust spent approximately £236 on training per member of staff (over 5,500 whole time and part-time staff) in 2010-11 compared to £209 the previous year.

This investment contributed to:

Internal courses:

- MTW delivered 320 different types of courses on site
- MTW delivered 1,381 separate sessions (i.e. full day, half day, 1hr training)
- MTW seeing 17,645 training places taken up by staff

## External courses

- MTW supporting a variety of applications to attend external courses and conferences

## E-learning:

- 5,319 courses were passed on-line

## Basic Skills and NVQ/Apprenticeship

- 313 staff successfully completing Basic Skills and NVQ's/Apprenticeship courses.

## Diversity

The Trust has Race, Gender and Disability equality schemes and runs a Black and Minority Ethnic Network. It also has a Disability Action Group and works with both staff, patients and visitors to ensure its facilities meet their requirements.

All new Trust policies and service developments continued to go through an equality impact assessment process in 2010-11.

The Trust's new hospital at Pembury also has a percentage of single patient rooms that are designed specifically for people with disabilities.

## Communicating with our staff

The Trust uses a wide range of methods to communicate with its staff and enable employees at MTW the opportunity to contribute to the development of its services.

The Trust's divisional structure enables staff at all levels to be part of effective up and down two-way communications throughout the Trust.

Staff have also continued to play a key role throughout 2010-11 on working groups set up to deliver the Trust's clinical strategy and service changes set out earlier in this report.

Hundreds of staff took part in an orientation programme for the new hospital in 2010. This programme continues in 2011.

MTW issues a weekly bulletin to its staff from its Chief Executive called Update; it has a popular staff intranet and provides staff with a clear line of contact to the Chief Executive and Chairman.

The Trust Board has a staff side representative at its meetings.

The Trust launched a new staff newsletter called My MTW in 2010 and is launching a new stakeholder newsletter in 2011 called Your MTW.

### **Staff survey**

Maidstone and Tunbridge Wells NHS Trust has made another year of strong progress according to the annual Staff Survey carried out by the independent Care Quality Commission.

The 2010 survey shows that the staff within the Trust feel more positive than a year before and more positive when compared to other acute hospitals across the country.

Of 40 key findings, compared to other acute trusts:

- 21 were better than other trusts
- 9 the same as other trusts
- 8 worse than other trusts

### **Healthy staff**

The Trust has an active Occupational Health team who take a keen interest in the promotion of healthy living schemes for staff.

The Trust promoted a number of health schemes in 2010-11. This included access to regular health checks and the promotion of healthy living advice.

Staff were also actively encouraged to live healthier lifestyles through the development of personal health plans and use of free pedometers.

MTW's annual sickness rate for 2010-11 remained inline with the 2009-10 rate of 3.4%.

### **Pensions**

Past and present employees of the Trust are covered by the provisions of the NHS Pension Scheme.

## VIEW FROM THE FINANCE DIRECTOR

### FINANCIAL PERFORMANCE IN 2010/11

The Trust was required to generate a surplus of £1.6m in the 2010/11 financial year in order to meet its statutory break-even duty. The actual performance was £1.7m surplus, resulting in full achievement of the 5 year break-even duty. This was a very creditable performance which was underpinned by delivering £15.8m of efficiency savings in-year, whilst treating increased numbers of patients compared to the previous year.

We have managed the costs of care whilst maintaining or improving the quality of patient care. For example, we have made savings on the general goods and services we buy to the value of £1.9m and made savings on the cost of drugs by £0.5m. We have reduced significantly our reliance on locums and agency staff, which not only saves money, but benefits the continuity of patient care. All of this is managed through clearly defined projects to deliver value for money. There is rigorous performance management to ensure savings are delivered whilst patient care is not compromised.

At the same time the Trust has spent £6.8m on improving IT, has invested £12m in renewing medical equipment and has applied £4.5m in improving the general condition of existing buildings. All of this expenditure is aimed at improving patient care and the care environment.

### Highlights for the Year

(Note references which are shown in brackets refer to the full accounts which are available on request)

### Breakeven Duty (Note 39.1)

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.

The Department of Health has agreed for the Trust that the break-even duty will be measured over the 5 years to March 2011. The trust had achieved break-even in each of the last two years, but had an overall cumulative deficit of £3.1m at the end of the 2009/10 financial year. By achieving a surplus of £1.7m in 2010/11 the cumulative deficit has reduced to £1.4m, which is within the required 0.5% tolerance. Therefore the trust has successfully achieved its 5 year break-even duty.



### Capital Cost Absorption Duty (Note 39.2)

The Trust is required to achieve a rate of return on capital employed of 3.5% and has fully met that target, achieving a return of 3.5% for the year to March 2011.

### External Finance Limit (Note 39.3)

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 2010/11, the External Finance Limit (EFL) was set at £25m as a result of an agreed Capital Investment Loan of £18m paid to the trust by the DH in 2010/11. The trust met its EFL by managing the year end position to an under shoot against the EFL of £224k.

### Capital Resource Limit (Note 39.4)

The trust is expected to achieve an agreed level of capital expenditure, known as the Capital Resource Limit (CRL). In 2010/11, the CRL was agreed at £125m and the trust fully met this target, achieving a planned underspend of £0.41m.

### Prudential Borrowing Loans

The trust has taken out two additional loans to fund the trust Capital programme in 2010/11, the first totaling £12m in September 2010 and a further £6m in December 2010. These were in addition to the £11m loan taken in March 2010.

### Better Payment Practice Code (Note 12)

The trust is required to pay its suppliers promptly in accordance with the Better Payment Practice Code (BPPC). 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;

	<b>2010/11</b>	<b>2010/11</b>	2009/10	2009/10
	<b>Number</b>	<b>£000</b>	Number	£000
Total bills paid in the year	<b>91,157</b>	<b>145,483</b>	89,984	124,537
Total bills paid within target	<b>83,953</b>	<b>132,022</b>	79,503	107,241
% paid within target	<b>92%</b>	<b>91%</b>	88%	86%

The trust was not required to pay any interest during the year under the 'Late Payment of Commercial Debt Act'.

## Capital Expenditure

The trust continues to make major investment in local services and in 2010/11 it invested a total £32m as part of its 5 year programme to improve hospital facilities at both Maidstone and Tunbridge Wells.

## Valuation of land and Buildings

The Kent & Sussex site was previously impaired to current value in use during 2010/11 with the impact being a write down and impairment of the building value to zero in the non-current asset accounts (as at 30th November 2010). The reclassification in March 2010 to an asset held for sale, has therefore not generated any additional impairment due to market valuation, but rather the land value has been increased. This reflects the advice on market pricing netted down by consent liabilities and other attributable costs of preparing and selling the site. The increase in land value was £7.6m.

## Management Costs

The trust's Management Costs for the year were £11.3m compared to £12.3m in 2009/10.

## 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. The trust has procedures in place that reduce the likelihood of fraud occurring. These include Standing Orders, Standing Financial Instructions, a system of authorised signatories, the development of documented procedures, procurement procedures, Standards of Business Conduct, disclosure checks and the NHS Code of Conduct for Managers.

The trust revised 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

## **Other Key Issues**

### **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.

Bev Evans was 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, to discuss with the Audit Committee the process for assurance that supports the Statement on Internal Control. 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 the Audit Commission; their charge for the year was £236,000 which includes an additional £15,000 in respect of the audit of the quality accounts. The 2009/10 fee was £229,000.

## LOOKING FORWARD TO 2011/12

In line with the general economic outlook, the 2011/12 financial year will be challenging. Due to 4% reductions in the prices the trust is paid we need to save 4% to simply stand still. In response to this the trust:

- 1 Is working with our commissioning colleagues to ensure that care is delivered in the most appropriate setting;
- 2 Has developed a £15.5m efficiency programme to save in excess of 5% of turnover
- 3 Continues to measure patient care quality to ensure that savings are delivered in a sustainable way.

The trust is also working with partners to fund the costs associated with the new hospital development at Tunbridge Wells.

We will continue to invest in improving our buildings and our medical equipment and have a plan to spend £28m in 2011/12 to ensure the on-going improvement of the setting in which we deliver patient care.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**


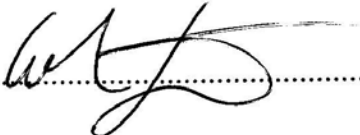
The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised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

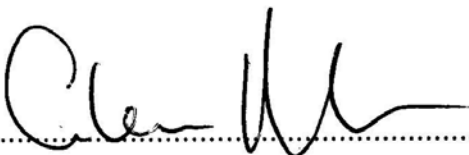
1/6/11 Date  Chief Executive  
1/6/11 Date  Finance Director

**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.....1/6/11.....

## SUMMARISED STATEMENT OF INTERNAL CONTROL 2010/11

### 1. Scope of Responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible, as set out in the Accountable Officer Memorandum.

### 2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control has been in place in Maidstone and Tunbridge Wells NHS Trust for the year ended 31st March 2011 and up to the date of approval of the annual report and accounts.

### 3. Capacity to Handle Risk

The Board has adopted and the trust is committed to an integrated Risk Management Policy and Strategy, covering both clinical and non-clinical activities, which supports the trust in meeting its business objectives. The strategy defines the accountabilities and responsibilities for risk management throughout the organisation and requires managers at all levels to comply with the standards of corporate and clinical governance. The strategy is reviewed annually and was approved by the Board in January 2010 and again in January 2011.

There are many types and sources of risk throughout the trust and these are managed through a committee structure that is embedded within the organisation, to monitor and escalate risks and ensure they are managed effectively. Internal audit are reviewing the risk management arrangements operating in the trust as part of the assurance framework and these are expected to be given significant assurance.

I, as Accountable Officer, carry overall responsibility for risk management and for ensuring that Risk Management systems are in place and functioning effectively, though the day to day responsibility for the management of risk is delegated to individuals throughout the organisation. Responsibilities for specific areas of risk management have been delegated to Executive Directors and, through them to managers.

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.

#### **4. The Risk and Control Framework**

##### **Risk Management**

Risk Management within the trust is structured around the trust's six strategic objectives:

- Provide safe quality services and experience for patients, staff and the public
- Delivery of services which are efficient and productive
- Ensure effective governance of the trust
- Create a high performance workforce, and, as an employer of choice, encourage innovation and learning
- Deliver strong and sustainable financial performance
- Establish the trust as a lead provider of health services within the healthcare economy

All risks are identified, analysed and controlled in accordance with the trust's Risk Assessment Policy and Guidance Documents.

##### **Assurance Framework**

Risks held on the risk register inform the Assurance Framework and also inform the setting of budgets, capital and revenue expenditure, as well as the annual audit plans. Risks are also mapped against the trust's strategic corporate objectives. The Assurance Framework, agreed by the Trust Board, provides assurance on the management of key strategic risks. The Assurance Framework and Risk Register are reviewed by the Board bi-monthly.

There were a number of red risks identified during the year which were managed through the trust's Assurance Framework. Infection control was a red risk at the beginning of the year, but was green by the year end. This will remain on the risk register given the challenge posed by the new targets that have been set for the trust for acceptable C. diff levels.

Finance remained a red risk at the end of the year given the uncertainty over funding for the new hospital that fully opens in September 2011. The Trust is working closely with the local health economy and Department of Health to find a funding source for the exceptional costs associated with this development.

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

As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with.

The trust is working towards developing an Adaptation Plan, to support its emergency preparedness and civil contingency requirements informed by a



climate change risk assessment, as based on the UK Climate Projections 2009 (UKCP09), to ensure that this organisation's obligations under the Climate Change Act are met.

In line with the Health and Social Care Act 2009, the trust was registered without condition by the Care Quality Commission (CQC), effective from 1st April 2010. The trust is fully compliant with CQC essential standards of quality and safety. Where the Quality Risk Profile produced by the CQC has highlighted some areas of concern during the year, the trust has provided evidence to demonstrate compliance with the standards.

## 5. Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of Internal Audit's work. The Head of Internal Auditor has reviewed the effectiveness of the System of Internal Control and has concluded that;

*“Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk “*

The Audit & Governance Committee is responsible for reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives. To achieve this, the Committee reviews the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work.

During the year weaknesses were identified around the monitoring of sickness absences and the incident reporting processes operating in the trust. Action plans to address these weaknesses have been put in place.

The trust has identified significant financial challenges over the next 3 years in its Medium Term Financial Plan. These relate to reductions in income, due to changes in tariff and PCT commissioning intentions plus increases to the cost base following the full completion of the new hospital.

The Trust will continue to work towards additional savings to mitigate the financial impact, but other approaches will and are being explored. The Board remain absolutely committed to maintaining the highest standards of patient quality, safety and care. They will not approve any action which compromises the improvements achieved over the last three years.

## Significant Control Issues

There was 1 Serious Untoward Incident (SUI) as a result of breaches of the principles of the Data Protection Act 1998 which was reported to the Information Commissioner. The incident was robustly investigated and policies and procedures reviewed and amended to reduce the risk of similar incidents occurring in the future.

There were some areas of non-compliance against national priorities in 2010/11 as follows;

- Cancer – 85% of patients treated within 62 days of referral for suspected cancer, key factor has been late referrals from other trusts.
- VTE Risk Assessment 90% of patients assessed on admission.
- Stroke - % of patients spending 90% of time in stroke unit
- Information Governance – achievement of level 2 for all 45 toolkit requirements.
- Mixed Sex Accommodation - Low compliance against Department of Health mixed sex accommodation guidance.

The Trust is taking a range of actions to address these issues which include the following:

Cancer - strengthened trust to trust SLA arrangements which confirm organisational responsibilities. Improved monitoring through strengthened Performance Management arrangements. Without the late referral issues, the trust would have achieved its 62 day cancer wait target.

VTE – specialist nurse now appointed and in place, new data capture processes set up. This area is a major focus for improvement for the Trust in 2011-12

Stroke – detailed action plan in place with significant improvements seen in year which should continue into 2011-12.

Information Governance – for 2010/11 the Trust agreed to focus on delivering 22 key areas with plans in place to achieve level 2 in all areas by 31 March 2012.

Mixed Sex Accommodation - the issues will be mostly resolved by the opening of the new single room hospital in Tunbridge Wells and service reconfiguration in the autumn 2011. With the exception of the internal control issues that I have outlined in this statement, my review confirms that Maidstone and Tunbridge Wells NHS Trust has a generally sound system of internal controls that supports the achievement of its policies, aims and objectives and that those control issues have been or are being addressed.

A copy of the full statement of Internal Control can be obtained by contacting my office at Trust Management, Maidstone Hospital, Hermitage Lane, Maidstone, Kent ME16 9QQ, Telephone; 01622 729000.



Glenn Douglas  
Chief Executive

## Statement of Comprehensive Income

For the Year ended 31 March 2011

	2010/11 £000s	2009/10 £000s Restated
Revenue from patient care activities	281,441	271,101
Other operating revenue	40,735	40,788
<b>TOTAL REVENUE</b>	<b>322,176</b>	<b>311,889</b>
Operating expenses	(333,530)	(325,494)
<b>Operating surplus (deficit)</b>	<b>(11,354)</b>	<b>(13,605)</b>
<b>Finance costs:</b>		
Investment revenue	28	24
Other gains and (losses)	(508)	(913)
Finance Costs	(2,242)	(56)
<b>Surplus/(deficit) for the financial year</b>	<b>(14,076)</b>	<b>(14,550)</b>
Public Dividend Capital – dividends payable	(6,398)	(7,117)
<b>RETAINED SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(20,474)</b>	<b>(21,667)</b>

## Other Comprehensive Income

	2010/11 £000s	2009/10 £000s
Impairments and reversals	(658)	(21,749)
Gains on revaluations	7,543	12,923
Receipt of donated/government granted assets	551	887
Net gain/(loss) on other reserves (e.g. defined benefit pension scheme)	0	0
Net gains/(losses) on available for sale financial assets	0	0
Reclassification adjustments:		
- Transfers from donated and government grant reserves	(697)	(564)
- On disposal of available for sale financial assets	0	(136)
<b>Total comprehensive income for the year</b>	<b>(13,735)</b>	<b>(30,306)</b>

# Statement of Financial Position

As at the 31 March 2011	31 March 2011 £000	31 March 2010 £000
<b>Non-current assets:</b>		
Property, plant and equipment	293,729	210,666
Intangible assets	1,670	1,290
Trade and other receivables	10	671
<b>Total non-current assets</b>	<b>295,409</b>	<b>212,627</b>
<b>Current assets:</b>		
Inventories	6,644	5,939
Trade and other receivables	24,215	16,205
Other current assets	0	0
Cash and cash equivalents	1,810	9,511
	<b>32,669</b>	<b>31,655</b>
Non-current assets held for sale	13,300	0
<b>Total current assets</b>	<b>45,969</b>	<b>31,655</b>
<b>Total assets</b>	<b>341,378</b>	<b>244,282</b>
<b>Current liabilities:</b>		
Trade and other payables	(33,924)	(30,767)
Other liabilities	0	0
DH Working capital loan	0	0
DH Capital loan	(2,174)	0
Borrowings	(863)	0
Provisions	(625)	(1,460)
<b>Net current assets/(liabilities)</b>	<b>8,383</b>	<b>(572)</b>
<b>Total assets less current liabilities</b>	<b>303,792</b>	<b>212,055</b>
<b>Non-current liabilities:</b>		
Borrowings	(92,633)	0
DH Working capital loan	0	0
DH Capital loan	(25,372)	(11,000)
Trade and other payables	0	0
Provisions	(2,772)	(4,635)
Other liabilities	0	0
<b>Total assets employed</b>	<b>183,015</b>	<b>196,420</b>
<b>Financed by taxpayers' equity:</b>		
Public dividend capital	168,568	168,238
Retained earnings	(50,926)	(41,338)
Revaluation reserve	63,343	66,627
Donated asset reserve	1,504	2,419
Government grant reserve	526	474
<b>Total Taxpayers' Equity</b>	<b>183,015</b>	<b>196,420</b>

# Statement of Cash Flows

As at 31 March 2011

	2010/11 £000	2009/10 £000
<b>Cash flows from operating activities</b>		
Operating surplus/(deficit)	(11,354)	(13,605)
Depreciation and amortisation	13,692	14,229
Impairments and reversals	21,430	21,856
Net foreign exchange gains/(losses)	0	0
Transfer from donated asset reserve	(589)	(564)
Transfer from government grant reserve	(108)	0
Interest paid	(2,199)	(9)
Dividends paid	(6,292)	(7,117)
(Increase)/decrease in inventories	(705)	(570)
(Increase)/decrease in trade and other receivables	(7,349)	1,068
(Increase)/decrease in other current assets	0	0
Increase/(decrease) in trade and other payables	4,086	1,392
Increase/(decrease) in other current liabilities	0	0
Increase/(decrease) in provisions	(2,741)	1,195
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,871</b>	<b>17,875</b>
<b>Cash flows from investing activities</b>		
Interest received	28	24
(Payments) for property, plant and equipment	(32,964)	(21,015)
Proceeds from disposal of plant, property and equipment	27	0
(Payments) for intangible assets	(165)	(542)
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
<b>Net cash inflow/(outflow) from investing activities</b>	<b>(33,074)</b>	<b>(21,533)</b>
<b>Net cash inflow/(outflow) before financing</b>	<b>(25,203)</b>	<b>(3,658)</b>
<b>Cash flows from financing activities</b>		
Public dividend capital received	330	215
Public dividend capital repaid	0	0
Loans received from the DH	18,000	11,000
Other loans received	0	0
Capital Investment Loans Repayment of Principal	(1,454)	0
Loans repaid to the DH	0	0
Other loans repaid	0	0
Other capital receipts	551	887
Capital element of finance leases and PFI	75	(129)
Cash transferred to NHS Foundation Trusts	0	0
<b>Net cash inflow/(outflow) from financing</b>	<b>17,502</b>	<b>11,973</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,701)</b>	<b>8,315</b>
<b>Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year</b>	<b>9,511</b>	<b>1,196</b>
Effect of exchange rate changes on the balance of cash held in foreign currencies	0	0
<b>Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year</b>	<b>(1,810)</b>	<b>9,511</b>

## Statement of Changes in Taxpayers Equity

**FOR THE YEAR ENDED 31  
MARCH 2011**

	Public dividend capital (PDC)	Retained earnings	Revaluation reserve	Donated asset reserve	Government grant reserve	Other reserves	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Changes in taxpayers' equity for 2010-11</b>							
<b>Balance at 1 April 2010</b>	168,238	(41,338)	66,627	2,419	474	0	196,420
Total comprehensive income for the year							
Retained surplus/(deficit) for the year	0	(20,474)	0	0	0	0	(20,474)
Transfers between reserves	0	10,886	(10,886)	0	0	0	0
Impairments and reversals	0	0	59	(717)	0	0	(658)
Net gain on revaluation of property, plant, equipment	0	0	7,543	0	0	0	7,543
Net gain on revaluation of intangible assets	0	0	0	0	0	0	0
Net gain on revaluation of financial assets	0	0	0	0	0	0	0
Receipt of donated/government granted assets	0	0	0	391	160	0	551
Net gain/loss on other reserves (e.g. defined benefit pension scheme)	0	0	0	0	0	0	0
Movements in other reserves	0	0	0	0	0	0	0
Reclassification adjustments:							
- transfers from donated asset/government grant reserve	0	0	0	(589)	(108)	0	(697)
- on disposal of available for sale financial assets	0	0	0	0	0	0	0
Reserves eliminated on dissolution	0	0	0	0	0	0	0
Originating capital for trust establishment in year	0	0	0	0	0	0	0
New PDC received	330	0	0	0	0	0	330
PDC repaid in year	0	0	0	0	0	0	0
PDC written off	0	0	0	0	0	0	0
Other movements in PDC in year	0	0	0	0	0	0	0
<b>Balance at 31 March 2011</b>	<b>168,568</b>	<b>(50,926)</b>	<b>63,343</b>	<b>1,504</b>	<b>526</b>	<b>0</b>	<b>183,015</b>

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

I have examined the summary financial statement for the year ended 31 March 2011 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity.

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 of Audited Bodies published by the Audit Commission in March 2010.

### **Respective responsibilities of directors and auditor**

The directors are responsible for preparing the Annual Report.

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

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

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

### **Opinion**

In my opinion the summary financial statement is consistent with the statutory financial statements of Maidstone and Tunbridge Wells NHS Trust for the year ended 31 March 2011.

A Mack  
Officer of the Audit Commission

Audit Commission  
1<sup>st</sup> Floor  
Millbank Tower  
Millbank  
London  
SW1P 4HQ

Date:

## 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 Executives notice period is 12 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

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.



# Salary and Benefits of Senior Managers (Audited)

		2010/11			2009/10		
		Salary	Other Remun.	Benefit in Kind	Salary	Other Remun.	Benefit in Kind
		(bands of £5000) £000s	£000s	£00s	(bands of £5000) £000s	£000s	£00s
<b>In Post at 31 March 2011</b>							
A Jones – Chairman	b	40 -45	-	1	40 -45	-	-
P Wynn-Owen – Non Executive Director	b	Waived	-	2	Waived	-	-
K Tallett – Non Executive Director	b	5 – 10	-	-	5 - 10	-	-
S Denton – Non Executive Director	b	5 – 10	-	5	5 – 10	-	-
M Worrall – Non Executive Director	b	5 – 10	-	-	0 - 5	-	-
B Evans – Non Executive Director	b	5 – 10	-	-			
G Douglas - Chief Executive	b	200 - 205	-	77	190 - 195	-	77
N Luffingham – Chief Operating Officer	b	130 - 135	-	3	125 - 130	-	-
C Gentile – Finance Director	c	70 - 75	-	29			
F Panel-Coates – Nurse Director	b	110 - 115	-	-	105 -110	-	-
T Coode - Human Resources Director - Corporate Affairs Director	e	95 - 100	-	-	90 - 95	-	-
P Sigston – Medical Director	b	120 - 125	-	-	0 - 5		
P. Bentley – Director of Strategy and Workforce	f	-	-	-			
<b>Left Post In Year</b>							
P Turner – Finance Director	a	60 – 65					
M Bull - Interim Finance Director	d	5 – 10					
<b>The following Senior Managers have been appointed to posts since the 31<sup>st</sup> March 2010</b>							
T Coode – Corporate Affairs							
C Gentile – Finance Director	Interim						
B Evans – Non-Executive Director							
P Bentley – Director of Strategy and Workforce							
<b>Note 1</b> 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.							
<b>Note 2 Date post held</b>							
<b>a</b> In post in 2010/11 as Finance Director until 12.09.10							
<b>b</b> Full Year In post in 2010/11 as Finance Director from 18.12.10. C Gentile is not employed directly by the Trust, his salary is paid through a							
<b>c</b> third party agency .							
<b>d</b> Interim Director of Finance from 01.10.10 to 17.12.10. No pension is recorded as no Director post held at year end.							
<b>e</b> Director of Human Resources from 1.4.10 to 31.01.11 and Director of Corporate Affairs from 1.2.11.							
<b>f</b> P Bentley was on secondment from another Trust and no salary was paid by MTW in 2010/11 and no pension is recorded							

## Pension Entitlements of Senior Managers (Audited)

	Real increase in pension and related lump sum at age 60  (bands of £2,500)	Total accrued pension and related lump sum at age 60 at 31 March 2011  (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2010	CETV at 31 March 2011 Note 2	Real Increase in CETV Note 3	Employer's Contribution to Stakeholder Pension To nearest £100
	£000s	£000s	£000s	£000s	£000s	
Mr T Coode - Human Resources Director	2.5- 5.0	35 - 40	165	174	9	0
Mr G Douglas – Chief Executive	10 -12.5	265 - 270	1291	1209	(82)	0
Mr P Turner – Finance Director	7.5 – 10.0	115 - 120	670	677	7	0
Ms E Panel-Coates – Director Of Nursing & Patient Services	5.0 – 7.5	70 - 75	223	200	(23)	0
Ms N Luffingham – Chief Operating Officer	5.0 – 7.5	160 - 165	756	706	(50)	0
Mr Paul Sigston – Medical Director	-	140-145	-	512	-	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) and uses common market valuation factors for the start and end of the period.

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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 [darren.yates@nhs.net](mailto:darren.yates@nhs.net) or [paul.bryden@nhs.net](mailto:paul.bryden@nhs.net)  
Tel: 01622 226428**

**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.**