

# TRUST BOARD MEETING

Formal meeting, which is open to members of the public (to observe). Please note that questions from members of the public should be asked at the end of the meeting, and relate to one of the agenda items

**9.45am to circa 12.30pm THURSDAY 23<sup>RD</sup> MAY 2019**

## **LECTURE ROOMS 1 & 2, THE EDUCATION CENTRE, TUNBRIDGE WELLS HOSPITAL A G E N D A – P A R T 1**

Ref.	Item	Lead presenter	Attachment
5-1	To receive apologies for absence	Chair of the Trust Board	Verbal
5-2	To declare interests relevant to agenda items	Chair of the Trust Board	Verbal
5-3	Minutes of the Part 1 meeting of 25 <sup>th</sup> April 2019	Chair of the Trust Board	1
5-4	To note progress with previous actions	Chair of the Trust Board	2
5-5	Safety moment	Chief Nurse/Medical Director	3
5-6	Report from the Chair of the Trust Board	Chair of the Trust Board	4
5-7	Report from the Chief Executive	Chief Executive	5
5-8	Trust Board commitment to the 'Exceptional People, Outstanding Care' programme	Transformation Programme Director <sup>1</sup>	Presentation
5-9	Integrated Performance Report for April 2019 <ul style="list-style-type: none"> <li>Finance and Performance Committee, 21/05/19</li> <li>Effectiveness / Responsiveness</li> <li>Well-Led (finance)</li> <li>Quality Committee, 08/05/19</li> <li>Safe / Effectiveness / Caring (incl. planned and actual ward staffing for April 2019)</li> <li>Safe / Effectiveness (incl. mortality)</li> <li>Safe (infection control)</li> <li>Well-Led (workforce)</li> </ul>	Chief Executive Committee Chair Chief Operating Officer Chief Finance Officer Committee Chair Chief Nurse  Medical Director Director of Inf. Prevention and Control Director of Workforce	6 7 (to follow) 6 6 8 6 6 6 6
5-10	Update from the Best Care Programme Board	Chief Executive	9
<b>Planning and strategy</b>			
5-11	Approval of revised proposed key objectives for 2019/20	Director of Strategy, Planning and Partnerships	10
5-12	Annual approval the Sustainable Development Management Plan (SDMP)	Chief Executive	11
<b>Assurance and policy</b>			
5-13	NHS Provider licence: Self-certification for 2018/19	Trust Secretary	12
<b>Reports from Trust Board sub-committees</b>			
5-14	Audit and Governance Committee, 09/05/19 and 23/05/19 (to include the Committee's 2018/19 Annual Report)	Committee Chair	13
5-15	Quality Committee 08/05/19: Approval of revised Terms of Reference (and ratification of proposed amendments to the Trust's committee structure)	Committee Chair	14
5-16	Finance and Performance Committee, 21/05/19: Quarterly progress update on Procurement Transformation Plan	Committee Chair	15
<b>Annual Report and Accounts</b>			
5-17	Approval of Annual Report, 2018/19 (incl. Annual Governance Statement)	Chair of Audit and Governance Committee	16 (to follow)
5-18	Approval of Annual Accounts 2018/19	Chair of Audit and Governance Committee	17 (to follow)
5-19	Approval of Management. Representation Letter, 2018/19	Chair of Audit and Governance Committee	18
5-20	<b>To consider any other business</b>		
5-21	<b>To receive any questions from members of the public</b>		
5-22	To approve the motion (to enable the Trust Board to convene its 'Part 2' meeting) that in pursuance of Section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960, representatives of the press and public be excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest	Chair of the Trust Board	Verbal
<b>Date of next meetings:</b> <ul style="list-style-type: none"> <li>27<sup>th</sup> June 2019, 9.45am, Pentecost/South Rooms, The Academic Centre, Maidstone Hospital</li> <li>25<sup>th</sup> July 2019, 9.45am, Lecture Rooms 1 &amp; 2, The Education Centre, Tunbridge Wells Hospital</li> </ul>			

**David Highton,  
Chair of the Trust Board**

<sup>1</sup> Representatives from NHS England / NHS Improvement will also be in attendance for this item

**MINUTES OF THE TRUST BOARD MEETING ('PART 1') HELD ON THURSDAY  
25<sup>TH</sup> APRIL 2019, 9.45A.M, AT MAIDSTONE HOSPITAL**



**FOR APPROVAL**

Present:	David Highton	Chair of the Trust Board	(DH)
	Sean Briggs	Chief Operating Officer	(SB)
	Neil Griffiths	Non-Executive Director	(NG)
	Peter Maskell	Medical Director	(PM)
	Claire O'Brien	Chief Nurse	(COB)
	Steve Orpin	Chief Finance Officer	(SO)
	Miles Scott	Chief Executive (except part of item 4-9 – see minute for details)	(MS)
In attendance:	Simon Hart	Director of Workforce	(SH)
	Amanjit Jhund	Director of Strategy, Planning & Partnerships	(AJ)
	Sara Mumford	Director of Infection Prevention and Control	(SM)
	Emma Pettitt-Mitchell	Associate Non-Executive Director	(EPM)
	Kevin Rowan	Trust Secretary	(KR)
	Louise Clyne	Patient's relative (for item 4-8)	(LC)
Observing:	Sharon Page	Lead Matron, Speciality Medicine (for item 4-8)	(SP)
	Hannah Alland	Communications Manager (for items 4-1 to 4-9, 4-11 & 4-12)	(HA)
	Pam Croucher	Healthwatch Kent (until item 4-13)	(PC)
	Zoe Anderson	Bausch + Lomb UK	(ZA)
	Janine Gutteridge	Bausch + Lomb UK (from item 4-8)	(JG)
	Ian Rudd	Urology ST7 Registrar, Ashford & St Peter's	(IR)
		Hospitals NHS Foundation Trust (for items 4-5 to 4-9, 4-11 and 4-12)	
	Nick Sedgemore	Bausch + Lomb UK	(NS)

*[N.B. Some items were considered in a different order to that listed on the agenda]*

**4-1 To receive apologies for absence**

Apologies were received from Maureen Choong (MC), Non-Executive Director; Sarah Dunnett (SDu), Non-Executive Director; and Nazeya Hussain (NH), Non-Executive Director.

**4-2 To declare interests relevant to agenda items**

No interests were declared.

**4-3 Minutes of the 'Part 1' meeting of 28<sup>th</sup> March 2019**

The minutes were approved as a true and accurate record of the meeting.

**4-4 To note progress with previous actions**

The circulated report (Attachment 2) was noted. The following actions were discussed in detail:

- **12-9b ("Consider amending the "planned and actual ward staffing" report to the Trust Board to show the proportion of the average fill rate undertaken by Agency staff).** COB reported that some amendments had been made, but further changes were intended i.e. the action was being implemented incrementally
- **3-8a ("Liaise with the Junior Doctor who attended the Trust Board meeting on 28/03/19 to discuss the query they raised as to whether patients with broken bones should be referred to Medicine or Orthopaedics").** PM reported that he had spoken with the Junior Doctor and the solution to the interface between medicine and surgery was to implement a Hospital at Night service, under which surgical doctors should be encouraged to support medicine doctors if they were not as busy. PM added that that approach had been agreed with senior medics. It was agreed that the action should therefore be closed.

- **3-8b (“Liaise with the Junior Doctor who attended the Trust Board meeting on 28/03/19 to discuss the concerns they raised regarding the ‘pink list’ system used at Tunbridge Wells Hospital”).** PM reported that the General Manager for Emergency Medicine was working on a solution, but the frustration that the Junior Doctor had expressed at the last Trust Board meeting was that the current solution had broken down, so that General Manager was aiming to obtain agreement that the process used at Maidstone Hospital (MH) be applied at Tunbridge Wells Hospital (TWH). It was therefore agreed that the action should be closed. PM did however add that the Junior Doctor in question had agreed to return to the Trust as a Senior Registrar, which was a positive step for the Trust.

#### **4-5 Safety moment**

COB referred Attachment 3 and highlighted that the theme for May 2019 was Venous Thromboembolism (VTE). COB also emphasised the challenges involved in staff applying anti-thrombotic stockings to patients, which PM endorsed.

DH asked how it could be ensured that the design phase of the implementation of the Electronic Patient Record (EPR) included the appropriate VTE alerts being sent to key members of staff. PM noted that planning for phase 2 of the EPR implementation had commenced on 24/04/19, and the Clinical Advisory Group would ensure the issues raised by DH were considered. PM added that the membership of the Clinical Advisory Group would also be bolstered.

#### **4-6 Report from the Chair of the Trust Board**

DH referred to Attachment 4 and highlighted the following points:

- The 2018/19 year-end performance would be discussed in more detail under other items but it was important to note that the various targets that had been achieved were not at the expense of patient care. The Executive Team should be congratulated for their efforts
- The interview date for the new Non-Executive Director was likely to be at the end of June 2019
- The Sustainability and Transformation Partnership (STP) Non-Executive Director oversight meetings continued
- MS had been confirmed as the Senior Responsible Officer (SRO) for the West Kent Integrated Care Partnership (ICP)
- DH had attended an NHS Providers roundtable event on potential legislative changes to support the NHS Long Term Plan, although it had been pointed out that it was unlikely that sufficient parliamentary support would be obtained to make such changes
- Two new Care of the Elderly Consultants had been appointed, which would be new additions to the Trust’s Consultant capacity, although some vacancies remained

#### **4-7 Report from the Chief Executive**

MS referred to Attachment 5 and highlighted the following points:

- The ‘thank you’ events for staff had commenced. Two events had been held thus far and others were scheduled over the next week. The events held to date had been very well received and the feedback provided to MS had been that staff had felt appreciated. MS wanted to thank members of the Executive Team for supporting the events and also thank the Facilities team for organising them. The investments in staff facilities and amenities that had been discussed previously by the Trust Board were expected to be confirmed soon
- The careers event described in paragraph 8 illustrated the Trust’s continued focus on workforce and staffing
- The Trust’s Brexit preparations continued, despite recent national developments, and SB and the Head of Emergency Planning & Response in particular should be thanked for the considerable efforts they had made

#### **Patient experience**

#### **4-8 A patient’s experience of the Trust’s services**

DH welcomed LC and SP to the meeting. LC then reported the following points about the care of her mother, Margaret Richards.

- On 07/07/18, LC found her mother on the floor of her home, confused and not knowing what had happened. LC called an ambulance and Mrs Richards was brought to MH
- Mrs Richards spent 2.5 weeks as an inpatient at MH. Half of that time was on Chaucer Ward and half was on Mercer Ward
- Mrs Richards was diagnosed with osteomyelitis and was discharged. LC had found a residential home but Mrs Richards was only there for 10 days before she was rushed back to hospital with severe sepsis, hypoglycaemia and Acute Kidney Injury
- Mrs Richards then spent 3.5 weeks on Chaucer Ward but the sepsis took its toll and she became a shadow of herself. At the end of August 2018, Mrs Richards was discharged to a nursing home died ten days later, on 07/09/19
- LC did not find the combination of being a daughter and a nurse easy, as she wanted the clinical staff to explain everything step by step but also wanted the best care for her mother
- Mrs Richards had not been well for a few weeks before her fall and was not able to care properly for herself. However she did not want her family to assist her, so she was somewhat dishevelled when she arrived on the ward
- Chaucer Ward had a brilliant Staff Nurse ("Liz") whose nursing care and manner was exemplary. "Lucy" was a regular agency nurse, working calmly in the bay. "Emily", a Sister in the Discharge Liaison team, was fantastic, as she not only listened but she acted upon what was discussed and saw things through
- The Discharge Coordinator, "Lesley", was great at communicating and ensuring the family knew what was going on.
- There were also other staff who were very good, but not all care was given to the same standard and as the days passed, the air of dishevelment would sometimes return. The week Mrs Richards spent on Mercer Ward in particular saw a downturn.
- Mrs Richards did not make any demands and as she was in a bay with five dementia patients, she was overlooked as other patients were more time-consuming and more vocal in their needs. Mrs Richards started to look untidy and her pressure areas deteriorated when she arrived at the residential home.
- LC understood that the daily care of an elderly patient who had been in hospital for a week or more was primarily undertaken by Clinical Support Workers (CSWs), but LC questioned how CSWs were trained to care for vulnerable, elderly patients, as the success of patient care seemed to depend greatly upon the individual carer. Hygiene, mouth care, pressure area care and nail care was all variable. LC also wondered how the effectiveness of CSW's care was monitored
- LC had spoken to a bank CSW who had looked after her mother in August, and the CSW claimed that during a recent shift, one particular patient's mouth care had not been undertaken, despite the nursing documentation stating otherwise
- During August 2018, Mrs Richards spent 2.5 weeks of her 3.5 week stay in a side-room, even though she was not infectious. Although it was nice to have her own space, the isolation of spending every day in a small, white-walled room without a TV needed to be considered. LC asked that Mrs Richards be moved back into a bay and although the nurse agreed that would be best, the move never happened. Mrs Richards was therefore alone in the side-room.
- LC had since learned that staff should visit side-room patients hourly, but the aforementioned CSW told LC that that did not happen, despite what was written in the patient's documentation
- During a visit by LC Mrs Richards had asked for a bedpan, so LC informed the Staff Nurse and stated she would return in 20 minutes. When LC returned the side-room door was open, a yellow 'wet floor' sign was in the doorway, and a domestic was cleaning the floor. LC asked why Mrs Richards was using a bedpan whilst the door was open and the room was being cleaned, but the Staff Nurse did not reply and the domestic stated they did not know Mrs Richards was on a bedpan. No apology was given, which demonstrated the lack of respect for a patient's privacy or dignity
- The privacy windows on the side-room doors were not working and LC had been told that all such windows were broken at TWH. If that was the case, they needed to be mended. A sign should be available on every side-room door, stating that if the door was closed, no one should enter without checking with the nurse
- Documentation needed to be monitored by a responsible member of the team.

- Staff should also be made aware that if they talk about a patient outside the door of a side-room, the patient is likely to be able to hear them
- Staff needed to understand that it was unacceptable to leave an elderly, vulnerable patient isolated in a side-room, with an inadequate checking procedure in place.
- Mrs Richards had been a bright woman who was very aware of time and place. She had initially been confused as the sepsis took effect, and for the first 36 to 48 hours Mrs Richards thought it was 1941, that she was ten years old, and that evacuees were arriving. It was during that confusion that Mrs Richards' wedding ring disappeared. LC believed it was stolen from Mrs Richards' finger during the night, as LC had taken a photograph of Mrs Richards that day and the ring, which Mrs Richards always wore, had been clearly visible
- There were 15 points on the Trust's patients' property policy that had not been adhered to. A Freedom of Information request by LC's sister concluded that property was 'lost' because staff did not follow that policy. Any of the 15 actions could have lessened the chance of Mrs Richards' ring being stolen
- LC saw patients' pathways regularly and the patient property disclaimer at the foot of page 1 was never completed. LC understood that the policy was being reviewed but it seemed that in future the onus would be placed on patients i.e. they would be expected to ask staff to explain the policy to them and then ask to sign the disclaimer. LC could not believe that the Trust was contemplating such an approach
- Mrs Richards wore her wedding ring for 58 years. As she died LC sat by her side and held her left hand. When it came to the end, Mrs Richards could not have her husband with her as he had died 12 years earlier, and she could not even have his ring

LC then concluded by appealing for the Trust to make changes, focusing on the privacy, dignity and respect given to patients: as well patients' daily care, mental health, and their belongings. LC had found it very difficult to get the opportunity to have her say and be listened to and the Divisional Director of Nursing & Quality for Medicine & Emergency Care was the only person to listen to LC and confirm that certain aspects were unacceptable and needed to change. LC had worked at MH for seven years and although she was supportive, she believed that there were issues that need to be addressed.

SP then explained the actions that had been taken since LC had raised the issues, which included the introduction of a red/green sign for side-room doors (where red meant "do not enter" and green allowed entry) on Mercer and Whatman Wards. SP added that it was intended to extend the use of the sign further, but an alternative approach may be needed at TWH.

SP then reported that the hourly checklist was being reviewed and would be discussed at the next meeting of the Nursing, Midwifery and AHP Committee; whilst significant work had been undertaken with CSWs, including the appointment of two Practice Development Nurses. SP also noted that study days had been held to teach CSWs about key issues.

DH asked what percentage of CSWs were enrolled on an apprenticeship scheme. COB confirmed the number was very low as most CSWs were required to start in post as 'job ready'. COB added that the support required to be given to CSWs was very intensive.

DH then stated that he could only imagine how distressing it was for LC's mother to lose her wedding ring. LC confirmed that the period had been very distressing.

LC then asked whether the Trust's revised patient property policy had been implemented. COB confirmed that that was not the case as further work was required, but LC would be welcome to take part in that work. LC reiterated her concern at the approach being proposed, which required patients to be monitored. DH stated that it would be up to LC to determine whether she wished to accept COB's offer to be involved in the policy review.

NG then acknowledged that some things had changed, but asked what the circumstances described by LC meant in relation to ward leadership and culture. MS stated that that was why he had invited LC to the Board meeting and it was important to consider how the key messages could be communicated more widely.

DH then thanked LC for attending.

*[N.B. LC and SP left the meeting at this point]*

DH then proposed that an update on the issues be scheduled for a meeting in circa two months' time, particularly given the theft of Mrs Richards' wedding ring. This was agreed.

**Action: Submit an update to the Trust Board in June 2019 on the response to the issues raised during the "A patient's experience of the Trust's services" item at the Trust Board meeting on 25/04/19 (Chief Nurse, June 2019)**

#### **4-9 Integrated Performance Report for March 2019**

MS referred to Attachment 6 and highlighted that Members of the Executive Team were considering all areas and what lessons could be learned.

#### **Finance and Performance Committee, 24/04/19**

DH then referred to Attachment 7 and highlighted the following points:

- The meeting had spent some time reviewing both prior-period and future performance, with a particular focus on the 62-day Cancer waiting time target
- Wells Suite income had also been reviewed, whilst a useful session had been held reviewing the Ambulatory Emergency Care (AEC) Business Case that had previously been approved

*[N.B. MS left the meeting at this point]*

#### **Effectiveness / Responsiveness**

SB then referred back to Attachment 6 and highlighted that the A&E 4-hour waiting time target was achieved in March 2019 and the Trust's performance was the twelfth best in the country, from which the whole Trust should take pride. SB continued that the Trust's performance for April was currently 91.57%, which was slightly lower than the monthly trajectory, but SB believed the trajectory would be achieved. SB added that the key issue was to understand the lessons from the performance in March, as there was a desire for the Trust to achieve 'top 10' performance.

NG commended the March 2019 performance but asked what was needed to make that sustainable. SB noted that once the 95% target appeared to be within reach in March, there had been a significant response from the whole Trust, although some of the efforts were clearly not sustainable, such as staff working at weekends, not taking Annual Leave etc.

NG suggested that the narrative about wanting to achieve 'top 10' performance should feature in the objectives document discussed under item 4-10. The suggestion was acknowledged.

DH asked about ambulance handover performance. SB reported the position for March and April 2019 and added that although good progress had been made, there was more to be done.

SB then continued, and highlighted the following points:

- The final year-end Referral to Treatment (RTT) position was now known and the objective regarding the waiting list size had been achieved. The whole organisation should be commended, particularly surgery
- However, the overall RTT performance was 83.1%, so the trajectory was not achieved. The Trust's performance was also far below the NHS Constitutional standard of 92%

DH then referred to page 8 of 53, which noted that the implementation of the "MyPreOp" pre-operative assessment tool was intended for April, and asked whether the implementation had taken place. SB confirmed that full implementation was likely to be completed in the first week of May 2019.

SB then continued, and highlighted the following points:

- The total cancer waiting list had reduced and the backlog position had improved
- The 62-day Cancer waiting time target performance was circa 65% for February and March, and the required 85% performance would not be achieved sustainably until the backlog was smaller. The performance for w/c 22/04/19 was critical in achieving the 85% target by the end of

May and SB was not yet 100% confident that would be achieved, although there continued to be high level of focus

DH asked for confirmation that patients who had waited more than 62 days for their cancer treatment were only counted as breaches of the 62-day target at the point they were treated. SB confirmed that was correct. DH challenged the rationale but SB explained the background to that rule, the Trust's approach, and the relationship between the waiting list backlog and performance. NG asked whether the reduction in the waiting list backlog had been below that planned. SB confirmed there had been no specific plan set for backlog reduction.

NG then asked whether a similar approach could be taken to the cancer waiting list backlog that had been taken with the A&E 4-hour waiting time target. SB confirmed that SO had already made the same challenge and this was being considered. SB also added that the Trust would be delivering the 85% target if it had no waiting list backlog.

### **Well-Led (finance)**

SO then referred to Attachment 6 and highlighted the following points:

- Since the report had been produced, the unused Provider Sustainability Fund (PSF) monies had been reallocated to Trusts that had agreed to their 2018/19 control total, and/or met their control total, and/or exceeded their control total. As the Trust had met all three criteria it had been allocated an additional £8.3m of PSF, which meant the 2018/19 surplus was therefore over £20m. The PSF monies would be cash backed and received during 2019/20
- The planned property disposals had been completed by the end of March 2019, which meant that the Trust would report an 'undershoot' on its External Financing Limit (EFL) for 2018/19. However, it had been confirmed that the Trust would not suffer any detriment as a result

DH asked when the submission of the 2018/19 Annual Accounts took place. SO replied that the draft Accounts had been submitted on 24/04/19 and they included the additional PSF monies. SO continued that no further draft submissions were intended, but the final Accounts would be considered at the Audit and Governance Committee and Trust Board at the end of May 2019. SO added that the only other potential change would be the allocation of further bonus PSF monies, if the External Audits of other Trust's Accounts adversely affected the bonus PSF monies they had been allocated.

DH pointed out that the Trust's 2018/19 plan had been achieved via non-recurrent means and it was therefore important for that message to be made clear to staff, as the Trust would be challenged with the level of delivery required during 2019/20. SO agreed that the underlying financial position had not been affected by the situation with the bonus PSF monies.

EPM then referred to page 46 of 53, which stated that "The Trust has spent £10.8m more than the YTD agency ceiling set by NHSI (£11.8m per annum)", and asked for an explanation. DH provided some context on the centrally-set target of £10.8m and SO added that NHS Improvement (NHSI) had visited the Trust during 2018/19 to critique the use of agency staff, and although some minor improvements had been suggested, no significant concerns were raised. SH added further details of the work to reduce the use of non-framework agencies, which were far more expensive.

*[N.B. Miles Scott rejoined the meeting at this point]*

### **Safe / Effectiveness / Caring (incl. planned and actual ward staffing for March 2019)**

COB then referred to Attachment 6 and highlighted the following points:

- There had been a reduction in the number of falls, but the target rate had not been met because there had been a reduction on Occupied Bed Days (OBDs). The same objective had been kept for 2019/20 as this would be the subject of a Commissioning for Quality and Innovation (CQUIN) target
- The report included the falls data for MH and TWH which showed there was a difference between the two sites
- The number of pressure ulcers remained steady

- The number of Serious Incidents (SIs) had steadied and the threshold for declaring SIs had stabilised. COB was confident in the process
- The Friends and Family Test (FFT) response rate was acknowledged to be person dependent, so more work was required. The Trust would soon tender for new system
- The complaints response target of 75% had been achieved, although a vacancy in the Corporate Complaints Team may adversely affect the performance for April. The Trust's aspiration was to exceed the 75%
- There had been some good practice within the Divisions in learning from complaints

NG noted that he had recently heard the Chair of NHSI address the Health Select Committee and state that complaint response performance was a sign of an organisation's responsiveness, so it was pleasing to observe that the issue continued to be the subject of focus. The point was acknowledged.

SB asked whether the Trust's services were fully engaged in complaints response performance. COB confirmed that more work was needed, but there was a far higher level of engagement than before.

COB then continued and highlighted that Attachment 6 included an update on the Avoiding Term Admissions into Neonatal units (ATAIN) action plan and no concerns had been raised regarding implementation. DH asked for an explanation of the "4.2% Term admissions" stated on page 25 of 53. COB confirmed that was the percentage of admissions that were admitted to neonatal units.

COB then referred to the "Planned versus actual for March 2019" section of Attachment 6 and highlighted that the format of the data had been updated, so comments were welcome on how beneficial that had been. EPM opined that the report could better reflect the fact that TWH had a higher level of nursing vacancies, and elaborated that it would be more beneficial if a narrative that supported the data was included. COB acknowledged the suggestions.

DH then asked what proportion of bank nurses undertook extra shifts on the wards they worked on during their substantive roles. SH confirmed the proportion was high. DH noted that this would be beneficial for continuity. The point was acknowledged.

### **Safe / Effectiveness (incl. mortality)**

PM then referred to Attachment 6 and reported that the 12-monthly Hospital Standardised Mortality Ratio (HSMR) was now below 100, whilst the Trust's approach to mortality had been reviewed at the Quality Committee 'deep dive' meeting on 10/04/19, which was described in Attachment 14.

### **Safe (infection control)**

SM then referred to Attachment 6 and reported that the Clostridium difficile trajectory had been missed as a result of the outbreak that occurred in the summer of 2018. SM added that a new measurement rule for Clostridium difficile would come into effect in 2019/20. DH asked for a recap on the new measurement rules, and SM obliged.

SM then highlighted that there was a difference between TWH and MH in the occurrence of Meticillin sensitive Staphylococcus aureus (MSSA) cases.

DH asked for details of the Trust's comparative performance on gram negative bacteraemias. SM confirmed that the Trust's cases were in accordance with the national average.

### **Workforce Committee, 28/03/19**

In NH's absence, SH then referred to Attachment 8 and highlighted the key issues from the Trust's gender pay gap report, noting that there was no significant change from the previous year, although there was a caveat regarding the data.

DH noted that the Clinical Excellence Awards committee had agreed that the awards process should start earlier for 2019/20 and suggested that some specific targeting be done to support



applications from Consultants who did not apply in 2018/19. DH added that some gender-specific targeting could also perhaps be considered. SH acknowledged the suggestions, which PM supported.

### **Well-led (workforce)**

SH then referred to Attachment 6 and highlighted the following points:

- Additional international recruitment agencies had now been appointed, and Trust was likely to replace an existing agency that was not considered to be delivering
- Some further overseas recruitment from India was intended, and the Nurse Training Centre in Mysore would be visited to ensure that Nurses arrived ready to work. The exercise would be a pilot and would be extended if it proved successful
- A recent event for local school leavers included a focus on the role of apprenticeships

### **4-10 Year-end review of the Board Assurance Framework, 2018/19**

KR referred to Attachment 9 and highlighted the following points:

- Five objectives had been fully achieved, four had not been achieved, and one had been partially achieved
- The final RTT position had now been confirmed as 83.1, rather than the 82.88% stated on page 3 of 7, but that did not affect the year-end rating for objective 3
- The performance described hopefully reflected the Trust Board's expectations from the Board Assurance Framework (BAF) reviews that had occurred throughout 2018/19

DH stated that it would be useful if the Integrated Performance Report included the BAF ratings each month. PM pointed out that some of the 2018/19 objectives were not appropriate for monthly ratings. DH acknowledged that it may be appropriate for some objectives to be rated each quarter. SO then pointed out that some of the proposed objectives for 2019/20 would not feature in the Integrated Performance Report, so the approach to such objectives would need to be considered. DH acknowledged the point.

MS then emphasised that the Trust's 2018/19 RTT trajectory had contained two aspects, one of which pertained to the overall waiting list, and that aspect had been achieved. The point was acknowledged.

MS also stated that he had undertaken a 'sense check' of whether an objective had been missed but performance had improved from the previous year, and only one objective (that for the 62-day Cancer waiting time target) had been significantly missed. MS stated that the year-end position was therefore more nuanced from that suggested in Attachment 9. DH acknowledged the point and suggested that the more nuanced report MS had written be circulated. This was agreed.

**Action: Circulate, to Trust Board Members, the more nuanced report that the Chief Executive had written regarding the Trust's performance against its key objectives in 2018/19 (Trust Secretary, April 2019 onwards)**

### **4-11 Approval of key objectives for 2019/20**

AJ referred to Attachment 10 and highlighted that the proposed objectives were focused around the "PRIDE" mnemonic, with objectives being grouped under each heading of Patient first, Respect, Innovate, Delivery, and Excellence.

DH pointed out that there was continuing dissatisfaction among members of the Executive Team that the Trust would not be commissioned to deliver the 92% NHS Constitutional standard for RTT waiting times, and following robust discussions with commissioners, the Trust had settled for a commissioned performance of 86.7%. NG asked whether referrals to the Trust were therefore being limited. DH confirmed that was not the case and SB and SO elaborated on the referral situation.

MS confirmed his support for the proposed objectives, but stated that he would like to have some input into the messages communicated to staff, as the whole of the Trust's plan for 2019/20 needed to be delivered. MS elaborated that he did not, for example, want to emphasise to staff that

the Trust was only aiming to achieve a 4-hour waiting time target performance of 91.67%, or an RTT performance of only 86.7%. The point was acknowledged.

DH remarked that the total number of patients waiting could also be considered for inclusion as an objective. The suggestion was acknowledged.

EPM asked whether the Trust Board was content that two more objectives were proposed from the number in place in 2018/19. MS stated that he was very comfortable with the number of objectives proposed and added that he was pleased that an appropriate balance had been reached, with the inclusion of objectives under the "Innovate" heading. DH commented that he would not expect all of the Trust's staff to need to focus on all 12 objectives.

NG queried whether the objectives were aspirational enough, given the Trust's stated intention to become "outstanding". SO replied that he regarded the proposed objectives as being the minimum performance to be achieved rather than reflect the extent of the Trust's aspirations. MS added that NG's point could be considered as part of the aforementioned review of the staff messaging that he had proposed.

DH pointed out that a national consultation was underway to change the Emergency Department (ED) access standard, so the proposed objective to "Maintain A&E performance at 91.67% over 2019/20" may need to be amended. The point was acknowledged.

PM confirmed his support for the proposed objective to "Maintain HSMR < 100". PM then referred to NG's earlier point and noted that achievement of some of the proposed objectives would be challenging.

It was then agreed that AJ should reflect on the comments made and submit a revised version of the proposed key objectives to Trust Board meeting in May 2019.

**Action: Reflect on the comments made at the Trust Board meeting on 25/04/19 regarding the proposed key objectives for 2019/20 and submit a revised version to the Trust Board in May 2019 (Director of Strategy, Planning and Partnerships, May 2019)**

### **Assurance and policy**

#### **4-12 Report from the Freedom to Speak Up Guardian**

SH referred to Attachment 11 and highlighted the following points:

- Christian Lippiatt had been appointed as the Trust's Freedom to Speak Up Guardian in 2018 following an openly competitive process
- The anonymous reporting process that had been in place for some years had been incorporated into the Freedom to Speak Up Guardian's role
- The increase in issues being reported demonstrated that Mr Lippiatt was increasing his profile across the Trust
- Mr Lippiatt was also currently recruiting "champions" to support his role, and thus far, Debbie O'Reilly had been appointed
- Mr Lippiatt had been supported by MC, who was the Non-Executive Freedom to Speak Up sponsor, and MC had met with Mr Lippiatt several times

SO noted that the table on page 2 stated that two "Fraud" issues had been reported and asked whether Mr Lippiatt was liaising with the Trust's Local Counter Fraud Specialist (LCFS). SH confirmed that was the case.

### **Reports from Trust Board sub-committees**

#### **4-13 Charitable Funds Committee, 26/03/19**

NG referred to Attachment 12 and highlighted the key points therein, which included that a fundraising strategy had been considered and supported.

**4-14 Workforce Committee, 28/03/19: Approval of revised Terms of Reference; and the findings of the national NHS staff survey 2018)**

In NH's absence, SH referred to Attachment 13 and highlighted the key points therein, which included that the Trust's NHS staff survey report had been included in full, but in summary, the Trust's performance was average, which was acknowledged as not being good enough.

DH then noted that the Trust Board had been asked to approve revised Terms of Reference. The revised Terms of Reference for the Workforce Committee were duly approved as circulated.

**4-15 Quality Committee, 10/04/19**

In the absence of SDu and MS, PM referred to Attachment 14 and highlighted the key points therein. Questions were invited. None were received.

**4-16 Finance and Performance Committee, 24/04/19 – Approval of the Business Case for Outsourced pharmacy**

DH referred to Attachment 15 and highlighted the following points:

- The Committee had considered the Business Case for an outsourced pharmacy at MH, and the preferred option was to enter into a Joint Venture with another NHS wholly-owned subsidiary
- The intention was to proceed at MH before considering whether this could be extended to TWH
- The Committee had supported the Business Case and recommended that the Trust Board approve the Case
- The Committee also agreed that a small advisory group should be established to oversee the implementation and DH hoped that NG would join him in being a member of that group
- The full Business Case had been circulated to all Trust Board Members as a supplement

MS clarified that the Business Case related to the outpatient dispensary function, not the whole pharmacy service. The point was acknowledged.

The Business Case for the outsourcing of outpatient pharmacy at Maidstone Hospital was approved as circulated.

NG confirmed he would be willing to join DH on the proposed advisory group.

**4-17 To consider any other business**

There was no other business.

**4-18 To receive any questions from members of the public**

KR asked that the Trust Board delegate the authority to the 'Part 2' Trust Board meeting scheduled for later that day to consider a Business Case relating to the establishment of a Hyper Acute Stroke Unit (HASU) and Acute Stroke Unit (ASU) at Maidstone Hospital. The requested authority was duly delegated.

**4-19 To approve the motion (to enable the Trust Board to convene its 'Part 2' meeting) that in pursuance of Section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960, representatives of the press and public be excluded from the remainder of the meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest**

The motion was approved, which enabled the 'Part 2' Trust Board meeting to be convened.

## Trust Board Meeting – May 2019

## 5-4 Log of outstanding actions from previous meetings

Chair of the Trust Board

## Actions due and still 'open'

Ref.	Action	Person responsible	Original timescale	Progress <sup>1</sup>
3-13 (Mar 19)	Arrange for a scoping exercise to be undertaken in relation to mortality reviews for patients with a Do Not Attempt Cardiopulmonary Resuscitation order in place, and include the outcome within the "Mortality update" report to the next 'main' Quality Committee	Medical Director	May 2019	<div></div> A verbal update will be given at the meeting

## Actions due and 'closed'

Ref.	Action	Person responsible	Date completed	Action taken to 'close'
12-9b (Dec 18)	Consider amending the "planned and actual ward staffing" report to the Trust Board to show the proportion of the average fill rate undertaken by Agency staff	Chief Nurse	May 2019	The "planned and actual ward staffing" report that has been submitted to the May 2019 Trust Board contains more information in relation to the Trust's staffing usage, which reflects the conversations at the April 2019 Board meeting. The report will however continue to be adapted to ensure that it provides the Board with the level of detail requested in relation to the Trust's staffing numbers.
4-10 (Apr 19)	Circulate, to Trust Board Members, the more nuanced report that the Chief Executive had written regarding the Trust's performance against its key objectives in 2018/19	Trust Secretary	May 2019	The information was circulated to Trust Board members by email on 16/05/19, and forms the basis of the relevant section within the Annual Report for 2018/19, which has been submitted for approval to the Trust Board meeting in May 2019
4-11 (Apr 19)	Reflect on the comments made at the Trust Board meeting on 25/04/19 regarding the proposed key objectives for 2019/20 and submit a revised version to the Trust Board in May 2019	Director of Strategy, Planning and Partnerships	May 2019	Revised objectives have been submitted for approval to the Trust Board meeting in May 2019

1

Not started

On track

Issue / delay

Decision required

**Actions not yet due (and still 'open')**

<b>Ref.</b>	<b>Action</b>	<b>Person responsible</b>	<b>Original timescale</b>	<b>Progress</b>
4-8 (Apr 19)	Submit an update to the Trust Board in June 2019 on the response to the issues raised during the "A patient's experience of the Trust's services" item at the Trust Board meeting on 25/04/19	Chief Nurse	June 2019	
				An item has been scheduled for the Trust Board meeting in June 2019

## Trust Board meeting – May 2019

## 5-5 Safety Moment

## Chief Nurse/Medical Director

**Summary / Key points**

The Safety Moment for May is focussed on aspects of pressure ulcer prevention. Below is a summary of the key weekly messages that have been shared:

**Week One 06/05/2019**

Mattresses and decontamination:

- The yearly mattress audit is due to be undertaken in June at Maidstone Hospital & during July at Tunbridge Wells Hospital. The aim of this audit is to ensure that Trust mattresses are fit for purpose.
- All staff have been reminded that we have a decontamination procedure for standard hospital mattresses. We took the opportunity to remind staff of some key points as follows:
  - Of the importance of inspecting mattresses after each patient discharge and to sign the domestic discharge cleaning check list.
  - Of processes for access to new mattress covers and replacement mattresses.
  - Of the requirement to inspect mattresses weekly for long term patients.
  - For nursing staff to inspect the external surface of the mattress and unzip the cover to check the core. If they are clean then a green 'I'm Clean' sticker must be signed and dated and placed inside the mattress cover.
  - Of the requirement to remove the mattress from service and report to EME for inspection and possible disposal if the core is stained or damaged.
  - Of the importance of placing contaminated mattresses in a clear plastic bag for removal.
  - Pillows must be cleaned between each patient use. If there is any evidence of staining or if the cover is damaged they must be removed from use and replaced.

**Week Two 013/05/2019**

In week 2 the subject focused around the range of mattresses in the Trust. There are three main mattresses that are used in the Trust each designed to meet a range of patient requirements.

For the purpose of this report to the Trust Board – the products are as follows:

- One mattress is a 100% foam mattress; it has a harder surface and should be used in the care of patients with a spinal injury, including patients with an unstable Spinal cord compression. When no longer needed e.g. once spine has been stabilised this mattress should be promptly changed for the standard mattress used in the Trust
- Our standard mattress is a Non-powered pressure redistribution mattress, the mattress is formed of four longitudinally positioned Self-Adjusting Technology™ (SAT) air cylinders for high performance pressure redistribution and dynamic response with a sloped heel section. This mattress can be used for the majority of our patients including high risk patients who have the potential of developing a category 2 or 3 pressure ulcer.
- The next mattress that we would use if there is a higher specification of mattress required is also a Non-powered pressure redistribution mattress The mattress consists of nine transversely positioned Self-Adjusting Technology (SAT) air cylinders for dynamic response to the patient movement and weight with a sloped heel section. This mattress would be used for high risk patients who have the potential of developing or who could deteriorate up to a category 4 pressure ulcers.

The choice of mattress depends on the individual assessment of the patient's needs. Support and advice is available from the Tissue Viability Nurse or from our Matrons.

**Week Three 20/05/2019**

The importance of promoting and maintaining good hydration for our patients and therefore also preventing pressure ulcers developing

Good hydration can assist in preventing and treating:

- Urinary tract infections
- Headaches
- Constipation
- Dizziness - this can lead to falls
- Confusion
- Kidney stones
- Poor oral health
- Pressure ulcers / skin conditions

Common causes of dehydration include:

- The elderly have a reduced thirst so they may not know that they are thirsty
- Unable to communicate (cannot say that they are thirsty)
- Pre-existing medical conditions e.g. diabetes, stroke
- Dementia
- Cognitive impairment
- Medication e.g. diuretics
- Illness
- Fear of incontinence due to drinking
- Mobility and dexterity
- Excessive fluid loss

How can you help?

- Patients should drink around 1500-2000mls - 6-8 glasses each day
- Offer drinks regularly throughout the day.
- Encourage sips of fluids little and often in people with poor mouth control and /or excessive saliva as they are likely to lose more fluids
- Ensure drinking water is visible and easily accessible
- Where needed assist patients to have their drinks
- Offer a choice of cups and drinks
- Maintain accurate fluid balance charts
- Provide/Promote Oral Hygiene care and keep relevant chart updated.

Check the urine colour: A general rule of adequate hydrations is that the clearer the urine the better.

Urine Colour: A general rule of adequate hydrations is that the clearer the urine the better.																		
<table><tr><td>1</td><td></td></tr><tr><td>2</td><td></td></tr><tr><td>3</td><td></td></tr><tr><td>4</td><td></td></tr><tr><td>5</td><td></td></tr><tr><td>6</td><td></td></tr><tr><td>7</td><td></td></tr><tr><td>8</td><td></td></tr></table>	1		2		3		4		5		6		7		8		<div><div>↑</div><div>↓</div><div>↑</div><div>↓</div></div>	<p>1-3 is healthy pee,</p> <p>4-8 you must hydrate.</p> <p>Remember various medication and vitamins can alter the colour of the urine</p>
1																		
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1-3 is healthy pee,

4-8 you must hydrate.

Remember various medication and vitamins can alter the colour of the urine

Staff were reminded that urine dipsticks should not be used to diagnose UTIs. It is particularly difficult to diagnose a UTI in older people because they can have bacteria in the urine but not show any symptoms. This means that older people can be prescribed antibiotic treatment which can be avoided. When diagnosing UTIs consider other signs of infection including: frequency, pyrexia and pain or difficulty in passing urine. A urine sample should be sent to the lab if infection is suspected.

#### **Week Four 27/05/2019**

The focus for this last week in the calendar will be around Malnutrition and hand hygiene. During this week we will be reminding staff of the importance of good nutrition. This is a high risk factor for

pressure ulcer development. We will also be taking the opportunity to remind staff of the importance of hand hygiene especially prior to mealtimes.

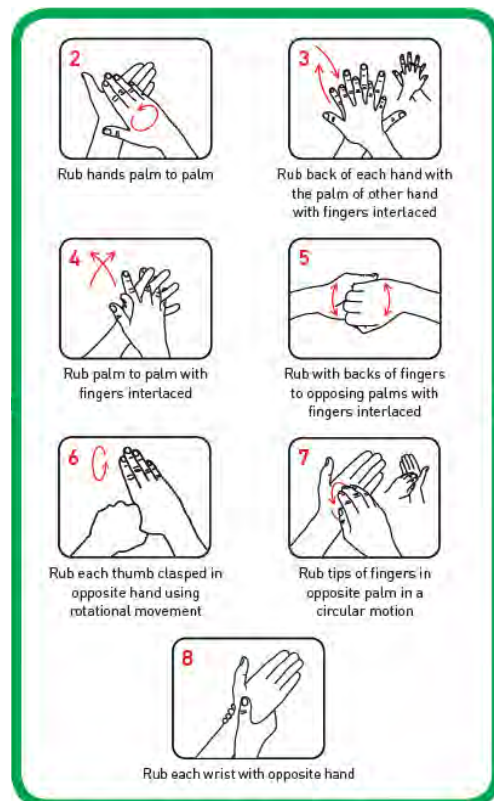
Malnutrition has an impact on the body by decreasing, not only, the fat and muscle stores which leads to a reduction in protective cushioning, but also reduced mobility.

Chronic wounds also have an impact on nutrition due to the increase in nutritional requirements from the immune response and the substrates required for repair.

Poor nutritional status will also lead to a delay in wound healing as proteins required to repair the skin will be in limited supply. The key nutrients required are protein and energy. If an individual is not meeting their energy and protein requirements it is unlikely that they will be obtaining sufficient micronutrients from their diet.

All inpatients within the Trust should be screened using the malnutrition universal screening tool (MUST) within 48 hours of admission and then weekly. A Dietitian referral should be completed if a patient has a MUST score of 2 (and above) or if they have a pressure ulcer of category 3 (or above).

One of the factors that can influence the reduction of food intake is the preparation for eating meals. Hand hygiene prior to meals and ensuring the table where the patient will eat is clear and clean will encourage the patient to eat. Hand Hygiene not only helps increase the adherence with meals but also has an impact on the reduction of Hospital Acquired infections. The removal of dirt, viruses and bacteria from the patient's hands helps prevent spread from the environment to the patient. There are simple steps to ensure a good technique for hand hygiene. For more information please refer to the patients leaflet.



**Which Committees have reviewed the information prior to Board submission?**

- N/A

**Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup>**

Information, discussion, assurance

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



## Trust Board meeting – May 2019

## 5-6 Report from the Chair of the Trust Board

## Chair of the Trust Board

**Consultant appointments**

I and my Non-Executive colleagues are responsible for chairing Advisory Appointment Committees (AACs) for the appointment of new substantive Consultants, and the Trust follows the Good Practice Guidance issued by the Department of Health, in particular delegating the decision to appoint to the AAC, evidenced by the signature of the Chair of the AAC and 2 other Committee members. The delegated appointments made by the AAC since the previous report are shown below.

**AAC recommended Consultant appointments (dependant on compliance or withdrawal)**

Date of AAC	Title	First name	Surname	Department	Potential/Actual Start date
23/04/2019	Dr	Lamios	Munthali	Histopathology	TBC

**Which Committees have reviewed the information prior to Board submission?**

- N/A

**Reason for submission to the Board (decision, discussion, information, assurance etc.) <sup>1</sup>**

Information

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

## Trust Board meeting – May 2019

5-7	Report from the Chief Executive	Chief Executive
	<p>I wish to draw the points detailed below to the attention of the Board:</p> <ol style="list-style-type: none"> <li>The Executive Directors and Chiefs of Service continue to meet weekly at Executive Team Meetings. Key areas of discussion over the past month have included:           <ul style="list-style-type: none"> <li>Implementation of our new Electronic Patient Record system (phase one being rolled out in autumn 2019).</li> <li>Waiting time performance targets for Cancer and RTT.</li> <li>Continuing high levels of demand for our services and managing our performance and patient experience across the Trust.</li> <li>New processes relating to the financial management of Overseas Visitors.</li> <li>Ongoing planning for the new Hyper Acute Stroke Unit at Maidstone Hospital.</li> <li>Financial planning for the year ahead.</li> <li>Discussing our ongoing CQC engagement events and planning areas to visit and presentations for the next round of engagement visits in June.</li> <li>Setting annual objectives for the Trust and key areas to focus on, which are aligned to our organisational values.</li> </ul> </li> <li>MTW held a series of successful celebration parties across all our sites over the past month to thank staff for their hard work and effort in helping us make good progress in how we care for and treat our patients. Particular thanks go to our Facilities team for organising the parties.</li> <li>The number of patients waiting for a planned operation or treatment is now over 3,000 lower than this time last year. We have made good progress with reducing our waiting list through implementation of innovative processes and best practice measures. We have robust plans in place to reduce this further over the coming months.</li> <li>Our newly refurbished birthing centre at Crowborough was officially opened on Friday 10 May by Call the Midwife actress Melody Grove, who recently gave birth to her second child at the midwife-led unit. Special thanks go to the Friends of Crowborough Hospital who donated over £120,000 to renovate the centre, and to the team of midwives who planned and oversaw the refurbishment, making it a calm, modern oasis for women and their birthing partners.</li> <li>Construction work on Maidstone Hospital's new permanent helipad started this month, which will allow the air ambulance team to land and take-off at any time of the day and night. The helipad, which is located behind the Kent Oncology Centre, will be operational in early 2020.</li> <li>We have a number of major recruitment drives taking place in nursing and some areas of medicine, with a particular emphasis on attracting staff to Tunbridge Wells Hospital. A small team visited India this month to interview and recruit up to 40 additional new nurses and on Saturday 11 May we held a successful staff nurse recruitment event at Maidstone Hospital.</li> <li>Events took place around the Trust to mark International Day of the Midwife (5 May), International Nurses' Day (12 May) and Operating Department Practitioner (ODP) Day (14 May). Staff celebrated by hosting bake-offs and nursing-themed parties, holding information stands in our main reception areas raising awareness about their role and enjoyed food from our international-themed Nurses' Day menu in the Trust cafes. Our Chief Nurse, Claire O'Brien, alongside members of the senior nursing team also visited wards and clinical areas to hand out cakes and tea, and talk to staff about the vital role they play in caring for our patients.</li> <li>Picture food menus have been rolled out across our wards. The menus are shown to patients through iPads and are perfect for helping patients who have communication difficulties, such as Stroke, Dementia, those with learning disabilities and patients where English is not their first language, select the food they want to eat.</li> <li>MTW has started training its first cohort of staff in NHS Improvement's Quality, service improvement and redesign (QSIR) programme. QSIR gives staff the knowledge in tried and tested quality improvement methodology and practical skills to make sustainable, patient-focused improvement changes in their service, clinical area or department.</li> </ol>	

10. MTW hosted the first West Kent Emergency Services Dementia event on 21 May at Maidstone Hospital. The event was hugely successful and was held to educate police, ambulance, NHS and fire service staff about the support available for people living with Dementia and their carers in the west Kent area.
11. Best wishes to Jayne Fraser, Senior Sister in our Critical Care Outreach Team, who retired from the Trust after 37 years working for us.

**Which Committees have reviewed the information prior to Board submission?**

- N/A

**Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup>**

Information and assurance

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<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

## Trust Board meeting – May 2019

5-9 Integrated Performance Report, April 2019	Chief Executive / Members of the Executive Team
<p>The enclosed report includes:</p> <ul style="list-style-type: none"> <li>▪ The 'story of the month' for April 2019 (including Emergency Performance (4 hour standard); Delayed Transfers of Care (DTOCs); Cancer 62 day First Definitive Treatment); Referral to Treatment (RTT)</li> <li>▪ A Quality and Safety Report (including an update on complaints performance)</li> <li>▪ Planned and actual ward staffing for April 2019</li> <li>▪ An Infection Prevention and Control Report</li> <li>▪ A financial commentary</li> <li>▪ A workforce commentary</li> <li>▪ The Trust performance dashboard</li> <li>▪ An explanation of the Statistical Process Control charts which are featured in the "Integrated performance charts" section</li> <li>▪ Integrated performance charts</li> <li>▪ The Board finance pack</li> </ul>	
<p><b>Which Committees have reviewed the information prior to Board submission?</b></p> <ul style="list-style-type: none"> <li>▪ Finance &amp; Performance Committee (in part)</li> </ul>	
<p><b>Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup></b></p> <p>Review and discussion</p>	

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

## OPERATIONAL PERFORMANCE REPORT FOR APRIL 2019

### 1. 4 Hour Emergency Target

- Performance in April returned to a more sustainable level of 92.03% (including MIU), achieving the trajectory target of 91.26% (+0.77%). For the year 1819, the Trust was 0.73% above the full-year Trajectory at 91.86% - our best year since 2014/15.



### 2. Ambulance Handovers

- There were 437 30-60min delays for April. Last year was 3,891 - a 7.3% improvement on 1718
- For 60min delays there were just 57 in April and 596 for the year, a 11.2% improvement on 1718

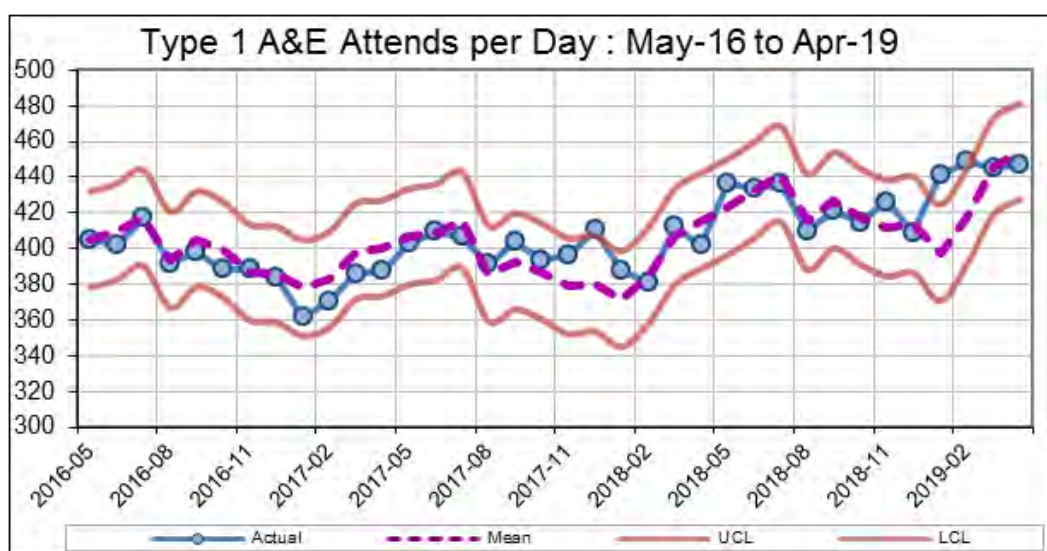
A note must be made that SECamb data sometimes reports a delay, however when reviewed Patients are triaged, seen and in a bed inside the required standards however this data is not updated on SECamb systems and therefore remains as a delay. These examples are sent back to SECamb to advise outcomes

Although a very busy time with enormous pressure on all services we have continued to manage handover effectively and this is backed up by the figures above.

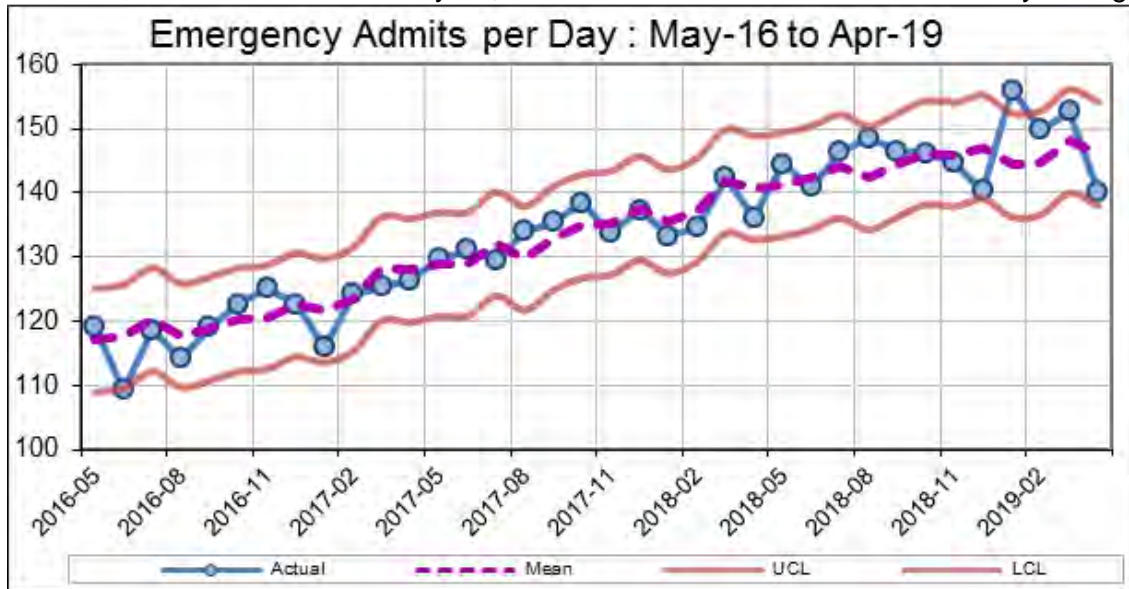
We have introduced a flow coordinator in majors improving flow through the department as well as a receptionist within RAT to speed up hand overs even more with a key responsibility to make sure pin numbers are adding in a timely fashion to improve data quality

### 3. ED Attendances & Emergency Admissions

- A&E Attendances continue to increase. Over the last 5 years, annualised growth has averaged 4.4%. This is against a local population increase of around 1.1% per year, and a demographic 'bulge', where the people born during the 1946-64 spike in birth rates are hitting the age when A&E attendances become more frequent.

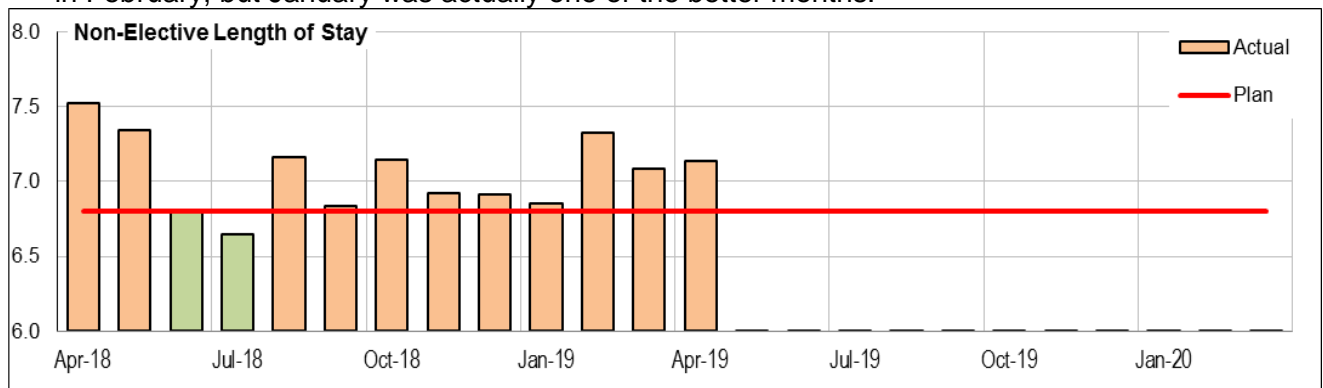


- January & February saw an unprecedented spike in attendances. January Type 1 attendances were 10.9% on model & Feb 7.4%. These two months were the busiest ever, when they are usually the two quietest months of the year. March was actually slightly busier on average than January, but it was marginally below model. The whole year came in 7.1% higher than the previous year for type 1 attendances at 155,867.
- April saw 13,401 type 1 attendances (1.7% down on model) and 16,640 when the MIUs are included (0.9% above model)
- Non-Elective Activity (excluding Maternity) was down somewhat in April – 17.9% below plan at 4,665. Last year finished at 57,338 total discharges. Much of this is driven by increased use of CDU & Assessment areas – last year, 44.2% of NE admissions were same-day emergency care.



#### 4. Length of Stay

- Non-Elective LOS was 7.13 days in Apr, and 7.05 for 2018/19 vs 7.51 in 1718, and a target of 6.80 days.
- NE LoS tends to increase by 0.5 to 1.0 days in the winter. This year, a small spike is observable in February, but January was actually one of the better months.



- The average occupied bed-days increased slightly to 727 in April, and averaged 724 for the year, compared to an average of 764 for the whole of 1718.
- LOS:** Stranded patients – over 7 days – KPIs shows a drop, there has been low number of escalated beds. Continue to use CUR to identify delays in flow, including red and green days. Achievement of Q3 CQUIN for CUR. KPIs show reduction in Medical LOS from 8.6 (March 18) to 7.2 (Apr 19). Transfer of LOS schemes where appropriate to BAU in preparation for 19/20 project work. Live Bed State in place across 4 wards. Criteria Led Discharge – working with other Directorates to share paperwork and project plans. Further embedding of the red to green days by site team through CUR to develop further improvement projects – this is ongoing. Project plans to be worked up with new project lead to increase opportunities. Implementation of SEACU (Surgical Ambulatory Care) project from 1 April.

- **Frailty:** Bronze pilot continues at Maidstone and TWH until end of June 2019. Recruitment for a B5 and B6 continues with interviews 6th May 2019. Work continues with recruitment of therapy staff. GP Advice lines has been stopped until referrals are able to be made using the phone. CGA form development has been signed off 13th May 2019 by the CCG lead. The changes will enable primary and secondary care to use one form. Expected completion date summer 19. CPMS e-learning continues to be rolled out in order to allow staff to set up user logins/ passwords.
- **AEC:** Planned Ambulatory in the community – first patient has been treated at Tonbridge Cottage. Surgical AEC Network: launch event 10th April in London with 8 attendees from MTW. KPIs show increase in 0% medical take from KPIs show improvement in ambulance handover in KPIs show increase in SAU admissions during March. Best Flow Workshop 04-Apr-19, project team identified and key objectives for AEC to sit in new Same Day Emergency Care (SDEC) project under Best Flow overseen by Lynn Gray. This will also include Frailty, SAU, EGAU, Paeds and Oncology
- **Hospital at Home :** H@H – report submitted to Lesley Strong, Mark Atkinson, Adam Wickings to secure future of H@H for next 12 months with associated finance.

## 5. Delayed Transfers of Care (DToC)

The percentage of occupied bed-days to DToC went back down in April to 4.42%. Full year 18/19 we were 4.42%

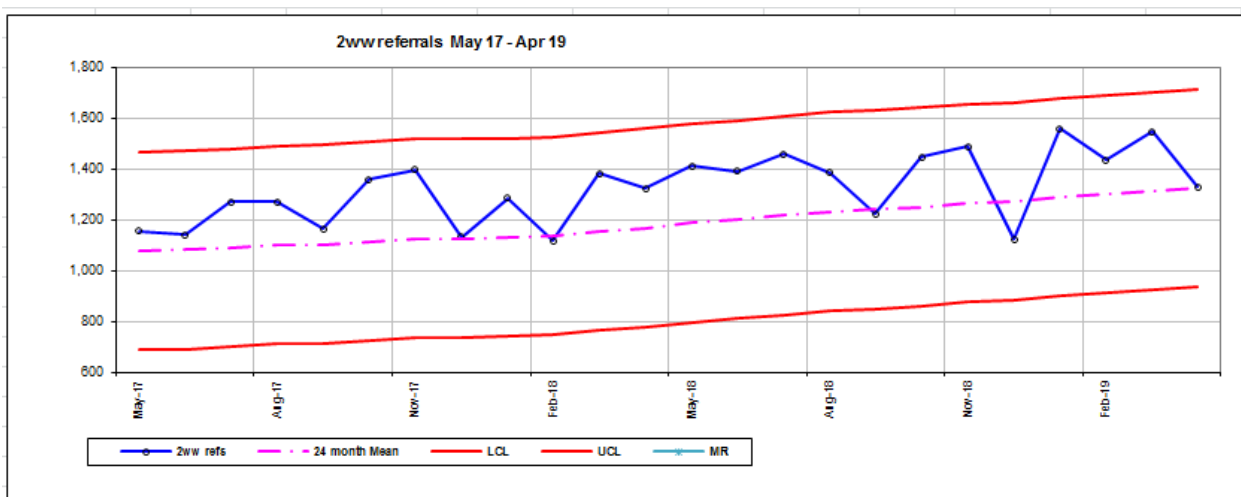
Full year 18/19 was 10,853 bed days, which is the equivalent of 30.8 beds per day lost to delays

We have experienced a greater focus from external partners on the exit routes from the hospital and have now rolled out Pathway 1, 2 & 3 of the Home First initiative in full. Both sites have now got functioning frail elderly units, which has helped to reduce the number of longer stay admissions.

Category	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Jan 19	Feb 19	Mar 19	Apr 19	Rolling 12 Month
A : Awaiting Assessment	5	3	8	17	21	13	12	17	36	27	34	19	212
B : Awaiting Public Funding	4	-	-	4	3	-	-	2	9	3	8	2	35
C : Awaiting Further Non-Acute NHS Care	20	14	17	22	14	21	19	18	34	20	14	21	234
Di : Awaiting Residential Home	23	29	22	9	32	22	21	8	7	12	14	17	216
Dii : Awaiting Nursing Home	43	26	34	54	27	35	33	21	23	16	25	21	358
E : Awaiting Care Package	31	18	29	24	28	16	22	10	17	7	20	15	237
F : Awaiting Community Adaptations	7	6	4	8	10	7	3	3	7	3	12	4	74
G : Patient or Family Choice	14	11	9	14	9	17	9	4	10	13	15	10	135
H : Disputes	-	-	-	1	1	-	-	4	2	-	-	-	8
I : Housing	2	7	5	4	4	4	2	2	-	3	-	1	34
<b>Grand Total</b>	<b>149</b>	<b>114</b>	<b>128</b>	<b>157</b>	<b>149</b>	<b>135</b>	<b>121</b>	<b>89</b>	<b>145</b>	<b>104</b>	<b>142</b>	<b>110</b>	<b>1,543</b>
<b>Rate</b>	<b>4.34%</b>	<b>4.39%</b>	<b>5.03%</b>	<b>4.77%</b>	<b>5.89%</b>	<b>4.52%</b>	<b>3.58%</b>	<b>3.17%</b>	<b>4.07%</b>	<b>3.79%</b>	<b>4.96%</b>	<b>4.42%</b>	<b>4.41%</b>

## 6. Cancer 62 Day First Definitive Treatment

### Cancer 2 week waits



Growth in 2 week referral demand has continued to increase at a higher rate than expected. Increase in demand in February and March 2019 was almost exclusively due to referrals for



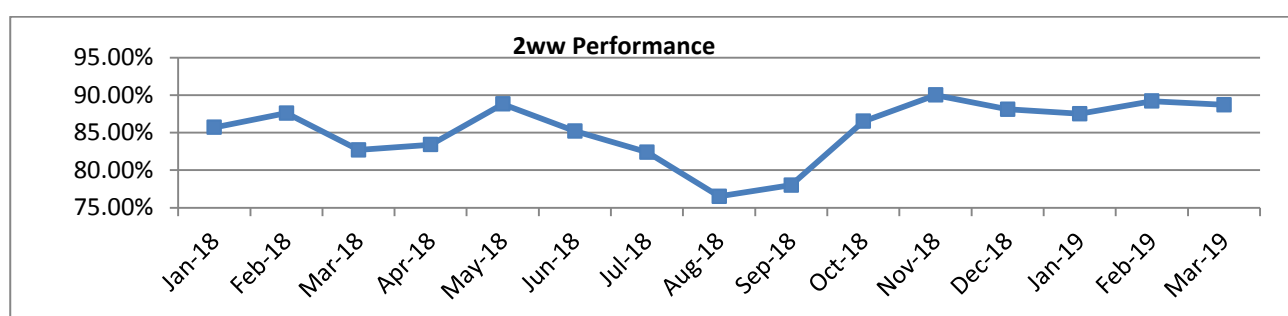
suspected breast cancer or breast symptoms. Medway NHS Foundation Trust has recorded particularly poor performance for breast symptomatic referrals due to severely constrained capacity. It is known that Medway GPs are using the e-referral system to refer patients to MTW due to the Medway capacity issues.

April appears to have returned to a mean level of demand (although the mean in 2019 is around 18% higher than it was in 2017) however this may be due to the Easter bank holidays.

Despite the continual increase in demand, 2ww performance has stabilised around 88%, although this does not meet the 93% standard. The majority of breaches are occurring in the breast tumour site and despite increased outsource clinic capacity, demand has not been met. The reduction in demand over the Easter period has provided some respite and capacity has been maintained in order to create some headroom for an expected rebound in demand level.

Lower GI and Urology are the other tumour sites that contribute the next highest number of breaches. Straight to test triage capacity has been increased for lower GI and will enable nearly 100% of patients referred to go through this route.

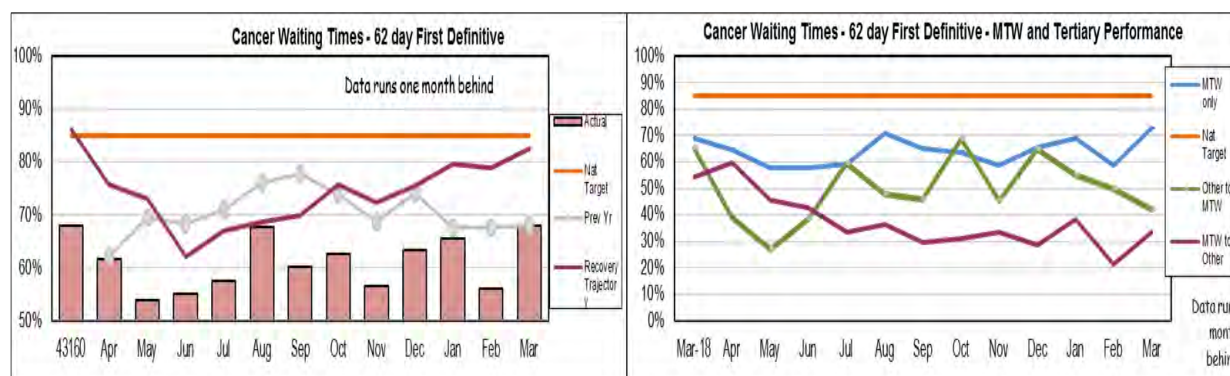
Urology are reviewing their processes to ensure that patients are booked within 14 days of referral but it appears that patient choice has been a significant factor in breaches in recent weeks.



62 day performance for March was 67.9% (against a predicted performance of 70.3% in the trajectory).

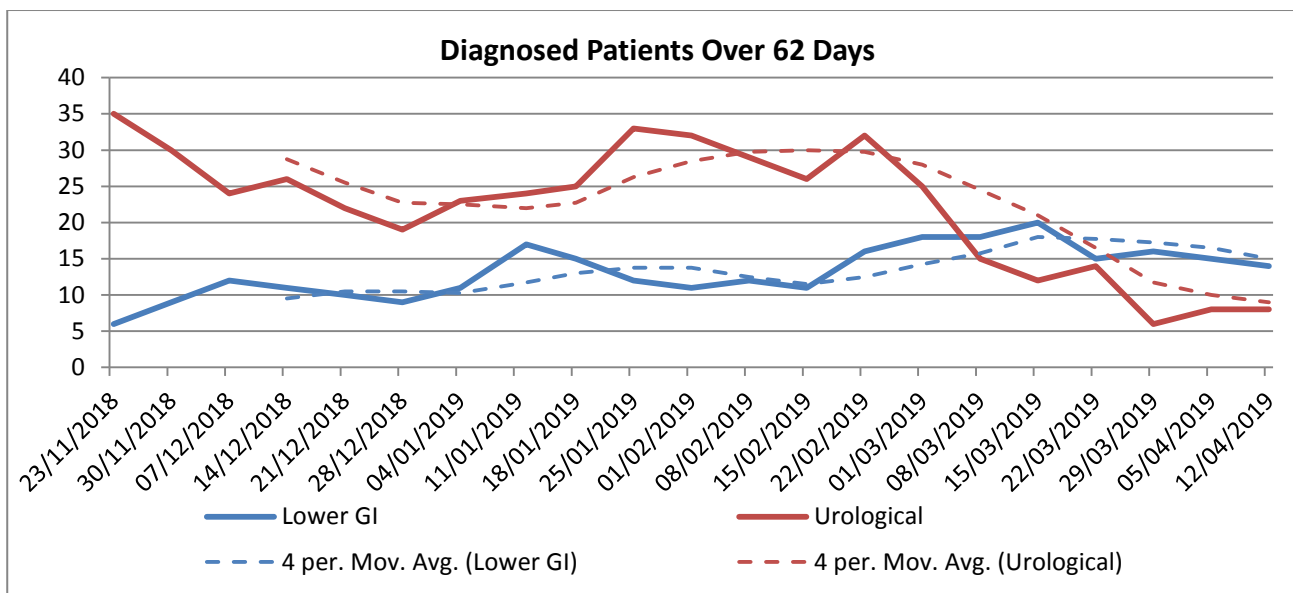
Following a significant backlog clearance in Urology in February, March performance has rebounded by more than 10%. Urology breaches are much lower than they have been in previous months and this is expected to continue given the pathway changes made in Urology.

Further analysis is planned to be completed in the next 2 weeks in order to identify current bottlenecks in pathways and develop actions to address. A cancer transformation programme is in the planning and design phase.

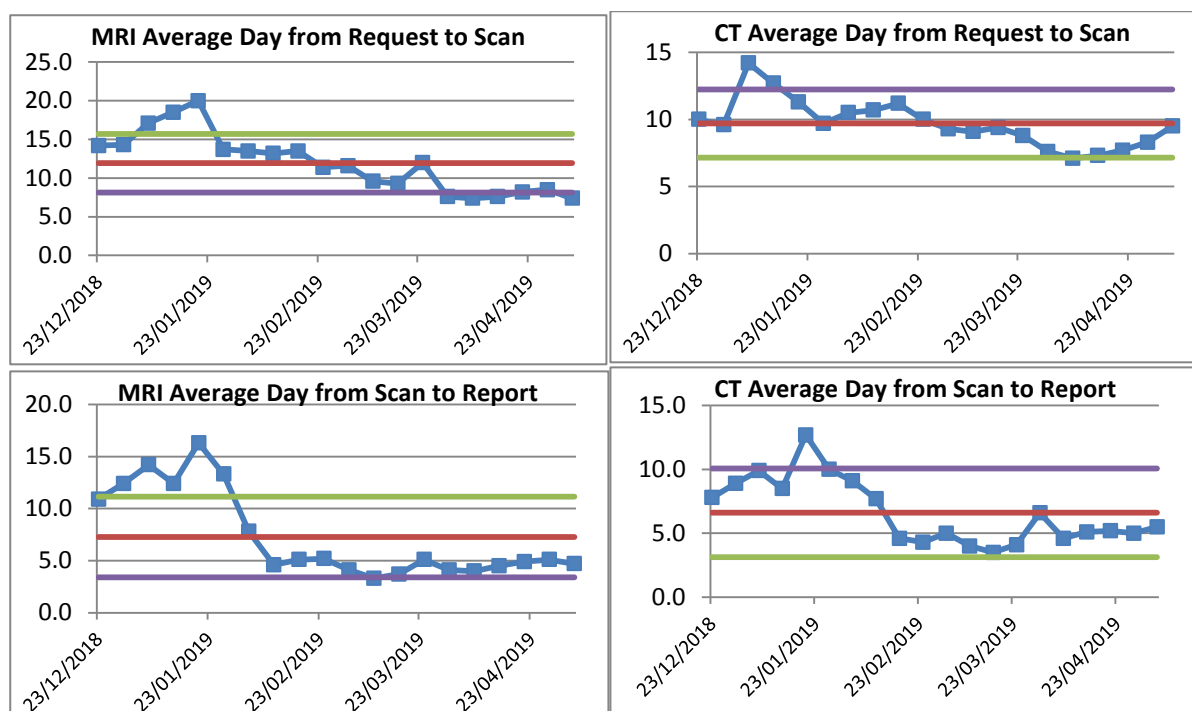




62 Day Performance						
March 2019	All reportable patients			MTW only patients		
	Total	Breach	%	Total	Breach	%
Breast	26.0	1.0	96.2	25	1	96.0
Gynae	13.0	5.0	61.5	9	3	66.7
Haematology	11.0	5.0	54.5	10	4	60.0
Head & Neck	4.0	2.0	50.0	1	1	0.0
Lower GI	25.5	9.0	64.7	23	7	69.6
Lung	8.5	4.0	52.9	6	3	50.0
Other	3.5	0.5	85.7	2	0	100.0
Upper GI	7.0	3.0	57.1	6	2	66.7
Urology	35.5	13.5	62.0	32	10	68.8
<b>TOTAL</b>	<b>134.0</b>	<b>43.0</b>	<b>67.9</b>	<b>114</b>	<b>31</b>	<b>72.8</b>



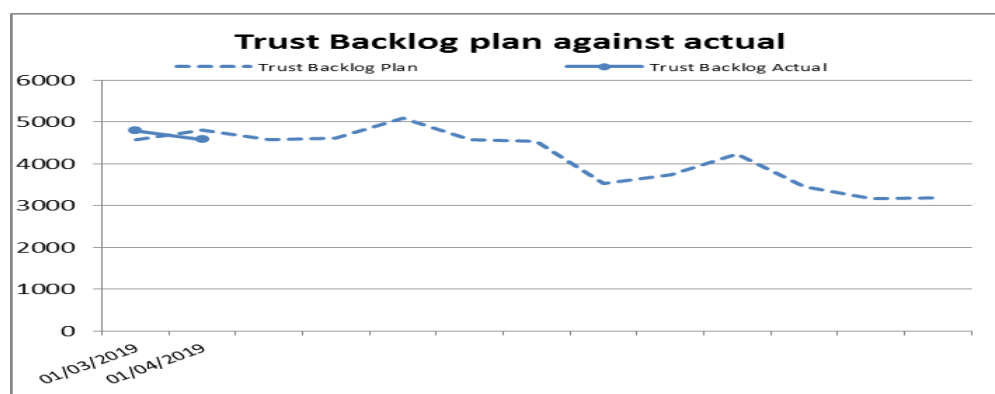
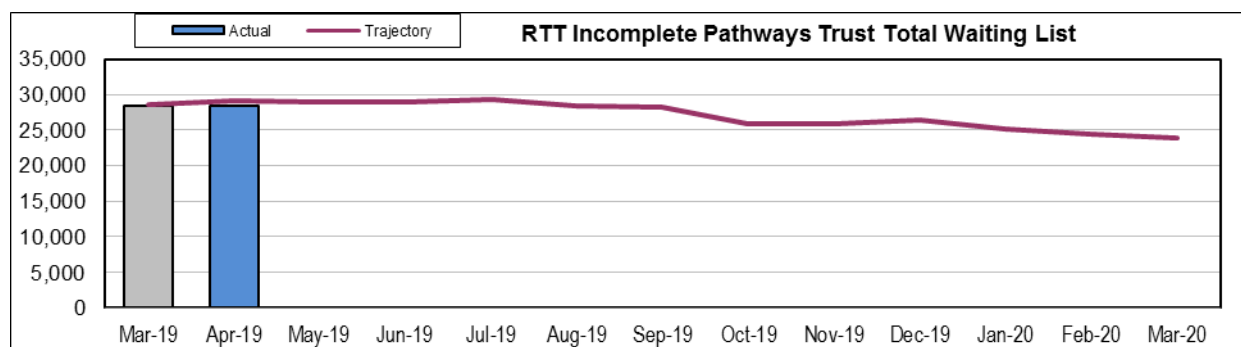
Increased imaging capacity has been identified and is supporting a reduction in the time between request and scan and between scan and report in order to deliver faster diagnosis and staging so that patients can be treated more quickly. This has largely been sustained through March and April.



## 7. Referral To Treatment – 18 weeks

April performance has increased further for the Incomplete RTT performance and it is estimated to achieve 83.85% against a target of 83.52%. The Trust Waiting List for April 2019 is estimated to 28,417 which is therefore 735 lower than the Trust submitted Trajectory of 29,152 and the backlog was also 218 lower than the submitted trajectory of 4,806.

		Mar-19	Apr-18
TRUST	Trajectory Total WL	28508	29152
	Actual Total Waiting List	28412	28417
	Trajectory Backlog	4146	4806
	Actual Total Backlog	4797	4588
	Trajectory % Performance	85.46%	83.52%
	Actual Total % Performance	83.12%	83.85%



The impact from an earlier data quality issue means that the IPWL part of the Total Waiting List from July increased by 1528 patients and the IP Backlog increased by 921 patients which will have an ongoing effect.

Continuous actions in progress:

- Continue to ensure achievement of Incomplete targets month on month at an aggregate level by reducing RTT backlog for Incompletes through implementation of speciality plans.
- Ensure backlog patients are booked chronologically to avoid long waits/52 week breaches.
- Weekly monitoring of the specialty plans for activity, diagnostics, and theatre scheduling, backlog and waiting list size, through the PTL and specialty meetings.
- Continue weekly PTL/RTT performance monitoring to maintain overall performance.
- 52 Week RCA form converted from paper to electronic.
- Harm review converted from paper to electronic which generates a Datix form. Harm review process agreed within Best Safety Group.
- Continue with overarching action plan already implemented which includes improving theatre and outpatient productivity.
- Hospital at Home has been implemented to support a reduction of length of stay and release of bed capacity – monitored daily at the bed meeting.
- Review all gaps in medical rotas on a weekly basis and ensure any locum requests have been submitted.

- Data Quality project commenced. External validators commenced to commence cleaning the RTT data.

### Elective Activity and New Outpatient Activity:

The Elective activity for the year is -974 (14%) below plan with T&O, Ophthalmology, Urology and General Surgery being furthest from plan. Outpatient New Activity (excluding Therapies and Ward Attenders) is -4531 (-26%) below plan with General Surgery, ENT and Gastroenterology being furthest from plan.

Activity (Main Specialties):	Elective Activity YTD				Outpatient New Activity YTD			
	Actual	Plan	Variance	% Variance	Actual	Plan	Variance	% Variance
Trauma & Orthopaedics	391	695	-304	-43.7%	3012	3431	-419	-12.2%
General Surgery (Not inc Endoscopy)	391	505	-114	-22.6%	1068	2181	-1113	-51.0%
Urology	242	325	-83	-25.6%	796	845	-49	-5.8%
ENT	234	252	-18	-7.1%	913	1265	-352	-27.8%
Ophthalmology	579	854	-275	-32.2%	2632	2988	-356	-11.9%
Gynaecology	263	319	-56	-17.5%	917	867	50	5.8%
Cardiology					583	644	-61	-9.5%
Gastroenterology					374	540	-166	-30.8%
Rheumatology					280	304	-24	-7.8%
Respiratory					441	491	-50	-10.2%
Diabetes					175	208	-33	-16.0%
Endocrinology					135	171	-36	-21.0%
Neurology					300	380	-80	-21.0%
Care of the Elderly					185	149	36	24.1%
Other	3847	3971	-124	-3%	1111	2989	-1878	-62.8%
Trust Total (All Specialties)	5947	6921	-974	-14%	12922	17453	-4531	-26.0%

The key issues that contribute to lower than planned elective work remain:

- Planned reduction of activity during PAS implementation, prolonged by on-going data and admin issues post go-live.
- The impact from an earlier data quality issue means that the IPWL part of the Total Waiting List from July increased by 1528 patients and the IP Backlog increased by 921 patients which will have an ongoing effect.
- Key vacancies in consultant and trainee posts in a variety of specialties (General Surgery, Urology, Neurology & Endocrinology)
- Reduced activity in January 2018 to support Non-Elective flow and further reduction in February due to snow, which increased the size of the problem in the New Year.
- Reduction of WLI activity which was suspended during the Four-Eye scoping exercise across elective and outpatients.
- Winter assessment of demand going beyond the worst case scenario requiring escalation of more surgical bed.

The majority of the RTT backlog continues to be concentrated in surgical specialties with the exception of neurology, all of which are being carefully monitored against forecasts and action plans on a weekly basis. Further validation of the waiting list, especially the backlog continues. Operational teams are reviewing activity plans.

### 52 week breaches

<b>Total Trust</b>	Apr-19
RTT >52kw Breach Occurrences	9

There were 9 breaches in total for April (6 New in month) although these patients have not yet been fully validated.

All patients will have a harm review by the managing Consultant. No harm has been found as yet for the ones which have been completed.

### Oversight:

- Weekly monitoring of the specialty plans for activity, diagnostics, and theatre scheduling, backlog and waiting list size, through the PTL and specialty meetings.

- All patients over 40 weeks are being monitored by the Head of Performance and Delivery, the speciality General Managers, Assistant General Managers and CAU's on a daily basis to ensure treatment occurs before 52 weeks and ensure patients are booked in chronological order.
- 52 Week Panel has been established to fully investigate the breaches and identify trends.
- The updated Allscripts/RTT training has been rolled out with good attendance and good feedback. Dates scheduled through to June 2019.

#### Data Quality Update

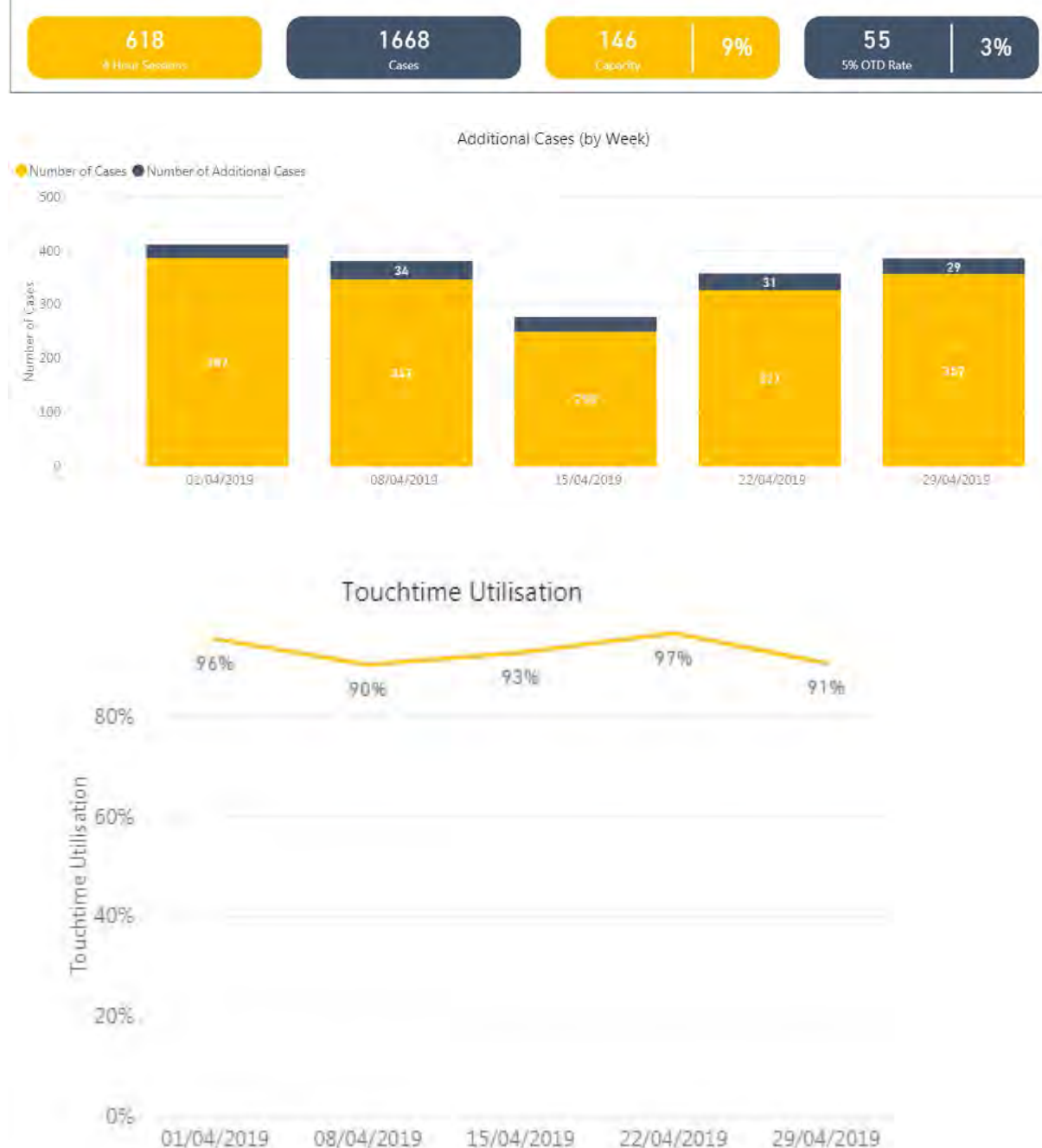
- External validators have commenced

### 8. Theatre Productivity

The graphs below are taken from the Four Eyes Theatre Dashboard and show the Theatre Utilisation from 01/04/19 – 29/04/19 overall. The target for utilisation is 85% for Overall Touch time Utilisation and 5% or below.

- Implementation of My PreOP commenced 13-05-19.

#### Overall Touch time Utilisation

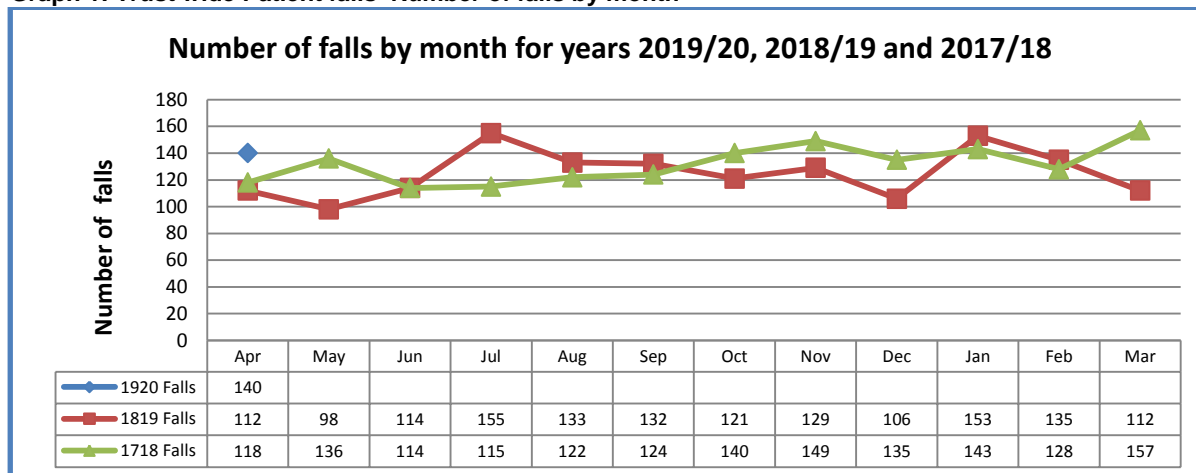


## Quality and Safety (April)

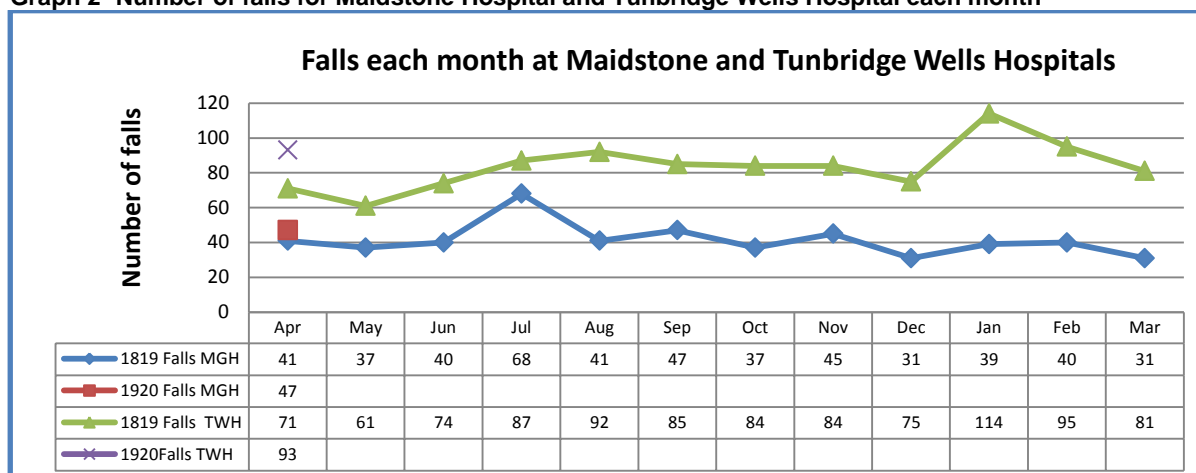
### Patient Falls incidents

There were 140 falls incidents reported for April 2019, compared to 112 for March 2019. The monthly figures in Graph 1 provide a comparison for each month and for the same period on the previous year. The graph runs from April to March demonstrating the breakdown of incidents by site in April equates to 47 falls at Maidstone and 93 at Tunbridge Wells as shown in Graph 2. There was an increase in the number of falls at both sites when compared to March 2019.

Graph 1: Trust wide Patient falls–Number of falls by month

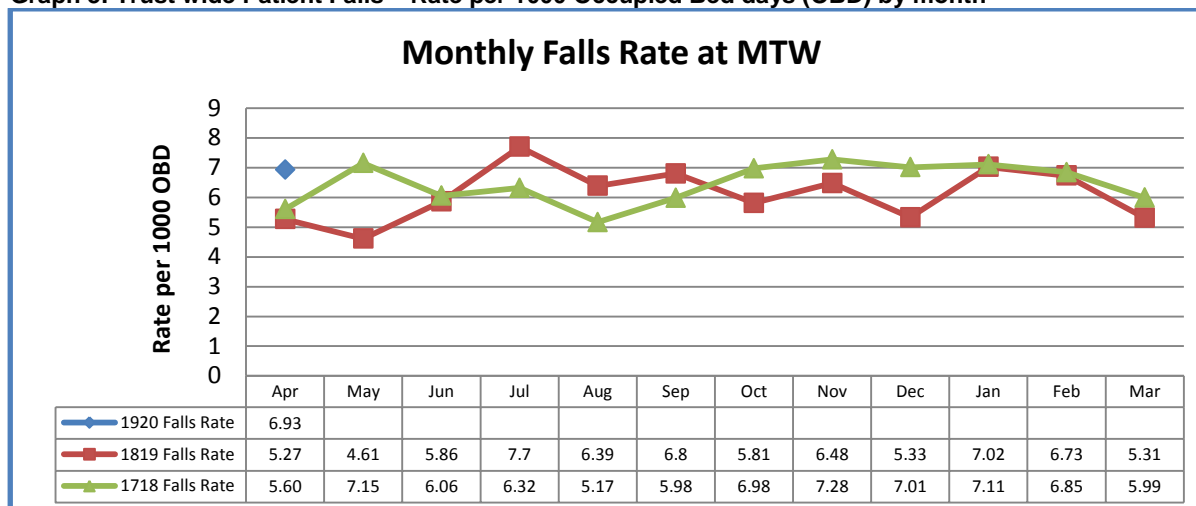


Graph 2- Number of falls for Maidstone Hospital and Tunbridge Wells Hospital each month



The monthly falls rate per 1000 occupied bed days (OBD) for April 2019 was 6.93. The threshold for year 2019/20 is set at 6.0. Comparison for previous months and months in previous year can be seen in Graph 3.

Graph 3: Trust wide Patient Falls – Rate per 1000 Occupied Bed days (OBD) by month



In April there were three falls that resulted in serious injury; one was declared as Serious Incident's (SI) in April for incident at Maidstone Hospital and two were declared in May for falls at Tunbridge Wells Hospital.

The roll out from the NHSi Falls Collaborative project commenced in April at Tunbridge Wells with further wards identified for the coming months. The roll out will focus on the compliance of lying and standing blood pressure measurement for patients who are at risk of falls as part of their admission assessment.

### **Pressure Ulcers**

In April there were 6 new patients who developed pressure ulcers in hospital compared to the 8 from last year for the same period. This equates to 1 Deep Tissue Injury (DTI) to sacrum, 1 DTI to right heel, 1 Unstageable to right heel (necrotic eschar), 1 category 2 to sacrum, 1 Unstageable to sacrum ( injury started as a moisture associated skin damage to natal cleft and deteriorated from there) and 1 Unstageable to sacrum that unfortunately later revealed a category 4 which has been declared as a Serious incident and is being investigated

Promoting education and awareness for staff about the requirement for a full body assessment, map and monitoring even for independent patients is always relevant.

Extra focus has been made to go toward the reduction of Moisture Associated Skin Damage (MASD) in conjunction with the Continence care service and the Practice Development Nurses. MASD is not related to pressure but increases the risk of pressure ulcers significantly because the skin is already damaged. The prevalence audit is due to be undertaken in May and it is expected that all wards participate in this.

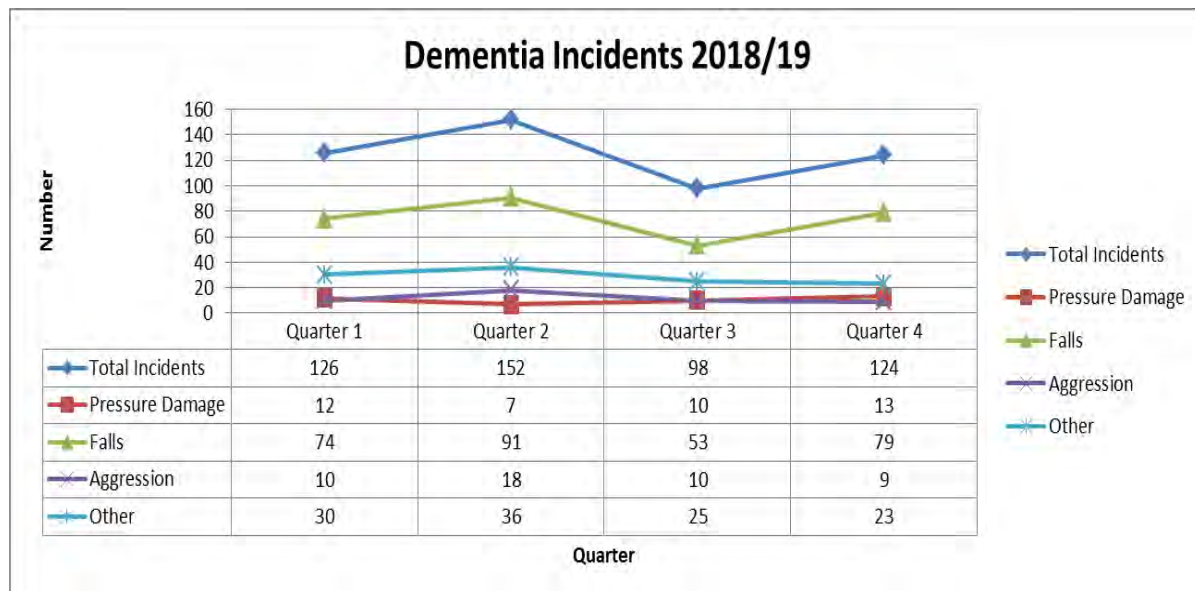
The Yearly Mattress audit is planned to take place in June on the Maidstone site and in July for the Tunbridge Wells site. In preparation for this the focus of the Safety Calendar during May is to raise the awareness of infection control, pressure damage and the need to monitor the cleanliness and integrity of our mattresses.

### **Incidents relating to inpatients with Dementia**

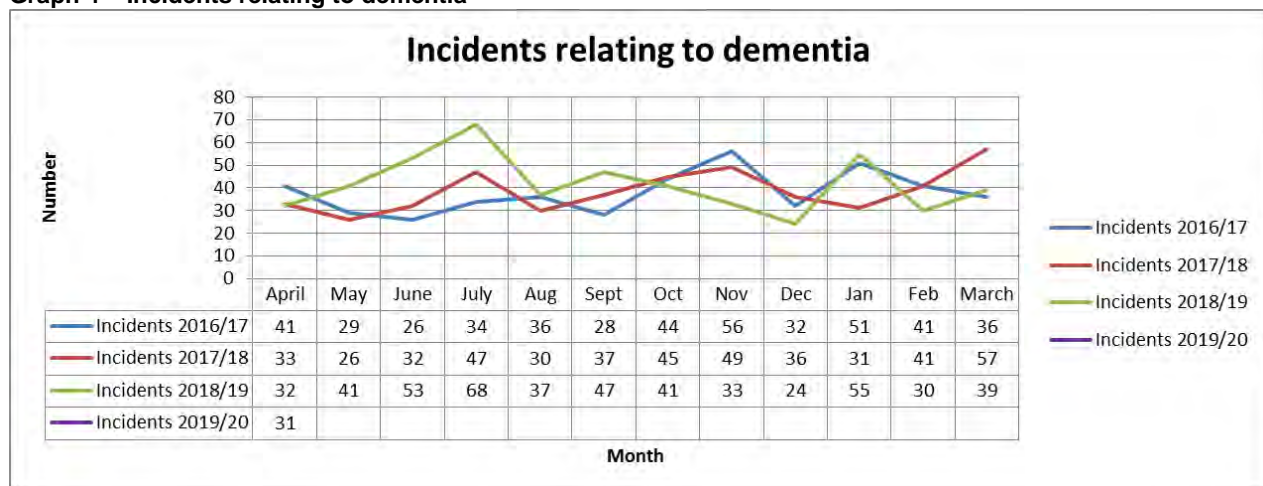
As part of the Trust's Dementia Strategy (2013 – 2016) one of the objectives was to monitor the number of incidents relating to inpatients with dementia in our hospitals. In the Strategy for 2017 – 2020 one of the strategic aims is to modernise our approach to monitoring falls in patients with dementia and identify ways to reduce these. In the process for delivery it states we will: Monitor all incidents associated with dementia patients and report to dementia strategy group.

The incidents have been analysed by the Lead Nurse for Dementia Care, following a search on the Datix system of all incidents relating to patients with dementia. The identification of patients with a known diagnosis of dementia is via the Datix form and this has been validated by the Lead Nurse for Dementia through the flagging system on Allscripts. The incidents have been split into 4 categories: Pressure Damage; Falls; Aggression and Other. Incidents included in the Other category include issues such as drug omissions/errors, patient transfer, communication issues between wards and similar low harm incidents.



**Graph 3 – Dementia Incidents**

Graph 3 demonstrates the number of incidents per category that occurred during Quarter's 1, 2, 3 & 4 (2018/19). We continue to see a decrease in total incidents since Quarter 1, although we have seen an increase in pressure damage and falls and a decrease in aggression and other incidents.

**Graph 4 – Incidents relating to dementia**

Graph 4 plots the number of incidents relating to dementia patients per month for 2016/17; 2017/18; 2018/19 and 2019/20. The graph runs from April to March demonstrating that there were 22 incidents at TWH and 9 at Maidstone in April, of these falls continues to be the main cause of incidents totalling 18 (13 at TWH and 5 at Maidstone).

This data is collected and reviewed quarterly by the Dementia Strategy Group and findings are presented to the Trust Clinical Governance Committee as part of the Safeguarding Adults Group.

### Serious Incidents (SI's)

There were **17** Serious Incidents reported in April 2019 (6 at MGH and 11 at TWH).

- 12 X Main SI's:
  - 2 in Children's Services
  - 3 in General Surgery
  - 3 in Medical Specialties
  - 3 in Emergency Medicine
  - 1 in Oncology
- 1 Pressure Damage – in Orthopaedics Cat3 (TWH)
- 0 VTE SI's reported for April 2019

## ➤ 4 Falls

- 3 Falls in Acute Medicine and Geriatrics (2 at TWH & 1 at MGH)
- 1 Fall in Medical Specialties (MGH)

During the month of April 2019, zero SI's were closed, one SI was downgraded

2018/28822	Acute Medicine and Geriatrics	Slips/trip/fall	04/12/18	10/04/19
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**Learning to be shared with Directorates from the Learning and Improvement Main Panels**

Care/Service Delivery Issue	Learning
IG Breach Local administrators being unable to cancel UK Mail print jobs	Standard SOPs required for cancellation of print jobs - Review and revise current documents. Guide and FAQs for Hybrid Mail produced. Share with all relevant departments with instruction.
Surgical Incident Immediate post-operative x-ray checking did not identify foreign object  Incident was not reported in a timely manner delaying robust investigation	Strengthen process and documentation of check x rays post procedure  Recognition and timely reporting of incidents
Diagnostic Incident Reiterate the importance of robust checking process with all reporting – Investigate a more fail-safe system  There should be a process to regularly audit the accuracy and quality of reporting and recording the results	Promote the more widespread uptake of voice recognition software in reporting  Register Audit and to be conducted yearly
Treatment Delay – Stroke To ensure that all documentation is completed in a timely manner and clearly written to inform of decision making and patient management plan  One protocol for both sites to be agreed for the period of neuro-observations	Staff understanding of the importance of accurate and clear documentation of patient's management plans  Standardised protocol implemented on both sites
Attempted Suicide Safeguarding & Managing Risk Tool can be open to interpretation in some places	Directorate leads to review the SMaRT paperwork and ensure that the wording is checked and edited to ensure that all staff understand the requirements around keeping patient safe. This should be reviewed regularly and approved through the governance structures within the Directorate.

**Single sex compliance:**

There were 33 incidences of mixed sex accommodation reported during the month of March. These occurred in ITU and the ASU at Maidstone. These were due to clinically unwell patients who required the beds in these areas therefore no breaches were declared.



## Friends and Family Test

Overall response rates for April have shown an increase for IP and A+E responses but a further decrease in maternity. There continues to be fluctuating consistency with response rates which has been highlighted at the monthly review meetings to explore any new / recurrent engagement or process issues. It is acknowledged that the increased demand on services and staffing levels are impacting on ensuring a consistent approach.

There continues to be a significant reduction in rejected forms and use of the dedicated IPads is being encouraged. Unfortunately there continues to be a fault with the IWGC app which IT and IWGC are working on a solution. This has impacted on reporting online numbers however, once this is resolved will provide an additional platform in which patients and service users can feedback on their experiences.

Response rates for April IP: increased from 18.2% in March to 18.7% in April. A&E (now including children) increased further from 8.9% in March to 11% in April and Maternity Q2 has decreased minimally from 20.3% in March to 20.1% in April

Following a review of issues reported over the last two months for OP, the FFT data process is now running correctly and response rates have realigned to expected levels reporting 5,999 responses in April.

For the % Positive for April, inpatients has decreased minimally from 94.8% in March to 94.2% in April, A&E decreased from 92.0% in March to 81.2% in April and Maternity (all 4 combined) decreased from 98.4% in March to 93.8% in April

April Response Rates: 18.7% IP, 11% for A&E, 20.1% for Maternity Q2.

April % Positive: 94.2% for IP, 81.2% for A&E, 98.4% for Maternity Q2.

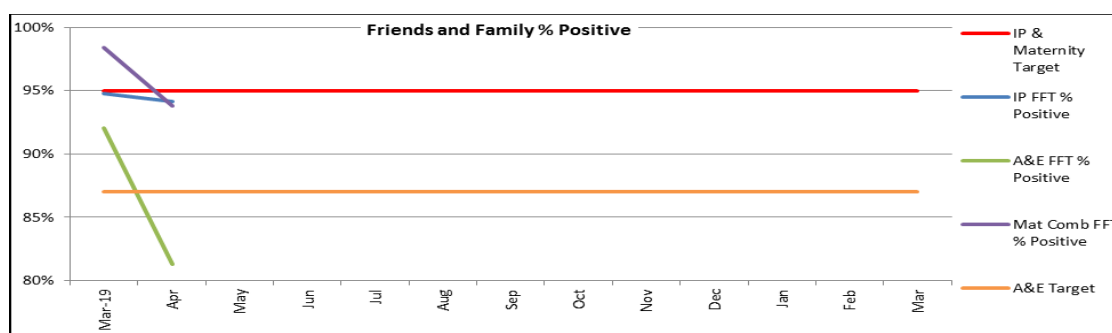
1819 Response: 20.9% IP, 11.5% A&E and 24.5% Mat

1819 % Positive: 94.4% IP, 91.3% A&E and 93.8% Mat

**Graph 5- FFT Response Rates:**



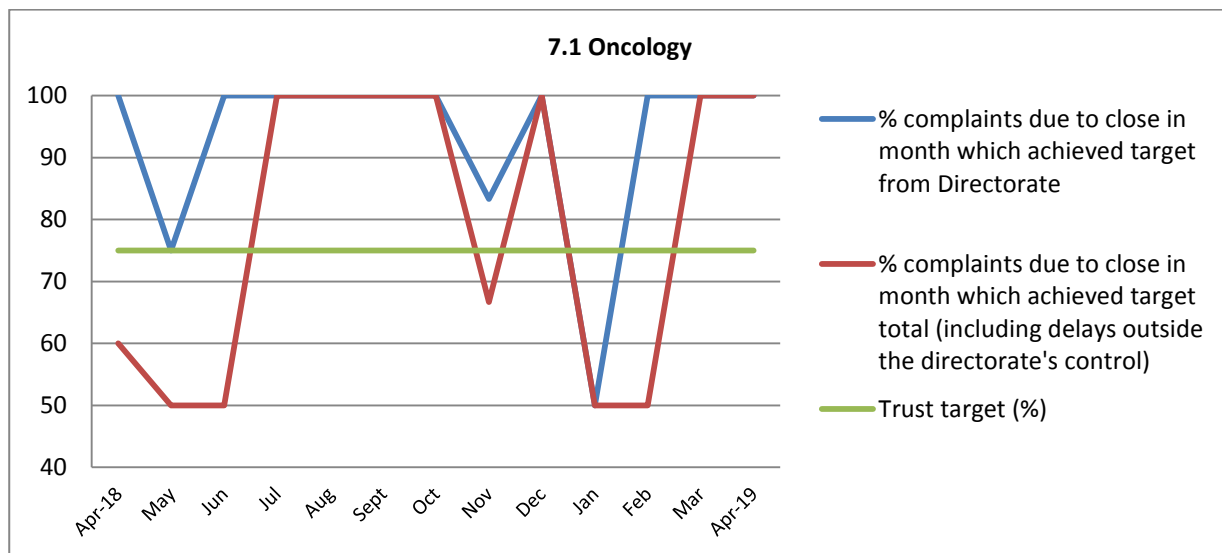
**Graph 6 - FFT Positive Responses:**



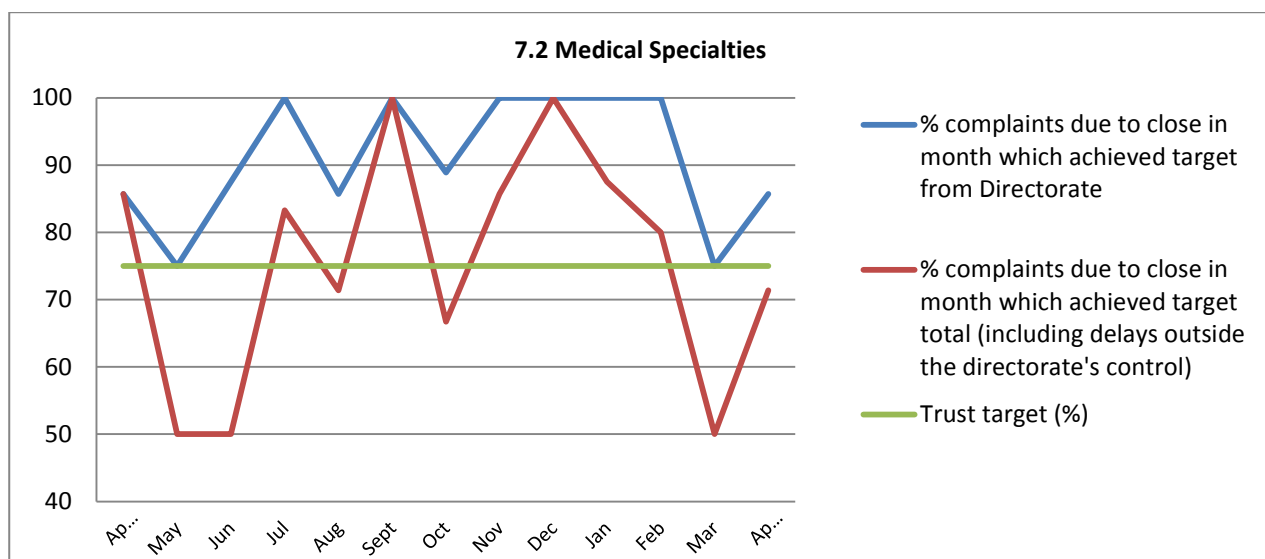
## Complaints

There were 46 new complaints reported for April which equates to a rate of 2.28 new complaints per 1,000 occupied bed days. This is a decrease compared to 3.17 for March. There were 155 open complaints at the end of April, compared to 149 in March.

66.7% of complaints were responded to within deadline compared to a target of 75%. Graphs 7.1 to 7.11 (below) provide information on the performance for year to date by each directorate.

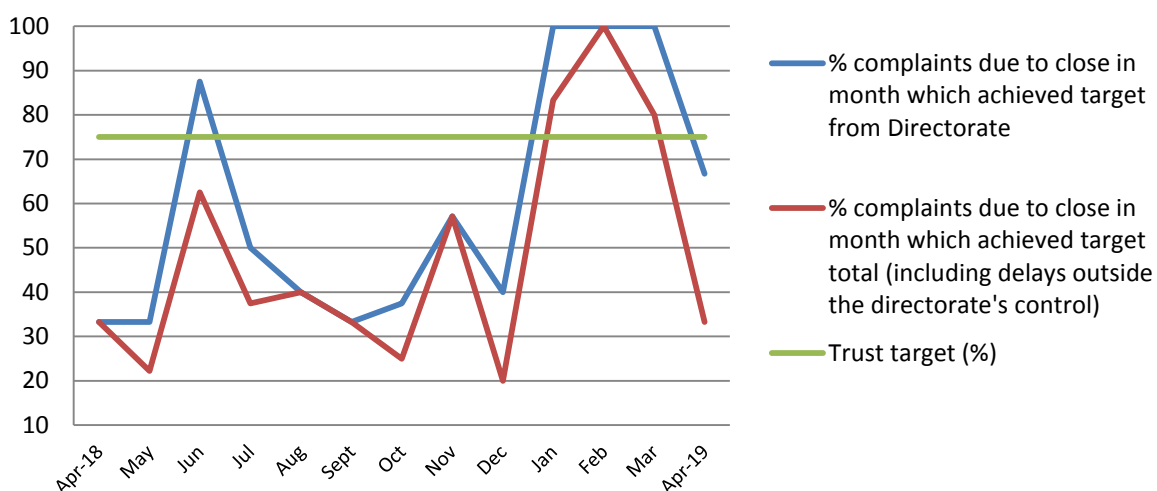
**Graph 7 - Complaints performance against Trust target**

Oncology	Apr 18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	5	4	2	2	2	1	2	6	1	4	4	3	2
Number of complaints responded to in month	5	5	2	2	4	2	4	7	2	2	5	2	2



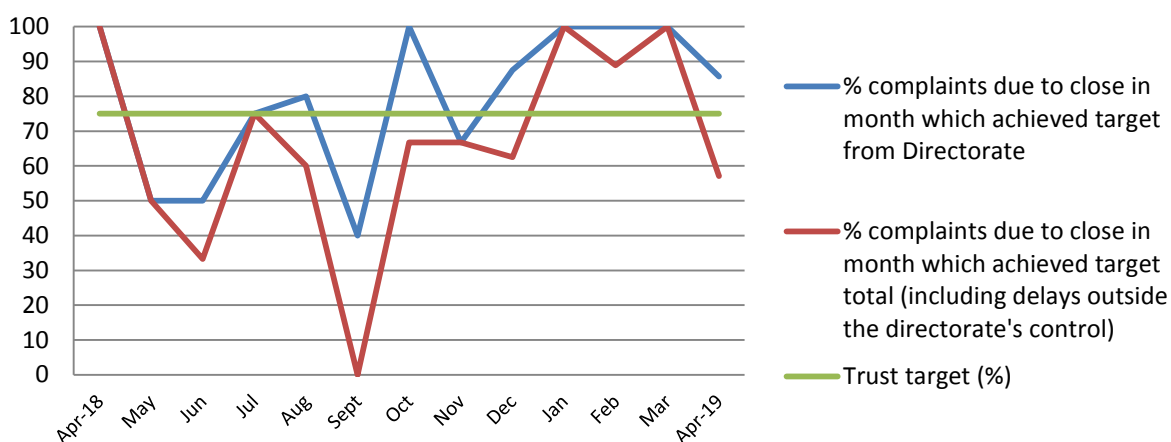
Medical Specialties	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	7	12	8	6	7	7	9	7	1	8	5	4	7
Number of complaints responded to in month	17	7	11	10	15	9	12	8	3	10	6	2	7

## 7.3 General Surgery

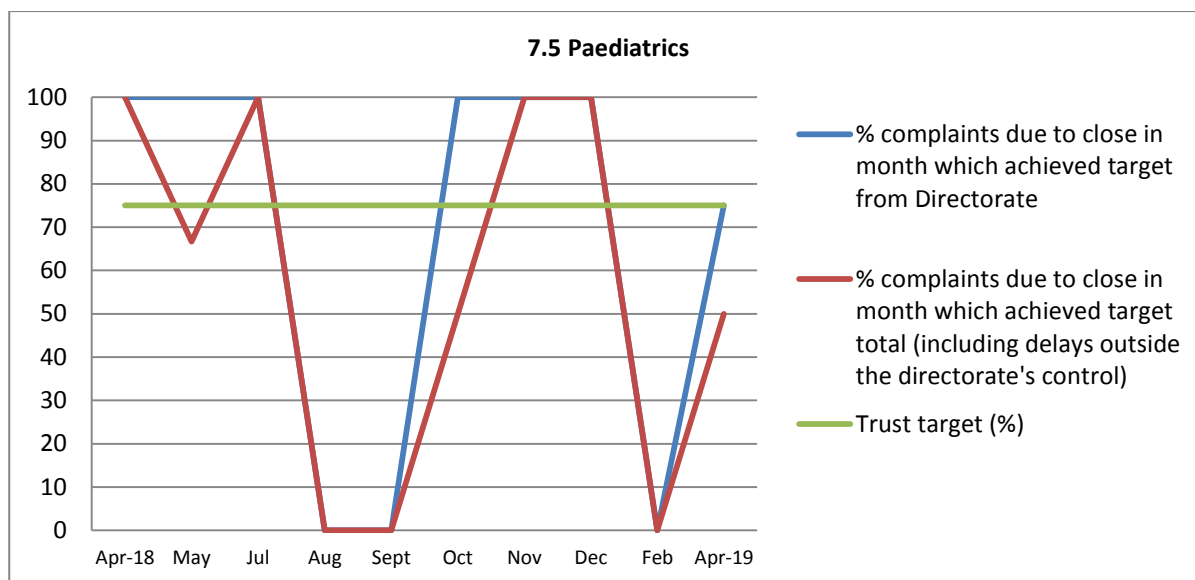


General Surgery	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	6	9	8	8	5	3	8	7	5	6	6	5	3
Number of complaints responded to in month	12	6	9	5	10	4	10	12	6	10	7	5	2

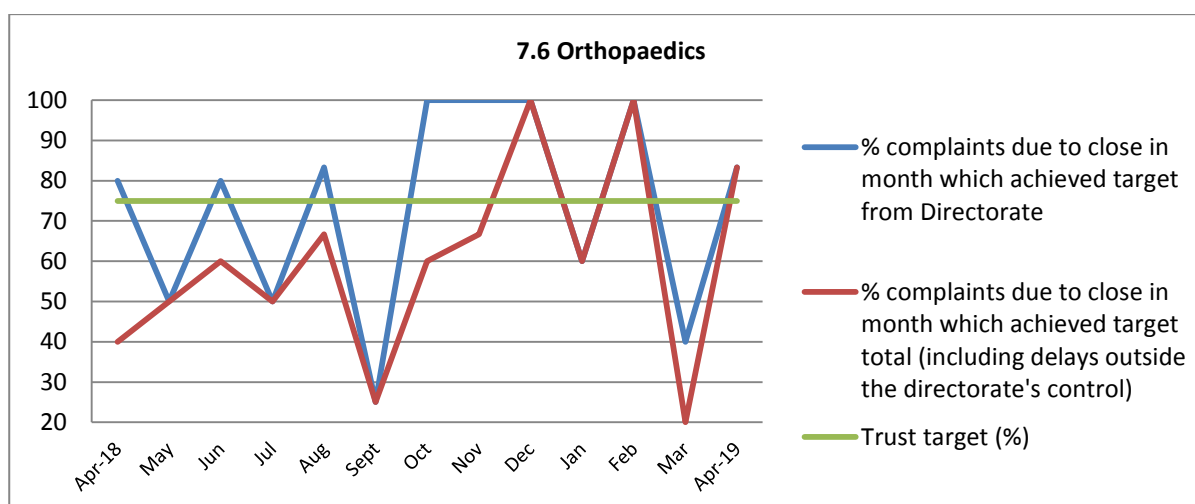
## 7.4 Women's Services



Women's Services	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	5	2	6	8	5	5	3	3	8	8	9	5	7
Number of complaints responded to in month	8	5	9	10	8	13	11	10	6	10	9	5	5

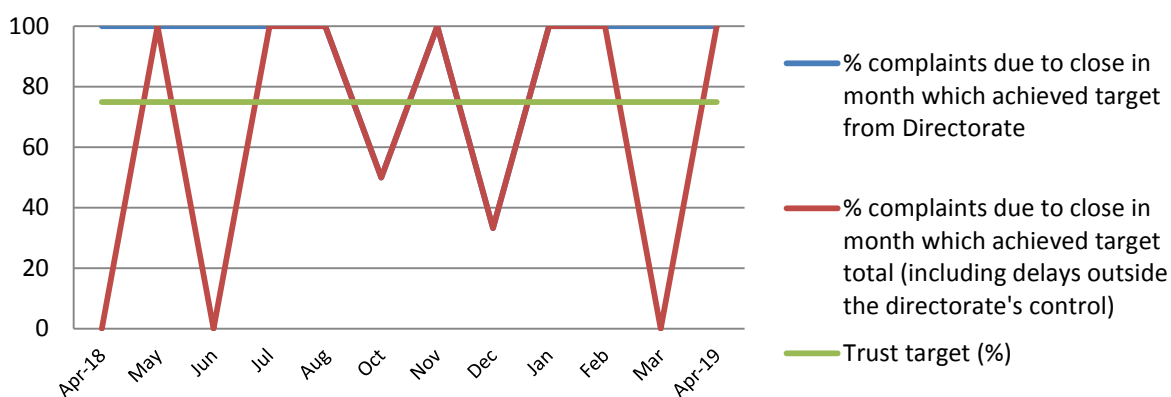


Paediatrics	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	3	3	0	3	0	0	2	4	2	0	1	0	4
Number of complaints responded to in month	7	2	0	3	1	2	4	2	3	0	0	1	2



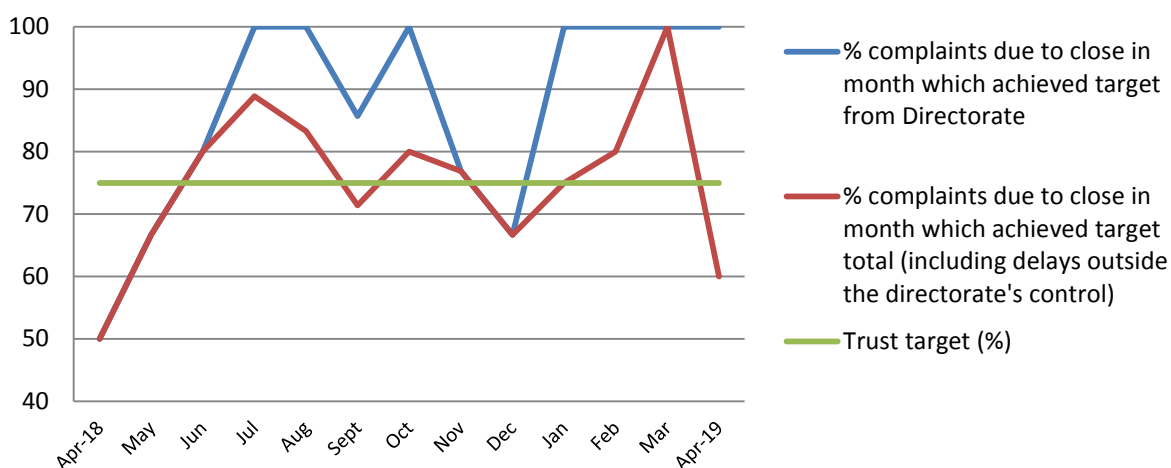
Orthopaedics	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	5	2	5	4	6	4	5	3	3	5	1	5	6
Number of complaints responded to in month	8	3	3	6	8	3	8	4	3	6	2	4	5

## 7.7 Critical Care &amp; Theatres

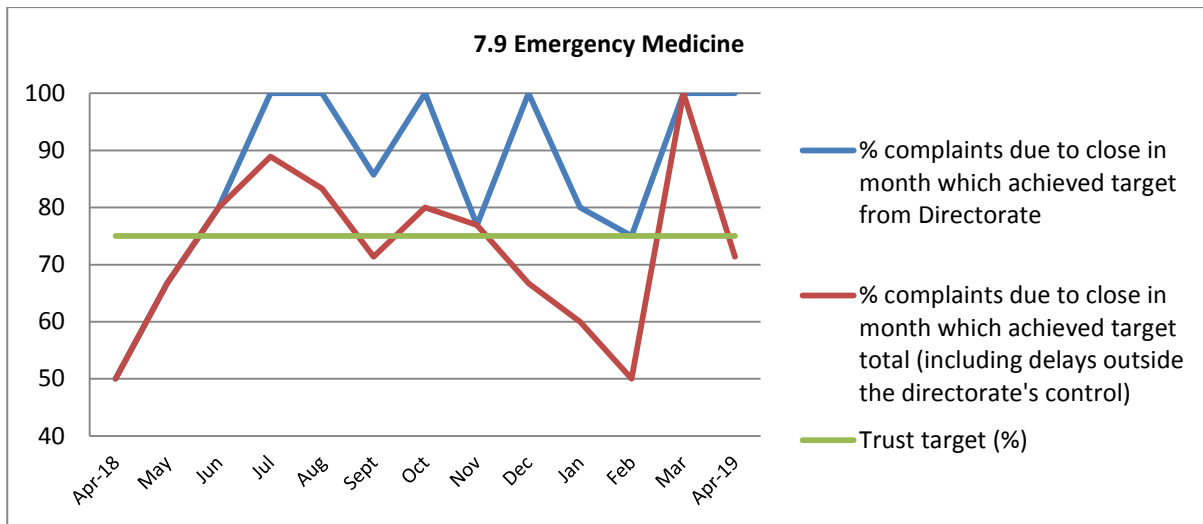


Critical Care & Theatres	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	1	3	1	2	3	0	2	1	3	5	2	1	1
Number of complaints responded to in month	0	3	2	2	4	2	1	2	1	7	1	1	1

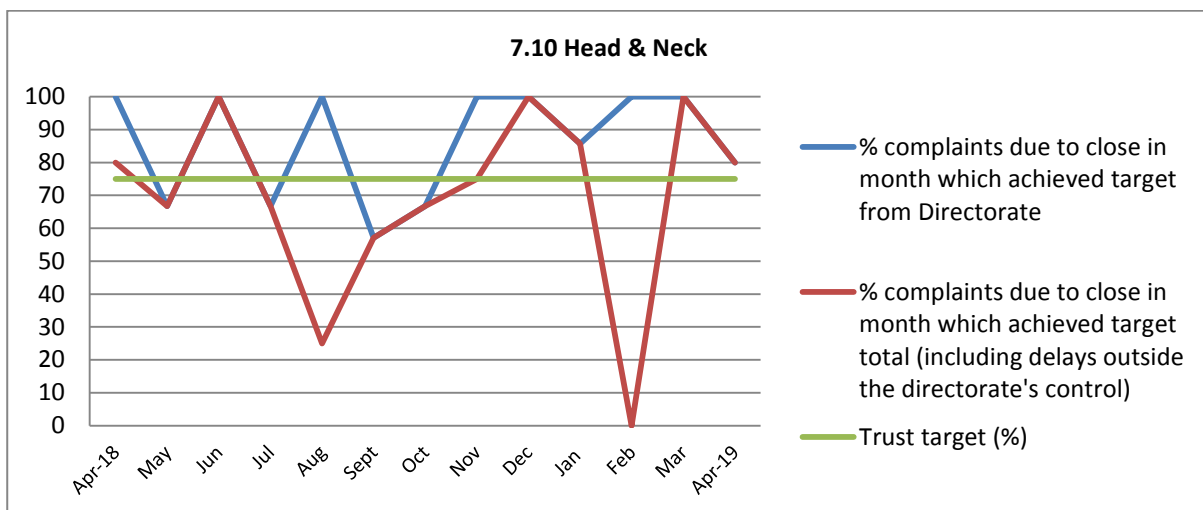
## 7.8 Acute Medicine &amp; Geriatrics



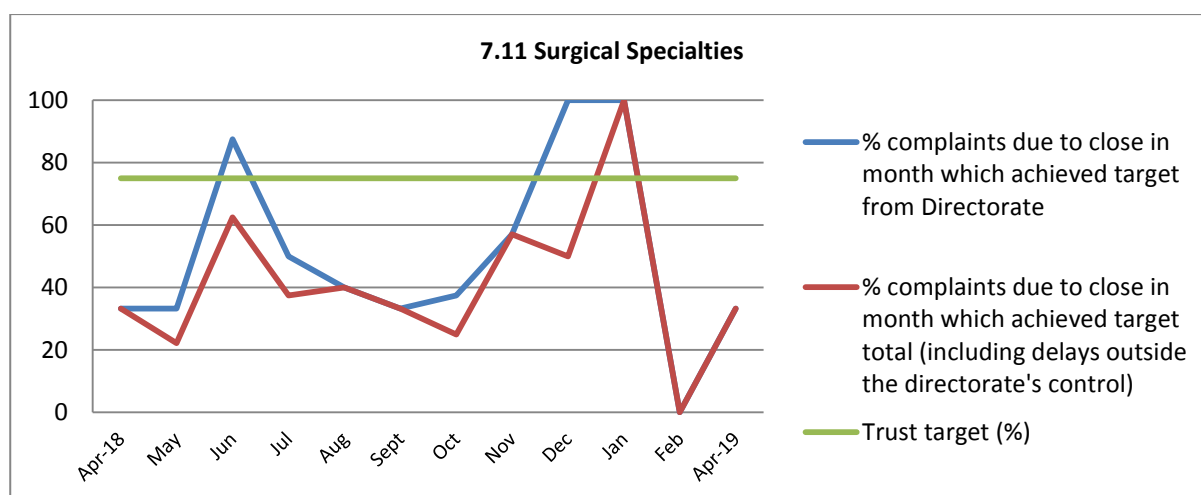
Acute Medicine & Geriatrics	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	4	9	5	9	6	7	10	13	3	4	5	1	5
Number of complaints responded to in month	6	7	7	7	5	10	12	13	3	8	10	1	4



Emergency Medicine	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	4	9	5	9	6	7	10	13	3	5	4	5	7
Number of complaints responded to in month	6	7	7	7	5	10	12	13	1	6	2	3	9



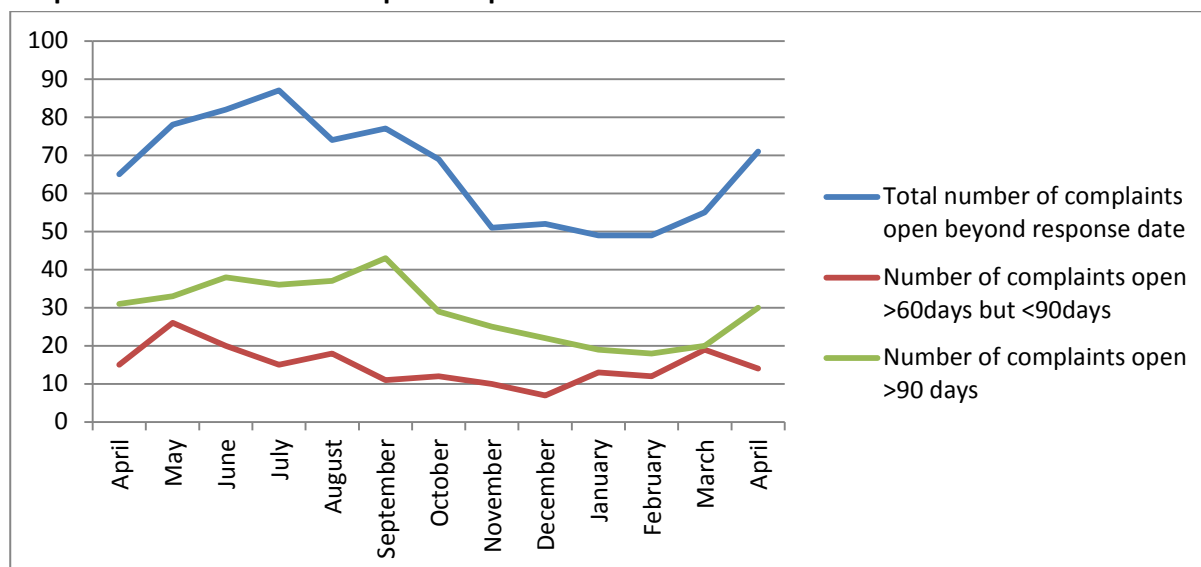
Head & Neck	Apr-18	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	5	6	4	3	4	7	3	4	2	7	1	5	5
Number of complaints responded to in month	6	4	4	1	3	0	5	7	1	9	4	4	3



Surgical Specialties	Apr-18	May	Jun	Jul	Aug	Sep t	Oct	Nov	Dec	Jan	Feb	Mar	Apr-19
Number of complaints due to close in month	6	9	8	8	5	3	8	7	2	5	1	0	6
Number of complaints responded to in month	12	6	9	5	10	4	10	12	3	5	2	2	4

Every directorate listed above achieved or exceeded the Trust's target of 75% for January, except: Medical Specialties (71.4%), Emergency Medicine (71.4%) Acute Medicine and Geriatrics (60%), Women's (57.1%), Children's (50%), Surgical Specialties (33.3%) and General Surgery (33.3%). In addition, Haematology also missed the 75% target, achieving 0%.

**Graph 8: Number of overdue open complaints**



Focused work continues around clearing older cases, using protected working periods and overtime to support this, although the complaints team remains stretched.

The Band 6 Complaints Lead Vacancy has been recruited to with an anticipated start date in early June and work is progressing around recruitment to the new Band 7 Deputy Complaints & PALS Manager role.

A review meeting is scheduled between the Chief Nurse, AD for Quality Governance and the Complaints & PALS Manager for early June to assess progress and follow-up on the programme of review meetings held with the directorates during the course of 2018-19.

The newly developed Diagnostics and Clinical Support Services Division describe how the 5 directorates have continued to manage their complaints using their already established systems of work. Both Radiology and Therapies are involved in a number of associated complaints but have few directly linked to their services. The focus for the directorates is to manage issues in their

departments and locally before escalation to formal complaint. Those escalated to formal level are managed by senior administrators who working with the department and PALS ensure complaints are responded to within the appropriate time frame. Pharmacy, Pathology and Outpatients have a very complaints associated to their services. As a result the division continues to have a 100% response rate within the timeframes allocated.

The table below provides the detail of the frequency of each sub subject raised as issues within complaints received in the Trust. The available data has been analysed by the date of the event being complained about, rather than when the complaint itself was received. It is hoped that this will give a truer picture of the current issues affecting our patients and service users. However, it should be noted that although the majority of complaints are raised within a month or two of the event occurring, there will be a degree of time delay. As a result, there will be less data available for the current and preceding month, than there will be for earlier months. The charts/graphs below will therefore be updated each month and may show variations (if compared retrospectively) for this reason.

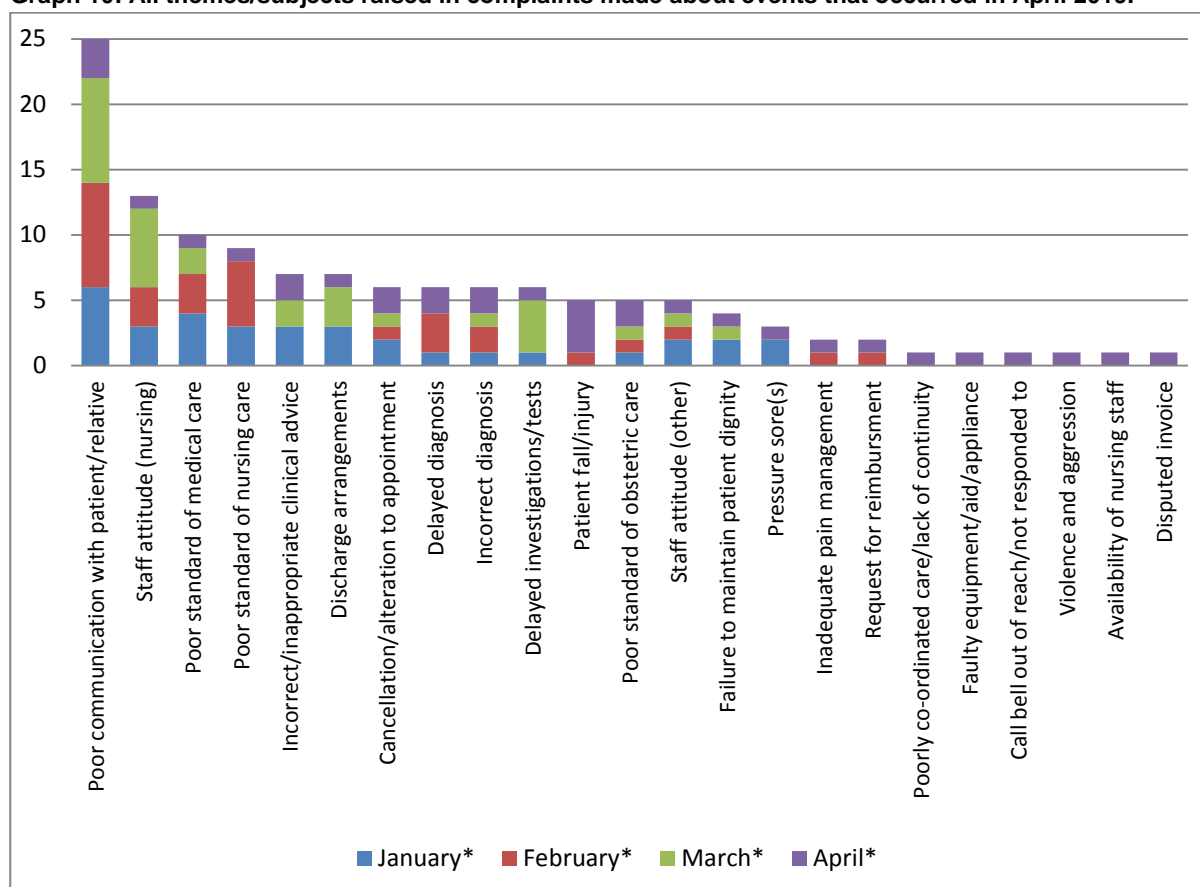
**Graph 9 - Complaints by Sub-subject – most frequently raised in April 2019**

	January*	February*	March*	April*
<b>Patient fall/injury</b>	0	1	0	4
<b>Poor communication with patient/relative</b>	6	8	8	3

\*reflects the date of the event being complained about

The following graph (Graph 10) shows an expanded view of the themes of complaints that occurred in April 2019.

**Graph 10: All themes/subjects raised in complaints made about events that occurred in April 2019.**



As with previous reports, communication with patients/relatives remains a key theme within complaints, being the most frequently raised issue in the reporting period (January – April), although shows a reducing trend.

Looking at emerging issues, there has been a rising trend of complaints about:

- Incorrect diagnosis
- Delayed investigations/tests
- Patient fall/injury



- Poor standard of obstetric care
- Inadequate pain management
- Requests for reimbursement
- Poorly co-ordinated care/lack of continuity
- Faulty equip
- Equipment/aid/appliance
- Call bell out of reach/not responded to
- Violence and aggression
- Availability of nursing staff
- Disputed invoice

All other subjects listed in graph 10 show stable or reducing trends. Complaint case studies are published in the Governance Gazette to highlight key themes and trends seen coming through complaints and the learning taken from complaint investigations.

The Board will be reassured to learn that the Trust continues to perform well when it comes to Parliamentary and Health Service Ombudsman investigations. In April, the PHSO notified that Trust that having reviewed our correspondence on a complaint, they did not intend to take any further action. This is an indicator of good quality complaints management at a local level.

### **Safe staffing: Planned versus actual (April)**

The attached paper shows the planned v actual nursing staffing as uploaded to UNIFY for April 2019. This data is also published via the NHS Choices website and the Trust website as directed by NHS England and the National Quality Board.

#### **Wards of note include:**

**Foster Clarke / Cornwallis:** Foster Clarke ward has now closed as part of the winter de-escalation plan and the team have now moved into Cornwallis with effect from the 13<sup>th</sup> April 2019. The staffing data therefore spans across the two wards with Foster Clarke presenting as part month data only. Cornwallis required an increase CSW fill rate at night due to enhanced care requirements.

**John Day:** Consistent improvement in falls rate during the month remaining within threshold however reduced RN rate due to sickness, vacancies and lack of available temporary staff throughout the month. Fill rate included 36.9% of temporary staffing of which 57.2% were agency. Temporary RN staffing demand for the month equivalent to 13 WTE.

**Chaucer / Whatman:** Chaucer ward closed as part of planned programme works on the 31<sup>st</sup> March moving to Whatman Ward. Increased fill rate reported during the month due to ward escalation to meet demand.

**Edith Cavell:** Increased CSW fill rate to support enhanced care requirement throughout the month

**UMAU (MDGH):** Reduced CSW fill rate due to lack of available temporary staff. Increased fill rate at night due to ongoing escalation. 161 requests for registered nurses and 74 requests for CSW's were made equating to the fill rate consisting of 36.6% temporary staff of which 49.5% were agency staff.

**Ward 22:** 1 falls above threshold during March. Reduced fill rate due to vacancies levels and shifts not covered with a lack of available temporary staffing throughout month. 229 requests for RN's and 152 requests for CSW's were made during April. Fill rate therefore includes 36.9% fill by temporary staffing of which 34.7% were agency. Temporary RN staffing demand for the month equivalent to 14 WTE.

**Gynaecology / Ward 33:** Increased RN fill rate to cover elective weekend lists during the month. Reduced fill rate in care support workers due to lack of available temporary staff and increased service demand.

**MAU (TWH):** An increase to 16 falls above threshold. Reduced fill rate due to vacancies and lack of available temporary staff to fill shifts throughout the month. 221 RN and 95 CSW requests were made during the month. Fill rate includes 32.1% of temporary staff of which 32.1% were agency. RN Requests equivalent to 16 WTE. QuESTT score 14.

**Ward 32:** Increase in falls reporting 8 above threshold. Reduced fill rate daily due to high vacancy factor and inability to cover due to lack of available temporary staff and late cancellations. 124 RN and 200 CSW requests submitted for temporary staffing. Final fill rate included 40% of temporary staff of which 27.2% were agency (a reduction in agency during April). RN temporary requests equivalent to 8 WTE Established ward manager seconded to support area.

**Ward 11:** Improvement in falls rate remaining within threshold. Reduced RN fill rate due to sickness and vacancies. Skill mix adjustment to increase CSW fill rate to support staffing levels.

**Ward 12:** 2 falls above threshold. Reduced fill rate due to vacancies and lack of available temporary staff resulting in unfilled shifts. 129 RN and 91 CSW temporary staffing requests made. Total fill rate supported by 40.7% of temporary staffing of which 44.3% were agency. RN temporary requests equivalent to 9 WTE

**Ward 20:** Increase in falls to 3 above threshold. Increased CSW fill rate at night to support enhanced care requirements. QuESTT score 14 to include newly appointed ward manager.

**Ward 2:** Reduction in falls remaining within threshold. Reduced RN fill rate due to lack of available temporary staff and AFU escalated on 6 occasions. 150 RN requests made to support staffing.

**Ward 30:** Reduced RN fill rate due to vacancies and lack of available temporary staff. Fill rate includes a rate of 43% temporary staff of which 33.9% were agency both figures show improvement in comparison with March data.

**Maternity:** Reduced fill rate due to lack of available temporary staff. Delivery suite prioritised to ensure safe staffing levels. High level of maternity leave within service contributing to reduced fill rate.

**Hedgehog:** Reduced RN fill rate due to short term sickness in team and additional RMN requirements. Ambulatory area supported. Reduced CSW fill rate due to lack of paediatric cover.

**Neonatal Unit:** Reduced fill rate due to lower occupancy during the month. No episodes of unit escalation

**SSSU:** Increased fill rates due to unit escalation throughout the month. Bed occupancy fluctuated between 11 – 24. 143 RN and 92 CSW temporary staffing requests made. Fill rate therefore inclusive of 51.2% temporary staffing of which 22.6% were agency. Temporary staffing request equivalent to 9 WTE. Data shows improvement for the month.

**A+E (MH + TWH):** MH- Reduced RN fill rate due to uncovered shifts. Fill rate inclusive of 30.5% temporary staffing of which 29.1% were agency. Actual demand for RN covers with 226 requests. TWH- Reduced RN and CSW fill rates due to lack of available temporary staff and vacancies through the month. This fill rate includes 53.1% temporary staffing of which 51.9% were agency. A total of 471 RN requests were made making an equivalent of 32 WTE.

### **Planned vs. Actual**

The fill rate percentage is the actual hours used compared to the hours set in the budgeted establishment. That is, the budgeted establishment sets out the numbers of Registered Nurses and Clinical Support Workers based on an average acuity and dependency (or planned case mix for elective units). When units are faced with increased acuity and/or dependency, in escalation or undergo a service change that is not currently reflected in the budget, this is represented by an 'overflow'. Financial and key nurse-sensitive indicators have also been included as an aid to triangulation of both efficient and effective use of staff.

When the fill rate is only marginally over 100% by +/- 5% this is normally related to working patterns which required staff to work an additional shift periodically as long shifts result in a staff member either working over or under their contracted hours in any given month.

The RAG rating for the fill rate is rated as:

Green: Greater than 90% but less than 110%

Amber Less than 90% OR greater than 110%

Red Less than 80% OR greater than 130%

The principle being that any shortfall below 90% may have some level of impact on the delivery of care. However this is dependent on both acuity and dependency. Acuity is the term used to describe the clinical needs of a patient or group of patients, whilst dependency refers to the support a patient or group of patients may need with activities such as eating, drinking, or washing.

High fill rates (those greater than 110%) would indicate significant changes in acuity and dependency. This results in the need for short notice additional staff and as a consequence may have a detrimental impact on the quality of patient care.

The exception reporting rationale is overall RAG rated according to professional judgement against the following expectations:

- The ward maintained a nurse to patient ratio of 1:5 – 1:7
- Acuity and dependency within expected tolerances
- Workforce issues such as significant vacancy
- Quality & safety data
- Overall staffing levels
- Risks posed to patients as a result of the above

The successful roll out of Health roster enables for further scrutiny of PvA through the Key Performance Indicators to include:

Roster Score	Unfilled Roster	Duties With Warnings	Partially Approved Rosters	Fully Approved Rosters	Roster Approval (Partial) Lead Time
Roster Approval (Full) Lead Time	Net Hours Balance	Bank / Agency Use	Annual Leave	Total Avoidable Cost Per WTE	

For example Annual leave; the headroom allowance for in patient departments is set at 21%. Annual leave parameters should fall between 11 – 15%. Where there is a reduced fill rate in month the KPI will identify if Annual leave is an influencing factor.

With the introduction of apprenticeships and the start for the new Trainee Nursing Associates (TNAs) this will impact on the current workforce structure. This will require a revised methodology when considering our workforce needs to ensure consideration to the future structure of new learners, apprentice's and the introductions of TNA's leading to the Nursing Associate role.

**Bank / Agency Demand: Registered Nurse / Midwife and Care / Midwifery Support Worker**  
**Bank / Agency usage data monitoring**  
**WTE Temporary request demand RN/M**

As described in the Planned V Actual commentary the fill rate percentage is the actual hours used compared to the hours set in the budgeted establishment. In addition to this information, it is known that nationally and internationally there is an increasing shortage of registered nurses to maintain levels of fill rate. Maidstone and Tunbridge Wells NHS Trust have worked collaboratively with NHS improvement on a focused recruitment and retention plan and continues this high priority focus with new ways of working, new roles and safe staffing reviews. To more fully appreciate the complexities of fill rates and how these rates are delivered, new data set has been introduced to this report to provide the following detail:

- Percentage rate of overall fill rate supported by temporary staffing
- Percentage rate of temporary staffing fill rate by external agencies.
- Demand data for fill rates for registered nurses and midwives in numbers to provide depth of meaning to percentage data
- Whole Time Equivalent Demand of temporary staffing for registered nurses and midwives
- Temporary Demand data for unfilled requests.

These figures do not take into account the daily movement of staff that is managed by our Matrons and DDNQs in line with demand nor does it reflect the contribution of direct clinical care provided by our matrons who are frequently supporting care delivery in our wards to ensure safe staffing.

**Care Hours per Patient Day**

Updated information has been communicated by NHS Improvement in June 2018 (CHPPD) Guidance for Acute and Acute Specialist Trusts.

CHPPD is a measure of workforce deployment that can be used at ward, service or aggregated to Trust level. The safe staffing paper uses the CHPPD at ward / department level where service leaders and managers can consider the workforce deployment over time, with comparable wards within a trust or at other trusts as part of a review of staff deployment and overall productivity. To calculate CHPPD, monthly returns for safe staffing along with the daily patient count at midnight, which is the total number of patients on the ward at 23:59 are aggregated for the month.

**Calculation:**

Day Shift Hours + Night Shift Hours Worked by both Nursing Support Staff and Registered Nurses & Midwives

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Approximation of Every 24 Hours of In-Patient Admissions by Taking a Daily Count of Patients in Beds at 23:59

The updated guidance references CHPPD for ward-based AHPs and other clinical staff:

'Ward-based Allied Health Professionals (AHPs) and other clinical staff who provide patient care in multi-disciplinary teams alongside nursing or midwifery staff can be included in the Safe Staffing returns for the purposes of calculating CHPPD. This only relates to staff that are part of the ward roster and are included in the ward establishment. Registered clinical staff can be reported alongside registered nursing and midwifery staff. Non-registered clinical staff can be recorded alongside healthcare support workers.'

MTW have looked proactively at AHPs in traditional nursing roles and as such, has successfully appointed an Occupational Therapist to the role of Ward Manager to MAU (TWH). This role will be included in the CHPPD calculation.

Current guidance does not yet include the patient facing hours that centrally deployed AHPs provide to a ward / department on any given day, into the CHPPD metric, as we would not be counting like with like.

### **QuESTT:**

The QuESTT score seeks to offer a more objective approach to the safety and effectiveness of a ward to reflect aspects of good leadership and multi-professional engagement with care. Nurse sensitive indicators and included alongside the QuESTT score.

The tool has 16 statements that are answered true or false (Table 1). The questions cover a range of domains including leadership, staff support, user feedback and incidence. Each question is weighted with a score between 1 and 3. Any ward or department scoring above 12 would give rise to further enquiry. The aim of the tool is to identify wards that may need additional support or intervention before any adverse impact on the clinical care and outcomes.

The RAG rating for QuESTT is rated as:

Green: 0 - 11

Amber: 12 – 15 Trend analysis and further enquiry

Red : 16 + Immediate enquiry and action to be taken

The Quality, Effectiveness & Safety Trigger Tool (QuESTT) collection tool continues to be available to all wards. Completion and review rate has seen a slight reduction in completion with 1 non submission (not including maternity) for the month of April. QuESTT continues to be further embedded into the monthly reporting systems and promoted through the Chief Nurse's senior team. Safe staffing information requested as an agenda item for the Senior team to review.

A trigger of Amber or Red will initiate a "Quality Review" relating to the quality indicators over a nominated period of time. This will be a minimum of a one quarter annum period to identify any themes or trends arising. The indicators for review include:

Falls

Complaints

FFT

Workforce KPIS including sickness, vacancy, turnover

Performance

Financial performance

E roster KPIS

Other patient safety incidents

Table 1

QuESTT: <u>Q</u> uality, <u>E</u> ffectiveness and <u>S</u> afety <u>T</u> rigger <u>T</u> ool	
Name of person completing review:	Date of Review:
<b>Section One:</b> The content of this completed tool should be used to form the basis of a <i>monthly</i> multi-disciplinary review of the key quality indicators within a clinical area. The assessment should be made by the team leader and then validated by the members of the review group discussing the results. Section One acts as a trigger or early warning tool and must be assessed and completed each month. <i>Instructions: If the statement is true, insert a X in the cell (the score will be calculated automatically). If it is not true, leave blank.</i>	
Indicators	True?
New or no line manager in post (within last 6 months)	
Vacancy rate higher than 3%	
Unfilled shifts is higher than 6%	
Sickness absence rate higher than 3.5%	
<u>No</u> monthly review of key quality indicators by peers, e.g. peer review or governance team meeting	
Planned annual appraisals <u>not</u> performed	
<u>No</u> involvement in Trust-wide multi-disciplinary meetings	
<u>No</u> formal feedback obtained from patients during the month, e.g. questionnaires or surveys	
2 or more formal complaints in a month (Wards) or 3 or more (A&E or OPD) or 1 or more (CCU & IC)	
<u>No</u> evidence of resolution to recurring themes	
Unusual demands on service exceeding capacity to deliver, e.g. national targets, outbreak	
Hand hygiene audits <u>not</u> performed	
Cleanliness audits <u>not</u> performed	
Ward/Department appears untidy	
<u>No</u> evidence of <i>effective</i> multi-disciplinary/multi-professional team working	
Ongoing investigation or disciplinary investigation (including RCA's & infection control RCA's)	
Overall Score:	
Insert comments below (if appropriate):	

Score if True		
1	2	3

Apr-19		Day		Night		Bank / Agency Use %	Agency as % of Temp Staffing	Bank / Agency Demand: RN/M	WTE Temporary demand RN/M	Temporary Demand Unfilled	Overall Care Hours per pt day							Financial review			
Hospital Site name	Ward name	Average fill rate registered nurses/midwives (%)	Average fill rate care staff (%)	Average fill rate registered nurses/midwives (%)	Average fill rate care staff (%)							FFT Response Rate	FFT Score % Positive	Falls	PU ward acquired	QuESTT Score	Comments	Budget £	Actual £	Variance £ (overspend)	
MAIDSTONE	Acute Stroke	94.4%	96.8%	98.9%	122.9%	33.4%	45.5%	134	9	6	7.6	62.5%	92.0%	4	0	N/S	Enhanced care requirements on 2 occasions	158,325	166,938	(8,613)	
MAIDSTONE	Cornwallis	101.7%	102.3%	85.0%	156.6%	37.1%	24.5%	13	1	3	12.5	46.9%	96.7%	2	0	4	Team moved to ward and opened Cornwallis with effect from 13th April. Increased CSW fill rate at night due to enhanced care requirements	377	21,777	(21,400)	
MAIDSTONE	Culpepper (Inc CCU)	96.4%	99.3%	99.0%	106.7%	15.0%	19.1%	56	4	4	10.6	87.0%	97.5%	1	0	0		124,440	118,407	6,033	
MAIDSTONE	John Day	81.4%	129.5%	101.4%	106.0%	36.9%	57.2%	181	13	30	6.0	41.8%	93.9%	3	0	9	Decreased RN fill rate due to staff sickness and vacancies with lack of available temporary staff. Increased CSW fill rate due to support patients at increased risk of falls	146,556	162,818	(16,262)	
MAIDSTONE	Intensive Treatment Unit (ITU)	89.2%	78.0%	80.1%	-	7.3%	18.5%	38	3	10	36.1			0	0	1	Reduced fill rate in line with lower bed occupancy.	167,043	164,824	2,219	
MAIDSTONE	Pye Oliver	91.3%	109.3%	102.6%	91.5%	23.5%	46.8%	84	6	9	5.9	19.7%	83.3%	6	0	7	1 fall above threshold	119,769	124,821	(5,052)	
MAIDSTONE	Chaucer / Whatman	110.4%	82.6%	151.7%	170.0%	42.5%	12.3%	210	12	22	7.4	3.3%	100.0%	7	0	2	1 fall above threshold Increased fill rate due to ward escalation throughout the month.	102,305	133,289	(30,984)	
MAIDSTONE	Lord North	91.5%	130.4%	101.1%	96.7%	30.3%	14.7%	63	4	10	7.2	21.8%	91.7%	2	0	0	Increased CSW fill rate to support the increasing acuity and dependency	89,877	113,292	(23,415)	
MAIDSTONE	Mercer	105.6%	100.2%	118.9%	105.8%	29.3%	65.6%	116	8	5	6.1	66.7%	80.0%	12	2	3	6 falls above threshold	120,077	135,757	(15,680)	
MAIDSTONE	Edith Cavell	93.4%	114.2%	101.9%	150.0%	27.0%	26.9%	30	2	0	5.6	64.3%	88.9%	1	2	2	Increased fill rate at night due to enhanced care requirements throughout the month	91,300	88,833	2,467	
MAIDSTONE	Urgent Medical Ambulatory Unit (UMAU)	95.8%	88.8%	130.0%	187.5%	36.6%	49.5%	161	11	37	8.5	2.4%	88.9%	4	0	4	Reduced fill rate due to vacancies and lack of available temporary cover. Unit remained escalated at night requiring increased fill rate throughout the month	116,162	143,154	(26,992)	
TWH	Stroke/W22	76.3%	81.0%	94.7%	90.4%	36.9%	34.7%	229	14	67	8.5	75.0%	100.0%	8	0	7	1 fall above threshold Reduced fill rate due to vacancies and shifts not covered with a lack of available temporary staffing throughout month.	162,889	152,003	10,886	
TWH	Coronary Care Unit (CCU)	100.8%	65.3%	94.7%	-	39.4%	39.0%	87	5	5	9.7	100.0%	92.9%	1	0	3	Reduced CSW fill rate due to late bank / agency cancellations and unfilled shifts due to lack of available temporary staff	70,149	66,582	3,567	
TWH	Gynaecology/ Ward 33	110.4%	80.6%	99.7%	85.0%	16.2%	3.7%	25	2	2	11.5	26.7%	91.4%	0	0	2	Increased RN fill rate to cover elective weekend lists during the month. Reduced fill rate in care support workers due to lack of available temporary staff and increased service demand.	83,465	97,231	(13,766)	
TWH	Intensive Treatment Unit (ITU)	104.9%	110.3%	104.7%	100.0%	8.5%	3.7%	39	3	6	29.8			2	0	2	2 falls above threshold Unit escalation on 13 occasions throughout the month.	201,376	208,813	(7,437)	
TWH	Medical Assessment Unit	79.2%	83.7%	94.0%	102.2%	32.1%	32.1%	221	16	59	7.2	0.0%	0.0%	22	0	14	16 falls above threshold Reduced fill rate due to vacancies and lack of available temporary staff to fill shifts throughout the month	190,724	208,765	(18,041)	
TWH	SAU	100.0%	93.3%	100.0%	100.0%	14.0%	5.5%	18	1	0	11.4			1	0	0	1 fall above threshold Escalated across 10 episodes during the month	64,936	66,496	(1,560)	
TWH	Ward 32	64.8%	121.6%	100.0%	83.7%	40.0%	27.2%	124	8	30	5.4	0.0%	0.0%	14	0	8	8 falls above threshold High vacancy rate on ward unable to fill due to lack of available temporary staff throughout the month in addition to late cancellations and DNAs.	162,160	128,614	33,546	
TWH	Ward 10	94.7%	91.0%	76.5%	180.0%	43.3%	17.1%	132	8	15	6.1	0.0%	0.0%	6	0	3	4 falls above threshold. Increased CSW fill rates at night due to enhanced care requirements. Skill mix adjustment a considered risk by the ward team in line with a high dependency and moderate acuity.	121,089	131,184	(10,095)	
TWH	Ward 11	87.5%	114.4%	98.5%	116.7%	36.5%	38.0%	136	9	15	5.9	0.0%	0.0%	1	0	3	Reduced RN fill rate due to sickness and vacancies. Skill mix adjustment to increase CSW fill rate to support staffing levels.	124,495	136,011	(11,516)	
TWH	Ward 12	84.3%	102.1%	104.3%	88.9%	40.7%	44.3%	129	9	19	5.6	33.0%	93.1%	8	0	7	2 falls above threshold Reduced fill rate due to vacancies and lack of available temporary staff resulting in unfilled shifts.	149,290	131,120	18,170	
TWH	Ward 20	90.8%	103.3%	98.3%	123.3%	43.1%	17.7%	239	6	35	5.6	24.2%	100.0%	10	1	14	3 falls above threshold Increased fill rate at night due to enhanced care requirements	121,447	119,965	1,482	
TWH	Ward 21	100.9%	104.6%	109.3%	98.3%	22.3%	55.3%	117	8	25	6.3	14.7%	90.0%	1	0	5		147,861	146,360	1,501	
TWH	Ward 2	78.1%	104.3%	99.0%	100.1%	29.5%	42.0%	150	10	50	6.3	13.4%	88.9%	7	0	8	Reduced RN fill rate due to lack of available temporary staff. AFU escalated on 6 occasions.	149,489	133,527	15,962	
TWH	Ward 30	80.1%	105.6%	102.2%	93.3%	43.0%	33.9%	176	11	50	5.5	0.0%	0.0%	8	0	8	3 falls above threshold Reduced RN fill rate due to vacancies and lack of available temporary staff. Skill mix adjusted to provide additional CSW cover.	124,553	130,991	(6,438)	
TWH	Ward 31	90.4%	86.4%	93.8%	90.5%	29.3%	48.2%	136	9	25	5.9	0.0%	0.0%	4	1	7	Reduced CSW fill rate due to a combination of unfilled shifts and sickness. Staffing levels varied daily with staff moves to support safe staffing across the organisation.	133,304	129,031	4,273	
Crowborough	Birth Centre	84.6%	100.0%	92.4%	96.7%	12.8%	0.0%	16	1	0		48.6%	93.8%		0		Considered action to prioritise the night with Community teams support during the day. Bank MSW supported throughout the month	76,340	77,194	(854)	
TWH	Maternity Services (incl Ante/Post Natal, Delivery Suite & Triage)	85.1%	95.3%	96.2%	92.6%	17.3%	0.4%	414	24	67	9.4			0	0		Reduced fill rate due to lack of available temporary staff. Delivery suite prioritised to ensure safe staffing levels. High level of maternity leave within service.	723,325	712,080	11,245	
TWH	Hedgehog	88.1%	34.6%	103.1%	-	23.8%	44.1%	165	11	31	13.1	9.5%	84.0%	0	0	6	Reduced RN fill rate due to short term sickness in team and additional RMN requirements. Ambulatory area supported. Reduced CSW fill rate due to lack of paediatric cover.	222,850	204,140	18,710	
MAIDSTONE	Birth Centre	105.8%	70.7%	98.5%	92.3%	16.9%	0.0%	19	1	0		92.0%	100.0%	0	0		Reduced MSW fill rate due to vacancy and lack of available temporary staff	82,785	63,015	19,770	
TWH	Neonatal Unit	78.3%	63.0%	97.9%	-	15.6%	8.3%	85	5	5	18.6				0	2	Reduced fill rate due to lower occupancy during the month. No episodes of unit escalation	217,556	200,820	16,736	
MAIDSTONE	MSSU	98.7%	92.0%	104.8%	-	25.7%	26.4%	46	3	5	10.6			1	0	0	1 fall above threshold	45,439	54,179	(8,740)	
MAIDSTONE	Peale	106.0%	110.6%	65.6%	103.3%	17.2%	35.0%	50	3	4	8.3	0.0%	0.0%	1	0	8	Reduced RN fill rate at night due to lower bed occupancy on some occasions fluctuating between 9 - 13 beds.	84,558	71,735	12,823	
TWH	SSSU	115.5%	102.2%	103.3%	179.9%	51.2%	22.6%	143	9	26	6.5			0	0	9	Increased fill rates due to unit escalation throughout the month. Bed occupancy fluctuated between 11 - 24	123,122	89,279	33,843	
MAIDSTONE	A&E	87.2%	94.6%	98.6%	84.0%	30.5%	29.1%	226	14	31		4.2%	89.2%	1	0		MH - Reduced fill rate due to lack of available temporary staff across 28 shifts in the month TWH - Reduced fill rate due to vacancies and lack of available temporary staff across 29 shifts throughout the month.	214,000	230,517	(16,517)	
TWH	A&E	86.8%	84.8%	97.4%	83.6%	53.1%	51.9%	471	32	54		17.3%	79.5%	3	0			372,531	361,085	11,446	
MAIDSTONE	MOU	70.8%	60.8%	95.6%	-	36.0%	46.4%	59	4	4	11.6			0	0	7	Reduced fill rate due to a combination of lack of available temporary staff and episodes of low bed occupancy with ward closed on one occasion.	44,853	40,962	3,891	
MAIDSTONE	Foster Clarke	11.7%	10.2%	14.3%	14.3%	-	-	-	-	-	0.9	0.0%	0.0%	2	0		Ward closed on 13th April as part of winter de escalation plan. Team moved to Cornwallis ward therefore only part month data.	86,983	112,396	(25,413)	
												Total Established Wards						5,537,800	5,578,005	(40,205)	
												Additional Capacity by Cath Labs						42,527	46,176	-3,649	
												Whatman						0	10,613	-10,613	
												Other associated nursing costs						3,118,135	3,010,040	108,095	
												Total						8,698,462	8,644,834	53,628	
		RAG Key																			
		Under fill																			
				Over fill																	

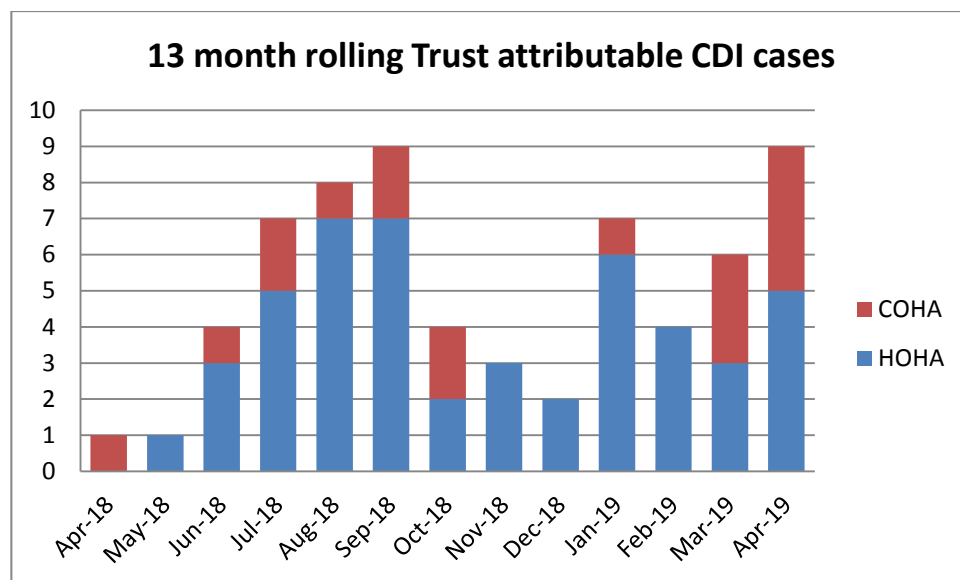
## Infection Prevention and Control (April)

### MRSA

There were no cases of MRSA blood stream infection in April.

**C. difficile** – As described in previous reports, the definitions of *C. difficile* infections have changed for the new financial year. Trust attributable cases now include those arising from day 2 of admission onwards and where a patient has been an inpatient within the 28 days prior to diagnosis.

Last year's cases have been reviewed according to the new definitions



A total of 56 cases of Trust attributable *C. difficile* were seen last year.

In April a total of 9 cases were seen, 5 hospital onset, healthcare associated and 4 community onset, healthcare associated. Root cause analysis has been completed on all cases and will be reviewed at the *C. difficile* panel.

The *C. difficile* action plan has been further reviewed. All nursing and facilities actions have been implemented. All doctors have received further information regarding antimicrobial prescribing in order to reduce unnecessary prescribing

### Gram negative bacteraemia

Eight cases of hospital-attributable gram negative blood stream infection were seen in April. Six cases were due to *E. coli*, two due to *Klebsiella* and none due to *Pseudomonas* species

All cases of gram negative sepsis are subject to epidemiological data collection and full RCA is completed where lapses of care are identified. The Trust submits all mandatory and voluntary data on gram negative blood stream infections to Public Health England.

An action plan for the reduction of gram negative sepsis is being developed and will include:

- Rolling out the hydration station project from the pilot wards to other wards across the Trust
- A review of the cholecystitis pathway to ensure consistent antimicrobial prescribing
- Review of the new national catheter care plan with a view to implementing it across the Trust
- Implementation of new national guidance on urinary tract infection in the elderly
- Ongoing case review and trend analysis
- Full root cause analysis where initial data collection raises concerns
- All epidemiological information entered onto PHE DCS
- Participating in National Gram Negative Reduction Support Programme



- Continuing to work with stakeholders across STP through K&M Infection control and Antimicrobial Stewardship Committee

A task and finish group has been set up under the leadership of the Consultant Nurse in Infection Control to implement measures to further control hospital acquired gram negative bacteraemia

### **Methicillin sensitive *Staphylococcus aureus* bacteraemia**

One case of hospital-attributable MSSA blood stream infection was seen in April.

### **Influenza**

The flu season has continued with 9 inpatient cases of Influenza A in April. One new patient required ITU level care.

Public Health England have determined that the flu season is over with GPs no longer able to prescribe antiviral drugs for Influenza.

## Financial commentary (April)

- The Trust's deficit including PSF and MRET funding was £2m in April which was in line with the plan.
- The Trusts normalised run rate in April was £3.1m deficit pre PSF which was £0.2m higher than plan and £0.4m higher than March normalised position (pre PSF).
- In April the Trust operated with an EBITDA surplus of £0.5m which was £0.1m adverse to plan.
- The key variances against plan in the month are: Adverse variances relating to CIP slippage (£0.4m), private patient income slippage (£0.2m net), Medical staffing pressures within Surgery and Paediatrics (£0.2m), EPR project overspend (£0.1m) offset by £0.4m Clinical income over performance mainly relating to Radiotherapy and regular attenders, £0.2m non recurrent release of old year provision and £0.4m underspends within pay budgets.
- The key current month variances are as follows:
  - Total income net of pass-through related income is £0.4m adverse to plan which related to under delivery operating income (£0.4m). Clinical Income excluding HCDs was on plan in April. The key favourable variances in A&E (£0.2m), Regular Attenders (£0.2m) and the AIC adjustment (£1.5m), this is offset by adverse variances in the Elective IP (£0.2m), Day Cases (£0.6m), Non-Electives (£0.3m) and Adult Critical Care (£0.3m). The adverse position within Other Operating Income (£0.4m) was mainly due to £0.3m slippage within Private Patient income due to lower activity levels than the business case, this plan is not incorporated within the CIP as this was included within the baseline position.
  - Pay budgets adjusted for pass-through items underspent by £0.6m in April. The key favourable variances relate to £0.2m release of old year provision and underspends within Admin and Clerical budgets (£0.2m) and £0.1m cancer recovery plan reserve (offset by income reduction). The key adverse variances within pay relate to Surgery and Paediatric Medical staffing who both overspent in the month by £83k as well as Theatres and Critical Care nursing which overspend by £70k in the month.
  - Non Pay budgets adjusted for pass through items overspent by £0.2m in the month. The key adverse variances relate to CIP slippage (£0.4m) mainly relating to prime provider (£0.3m) and EPR (£0.1m) funding pressure resulting from the full EPR costs being charged to revenue pending confirmation of additional capital funding support. Underspends within Cancer and RTT recovery plan reserves of £0.5m are partly offsetting the pressure in non-pay however these underspends are offset by a corresponding income under delivery.
- The Trust achieved £0.7m savings in April which was £0.4m adverse to plan. This is mainly due to Prime Provider elective activity slippage (£0.3m).
- The Trust held £41.3m of cash at the end of April which is slightly lower than the plan of £41.5m. The high cash balance that is carried forward relates to £8.4m brought forward of cash from the Maidstone residencies asset disposal which the Trust is waiting for confirmation from NHSI that this can fund capital projects in 2019/20 and the Trust received an advance in April on its contract payment from WK CCG of c£20.3m. Within the 2019/20 cash plan the Trust has some pressure points which will see the cash balance carried forward reduce as these materialise, the main pressure point is in February 2020 when the Trust needs to repay its Single Currency Working Capital loan of £16.9m. The Trust is continuing to work closely with neighbouring NHS bodies and where possible "like for like" arrangements are organised with local providers. MTW usually receives a benefit as we a net provider of services so we seek a proportionate arrangement to bring the debtor/creditor positions in line with each other.
- The Trusts revised capital plan for 2019/20 is £14.4m. In response to the letter from NHSI/E of 7th May the Trust reviewed its proposals for externally financed schemes and agreed to reduce or defer £3.5m of projects in to 2020/21 to support the national position. These included the assumption of a further nationally funded Linac (£1.7m); the deferral of £1.65m relating to a potential loan application for critical medical imaging equipment replacement; and the deferral of a bid for further Salix Energy Efficiency funding (£167k). The Trust has retained £850k in relation to a potential loan for a replacement CT scanner.
- The Trusts Capital Programme includes projects totalling £6.4m relating to funding carried forward from 2018/19 as cash from the Maidstone Residences asset sale. This funding has not

yet been approved as capital resource by NHSI/E and the Trust is working with the capital lead at NHSI/E to take this forward. The projects involved are:

- Acute Medical Unit (AMU) £3.6m
  - Backlog Maintenance - £2.0m
  - Urgent Medical Equipment - £0.8m
- The Trust is forecasting to deliver the plan but has following key risks:
    - Prime Provider: The Trusts plan includes 12 months of elective and outpatient Prime Provider activity however due to the timeline from referral to elective procedure it is likely that the Trust will start to see the conversion into elective activity from cJuly 2019 resulting in a reduced CIP delivery of c£1m.
    - EPR Capital Funding: The Trusts plan assumed an additional £1.5m of capital support would be received to support IT projects, the Trust is still waiting confirmation therefore if not successful this would result in £1.5m costs charged to I&E.
    - Private Patient Income: The level of Private patient income continues to be lower than planned levels, if the activity continues at current rate this would equate to £3m pressure.
    - Operational Efficiencies CIP assumed the Trust would 'cap' the additional investment to fund service developments to £10m, the current forecast for this investment is £2.8m more.
  - To mitigate these risks the Trust is focusing on identifying further CIPs with Bi-weekly meetings taking place with Divisions and external support as well as focussing on financial management controls with Divisions reviewing all cost centres monthly variances and detailing action plans to address any overspend as well as identifying if underspending cost centres will / can continue to underspend in future months.

## Workforce Commentary (April)

Key Workforce Risks & current actions to note

### Trust Vacancy Rate 12.8% (Target <9%)

The vacancy rate increased significantly from that reported in April (9.1%). This increase is due to the increased establishment arising from Business and Workforce planning.

### Trust Turnover Rate 9.54% (Target <10%)

The methodology used to calculate turnover changed w.e.f. April of this year to bring the Trust in line with NHSi reporting. This will result in a higher overall number than previously reported over the course of the year.

Key Vacancy risks include

- Nursing for medical and T&O wards at TWH
- Nursing for ED on both sites but primarily TWH
- TWH theatres
- Consultant physicians, AMU and respiratory
- Areas with high vacancy rates continue to put pressure on agency rates, particularly nursing in ED.

Current Actions

- Collating preferences for 3<sup>rd</sup> year student automatic job offers
- 42 offers made in May via the Aryavarat pilot for OSCE ready nurses. Subject to visa processing these will be expected to join the Trust from July.
- A further trip to Kerala planned to recruit 50 nurses in June via one of the additional international agencies appointed in April.
- 3 additional international agencies appointed in April to support nurse recruitment, one of these will have a particular focus on the recruitment of theatres staff
- Ongoing specialty doctor recruitment for paediatrics, surgery, medicine and ED
- All divisions have plans for the recruitment to vacant consultant posts
- The communications team are working with colleagues from KCHFT to develop a trust marketing and advertising strategy
- Internal Transfer scheme pilot launched
- Nurse recruitment event on 11<sup>th</sup> May at Maidstone appointed a further 8 nursing staff
- Further schedule of recruitment events agreed with a focus on recruiting at TWH
- All non-framework agency nurses now moved to framework agencies with concurrent reduction in costs.
- Recruitment Task and Finish group to work on a number of specific projects aimed at improving the attractiveness of MTW to potential applicants as well as supporting retention of existing staff. Projects identified from recruitment workshop held with senior staff on 12/4/19

### Sickness Absence 3.1% (Target =<3.3%)

Sickness absence is currently below the Trust target but reducing and remains much lower than the same period last year (3.8%), this is primarily due to a lower than expected amount of short term sickness relative to the winter period. The proportion of short term absence has reduced significantly due to a mild spring and onset of the summer months.

### Short term Absence 47.3%, Long term absence 52.7%

Key challenges in

- Facilities (5.46%) – significant improvement since March report
- Women's Services (4.07%) – improved position
- Clinical Governance (4.33%) – significant improvement since March report

#### Current Actions

- HR are providing line managers with updates on staff hitting absence triggers and are following up to ensure that sickness meetings are held and OH referrals made.
- HR staff are working with line managers to ensure that all those on long term absence have a management plan in place.

#### **Mandatory Training 83.5% (Target 85%)**

#### Current Actions

- Individual e-reminders to all staff now automatically issued by the Learning Management System
- Particular focus in Information Governance training
- System reconfigured to reflect revised organisational structures to allow directorate based report generation
- Data cleansing following transfer of information from the old to the new system

#### **Appraisals (Target 90%)**

- The current appraisal window is now open and as such appraisal data is not reported during this period
- New electronic appraisal system launched at the beginning of April along with a longer appraisal window should improve compliance and ease of completion for line managers. Training is available for managers to support improved quality of appraisals.

Trust Performance Dashboard

Position as at: 30 April 2019

	Safe	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
1-01	*Rate C-Diff (Hospital only)	4.71	44.5	4.7	44.5	39.8	19.8	22.4	22.4	
1-02	Number of cases C.Difficile (Hospital)	1	9	1	9	8	4	55	55	
1-03	Number of cases MRSA (Hospital)	1	0	1	0	-1	0	0	0	
1-04	Elective MRSA Screening	99.5%	99.0%	99.5%	99.0%	-0.5%	1.0%	98.0%	99.0%	
1-05	% Non-Elective MRSA Screening	0.0%	89.0%	0.0%	89.0%	0.0%	0.0%	98.0%	98.0%	
1-06	**Rate of Hospital Pressure Ulcers	1.66	0.70	1.66	0.70	- 0.96	- 2.31	3.01	0.74	3.00
1-07	***Rate of Total Patient Falls	5.27	6.93	5.27	6.93	1.65	0.93	6.00	6.00	
1-08	***Rate of Total Patient Falls Maidstone	4.93	6.05	4.93	6.05	1.12			6.12	
1-09	***Rate of Total Patient Falls TWells	6.27	7.48	6.27	7.48	1.21			7.32	
1-10	Falls - SIs in month	1	4	1	4	3				
1-11	Number of Never Events	0	0	0	0	0	0	0	0	
1-12	Open SIRIs	59	67			8				
1-13	Number of New SIs in month	13	17	13	17	4	7			
1-14	***Serious Incidents rate	0.61	0.84	0.61	0.84	0.23	0.78	0.0004 - 0.6078	0.0004 - 0.6078	0.0004 - 0.6078
1-15	Rate of Patient Safety Incidents - harmful	1.46	1.05	1.46	1.05	- 0.41	- 0.18	0 - 1.23	1.05	0 - 1.23
1-16	Number of CAS Alerts Overdue	0	1			1	1	0		
1-17	VTE Risk Assessment - month behind	97.0%	96.7%	97.0%	96.7%	-0.3%	1.7%	95.0%	96.7%	95.0%
1-18	Safety Thermometer % of Harm Free Care	97.2%	97.5%	97.2%	97.5%	0.3%	2.5%	95.0%		93.4%
1-19	Safety Thermometer % of New Harms	2.66%	2.37%	2.66%	2.37%	-0.29%	-0.6%	3.00%	2.37%	
1-20	C-Section Rate (non-elective)	14.4%	16.1%	13.7%	16.1%	2.46%	1.1%	15.0%	16.1%	

	Effectiveness	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
2-01	Hospital-level Mortality Indicator (SHMI)*****			1.0440	1.0391	- 0.0049	0.0391	Band 2	Band 2	1.0
2-02	Standardised Mortality HSMR			103.7	96.3	- 7.4	- 3.7	Lower confidence limit to be <100		100.0
2-03	Crude Mortality	0.9%	1.0%	0.9%	1.0%	0.0%				
2-04	****Readmissions <30 days: Emergency	11.0%	15.1%	12.9%	14.8%	1.9%	1.2%	13.6%	13.6%	14.1%
2-05	****Readmissions <30 days: All	10.5%	14.5%	12.3%	14.1%	1.8%	-0.5%	14.7%	14.1%	14.7%
2-06	Average LOS Elective	2.77	3.66	2.77	3.66	0.89	-	3.66	3.66	
2-07	Average LOS Non-Elective	7.52	7.13	7.52	7.13	- 0.39	-	7.13	7.13	
2-22	NE Discharges - Percent zero LoS	41.5%	43.1%	41.5%	43.1%	1.6%	-	-	43.1%	
2-08	*****FollowUp : New Ratio	1.44	1.58	1.44	1.58	0.14	-	1.53	1.53	
2-09	Day Case Rates	88.1%	87.3%	88.1%	87.3%	-0.8%	0.0%	87.3%	87.1%	
2-10	Primary Referrals	10,993	9,403	10,993	9,403	-14.5%	-14.2%	139,143	137,590	
2-11	Cons to Cons Referrals	6,165	5,519	6,165	5,519	-10.5%	35.1%	51,898	53,331	
2-12	First OP Activity (adjusted for uncashed)	17,182	16,436	17,182	16,436	-4.3%	-7.7%	226,133	224,764	
2-13	Subsequent OP Activity (adjusted for uncashed )	24,721	25,945	24,721	25,945	5.0%	-5.0%	346,844	345,472	
2-14	Elective IP Activity	473	540	473	540	14.2%	-7.6%	7,426	7,381	
2-15	Elective DC Activity	3,496	3,702	3,496	3,702	5.9%	-6.4%	50,210	49,959	
2-16	**Non-Elective Activity	4,949	5,166	4,949	5,166	4.4%	-17.9%	76,778	75,651	
2-17	A&E Attendances (Calendar Mth) Excl Crowboro	12,049	13,401	12,049	13,401	11.2%	1.8%	159,252	164,987	
2-18	Oncology Fractions	5,667	6,203	5,667	6,203	13.5%	3.8%	67,260	68,167	
2-19	No of Births (Mothers Delivered)	457	415	457	415	-9.2%	-15.0%	5,857	4,980	
2-20	% Mothers initiating breastfeeding	82.5%	83.1%	82.5%	83.1%	0.6%	5.1%	78.0%	83.1%	
2-21	% Stillbirths Rate	0.0%	0.48%	0.00%	0.48%	0.5%	0.0%	0.47%	0.48%	0.47%

	Caring	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark
		Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast	
3-01	Single Sex Accommodation Breaches	0	0	0	0	0	0	0	0	
3-02	*****Rate of New Complaints	2.21	2.28	2.21	2.28	0.1	0.96	1.318-3.92	2.28	
3-03	% complaints responded to within target	65.9%	66.7%	74.3%	66.7%	-7.7%	-8.3%	75.0%	75.0%	
3-04	****Staff Friends & Family (FFT) % rec care	77.6%	89.0%	77.6%	89.0%	11.5%	10.0%	79.0%	79.0%	
3-05	*****IP Friends & Family (FFT) % Positive	93.3%	94.2%	93.3%	94.2%	0.8%	-0.8%	95.0%	95.0%	95.8%
3-06	A&E Friends & Family (FFT) % Positive	91.2%	81.2%	91.2%	81.2%	-10.0%	-5.8%	87.0%	87.0%	85.5%
3-07	Maternity Combined FFT % Positive	94.9%	93.8%	94.9%	93.8%	-1.1%	-1.2%	95.0%	95.0%	95.6%
3-08	OP Friends & Family (FFT) % Positive	83.2%	82.5%	83.2%	82.5%	-0.7%			82.5%	

\* Rate of C.Difficile per 100,000 Bed days, \*\* Rate of Pressure Sores per 1,000 admissions (excl Day Case), \*\*\* Rate of Falls per 1,000 Occupied Beddays, \*\*\*\* Readmissions run one month behind, \*\*\*\*\* Rate of Complaints per 1,000 occupied beddays.

\*\*\*\*\* New :FU Ratio is now both consultant and non-consultant led for all specialties -plan still being agreed so currently last year plan

Delivering or Exceeding Target				Please note a change in the layout of this Dashboard to the Five CQC/TDA Domains						
Underachieving Target										
Failing Target				*****A&E 4hr Wait monthly plan is Trust Recovery Trajectory						
Responsiveness	Latest Month		Year/Qtr to Date		YTD Variance		Year End		Bench Mark	
	Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast		
*****Emergency A&E 4hr Wait	91.6%	92.03%	91.6%	92.0%	0.4%	0.8%	91.4%	92.1%	85.8%	
Emergency A&E >12hr to Admission	0	0	0	0	0	0	0	0		
Ambulance Handover Delays >30mins	252	437	252	437	185			4,076		
Ambulance Handover Delays >60mins	44	57	44	57	13			609		
RTT Incomplete Admitted Backlog	Data not currently available									
RTT Incomplete Non-Admitted Backlog										
RTT Incomplete Pathway										
RTT 52 Week Waiters (New in Month)										
RTT Incomplete Total Backlog										
% Diagnostics Tests WTimes <6wks										
*Cancer WTimes - Indicators achieved	5	2	3	1	- 2	- 8	9	1		
*Cancer two week wait	88.7%	88.7%	92.1%	88.5%	-3.6%	-4.5%	93.0%	88.5%		
*Cancer two week wait-Breast Symptoms	73.2%	73.2%	87.9%	72.3%	-15.5%	-20.7%	93.0%	72.3%		
*Cancer 31 day wait - First Treatment	96.1%	96.1%	92.6%	96.1%	3.4%	0.1%	96.0%	96.1%		
*Cancer 62 day wait - First Definitive	67.9%	67.9%	66.2%	63.1%	-3.2%	-19.1%	85.0%	63.1%		
*Cancer 62 day wait - First Definitive - MTW	71.7%	72.8%	71.7%	66.8%	-5.0%		85.0%			
*Cancer 104 Day wait Accountable	15.5	15.5	88.5	181.5	93.0	181.5	0	181.5		
*Cancer 62 Day Backlog with Diagnosis	81	99	81	99	18					
*Cancer 62 Day Backlog with Diagnosis - MTW	59	90	59	90	31					
Delayed Transfers of Care	4.56%	4.42%	4.56%	4.42%	-0.14%	0.92%	3.50%	4.42%		
% TIA with high risk treated <24hrs	66.7%	42.1%	72.5%	64.7%	-7.8%	4.7%	60%	64.7%		
*****% spending 90% time on Stroke Ward	89.7%	90.0%	89.7%	91.7%	2.0%	11.7%	80%	91.7%		
*****Stroke:% to Stroke Unit <4hrs	43.1%	51.4%	56.2%	57.8%	1.5%	-2.2%	60.0%	57.8%		
*****Stroke: % scanned <1hr of arrival	49.2%	55.7%	63.5%	58.4%	-5.2%	10.4%	48.0%	58.4%		
*****Stroke:% assessed by Cons <24hrs	81.4%	84.1%	82.6%	84.1%	1.5%	4.1%	80.0%	84.1%		
Urgent Ops Cancelled for 2nd time	0	0	0	0	0	0	0	0		
Patients not treated <28 days of cancellation	3	4	3	4	1	4	0	4		
RTT Incomplete Pathway Monthly Plan is Trust Recovery Trajectory										
*CWT run one mth behind, YTD is Quarter to date, Monthly Plan for 62 Day Wait First Definitive is Trust Recovery Trajectory										
*** Contracted not worked includes Maternity /Long Term Sick										
**** Staff FFT is Quarterly therefore data is latest Quarter										
Well-Led	Latest Month		Year to Date		YTD Variance		Year End		Bench Mark	
	Prev Yr	Curr Yr	Prev Yr	Curr Yr	From Prev Yr	From Plan	Plan/ Limit	Forecast		
Income	40,150	40,150	40,150	40,150	0.0%	-0.9%	503,283	502,732		
EBITDA	540	540	540	540	0.0%	-3.5%	37,892	37,892		
Surplus (Deficit) against B/E Duty	33	(2,001)	33	(2,001)			6,897	6,883		
CIP Savings	811	725	811	725	-10.6%	-36.1%	22,328	22,328		
Cash Balance	12,872	41,294	12,872	41,294			3,000	3,000		
Capital Expenditure	214	358	214	358			18,395	18,395		
Establishment WTE	5,588.6	5,905.7	5,588.6	5,905.7	5.7%	0.0%	5,905.7	5,905.7		
Contracted WTE	5,024.5	5,147.4	5,024.5	5,147.4	2.4%	-2.7%	5,287.7	5,287.7		
Vacancies WTE	564.1	758.3	564.1	758.3	34.4%	22.7%	618.0	618.0		
Vacancy Rate (%)	10.1%	12.8%	10.1%	12.8%	2.7%	2.4%	10.5%	10.5%		
Substantive Staff Used	4,885.2	4,998.1	4,885.2	4,998.1	2.3%	-5.9%	5,313.7	5,313.7		
Bank Staff Used	358.6	331.6	358.6	331.6	-7.5%	-8.9%	364	364.1		
Agency Staff Used	293.6	248.6	293.6	248.6	-15.3%	9.1%	227.9	227.9		
Overtime Used	58.6	44.7	58.6	44.7	-23.7%					
Worked WTE	5,595.9	5,623.0	5,595.9	5,623.0		-4.8%	5,905.7	5,905.7		
Nurse Agency Spend	(829)	(577)	(829)	(577)	-30.4%					
Medical Locum & Agency Spend	(1,420)	(1,656)	(1,420)	(1,656)	16.7%					
Temp costs & overtime as % of total pay bill	16.7%	16.0%	16.7%	16.0%	-0.7%					
Staff Turnover Rate	10.9%	9.5%		9.5%	-1.4%	-1.0%	10.5%	9.5%	11.05%	
Sickness Absence	3.7%	3.1%		3.1%	-0.6%	-0.2%	3.3%	3.1%	4.3%	
Statutory and Mandatory Training	87.9%	83.5%		83.5%	-4.4%	-1.5%	85.0%	85.0%		
Appraisal Completeness	Data not reported for Quarter 1									
Overall Safe staffing fill rate	98.9%	94.8%	98.9%	94.8%	-4.0%		93.5%	94.8%		
****Staff FFT % recommended work	48.7%	82%	48.7%	82%	33.5%	20.2%	62.0%	82%		
***Staff Friends & Family -Number Responses	263	146	263	146	-117					
*****IP Resp Rate Recmd to Friends & Family	27.2%	18.7%	27.2%	18.7%	-8.5%	-6.3%	25.0%	25.0%	25.7%	
A&E Resp Rate Recmd to Friends & Family	14.2%	11.0%	14.2%	11.0%	-3.2%	-4.0%	15.0%	15.0%	12.7%	
Mat Resp Rate Recmd to Friends & Family	29.8%	20.1%	29.8%	20.1%	-9.8%	-4.9%	25.0%	25.0%	24.0%	

## Explanation of Statistical Process Control (SPC) Charts

In order to better understand how performance is changing over time, data on the Trusts performance reports are often displayed as SPC Charts. An SPC chart looks like this:

SPC is a type of charting that shows the variation that exists in the systems that are being measured. When interpreting SPC charts there are 4 rules that help to identify what the system is doing. If one of the rules has been broken, this means that 'special cause' variation is present in the system. It is also perfectly normal for a process to show no signs of special cause. This means that only 'common cause' variation is present.

**Rule 1:** Any point outside one of the control limits.

Typically this will be some form of significant event, for example unusually severe weather. However if the data points continue outside of the control limits then that significant change is permanent. When we are aware of a significant change to a service such as Tunbridge Wells Hospital opening, then we will recalculate the centre and control lines. This is called a step change.

**Rule 2:** Any unusual pattern or trends within the control limits. The most obvious example of a cyclical pattern is seasonality but we also see it when looking at daily discharges where the weekends have low numbers. To qualify as a trend there must be at least 6 points in a row. This is one of the key reasons we use SPC charts as it helps us differentiate between natural variation & variation due to some action we have taken.

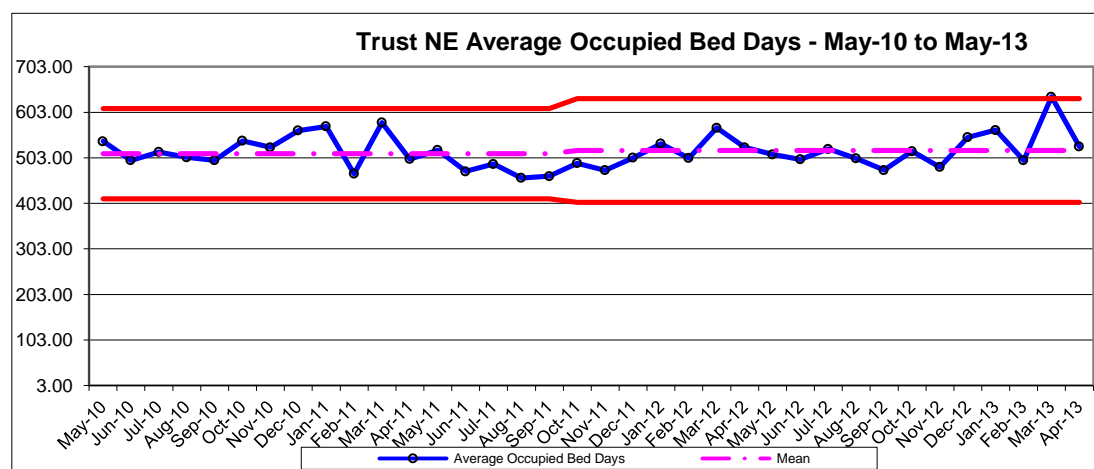
Rules 1 and 2 are the main reason for displaying SPC charts on our performance reports as it makes abnormally high or low values and trends immediately obvious. However there are two other rules that are also used to interpret the graphs.

**Rule 3:** A run of seven points all above or all below the centre line, or all increasing or decreasing. This shows some longer term change in the process such as a new piece of equipment that allows us to perform a procedure in an outpatient setting rather than admitting them. However alternating runs of points above the line then points below the line can also invoke rule 3.

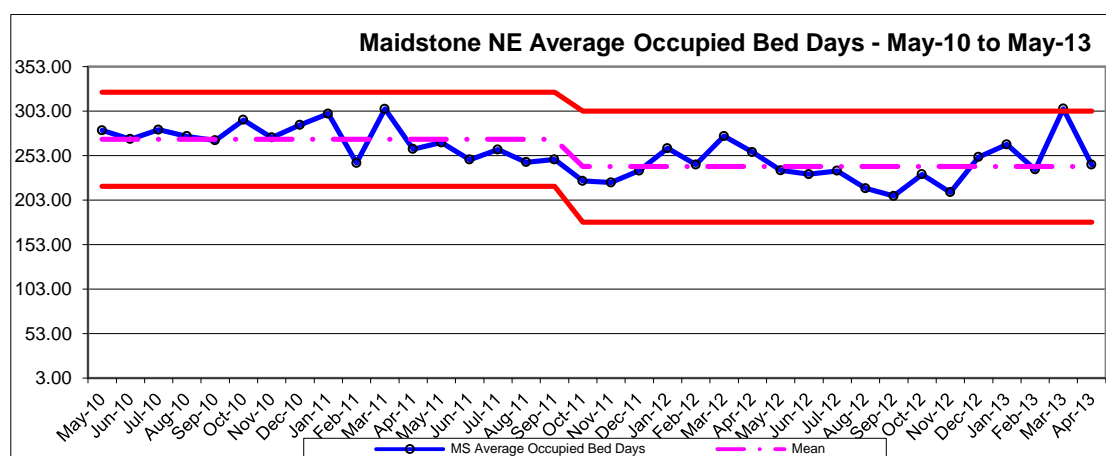
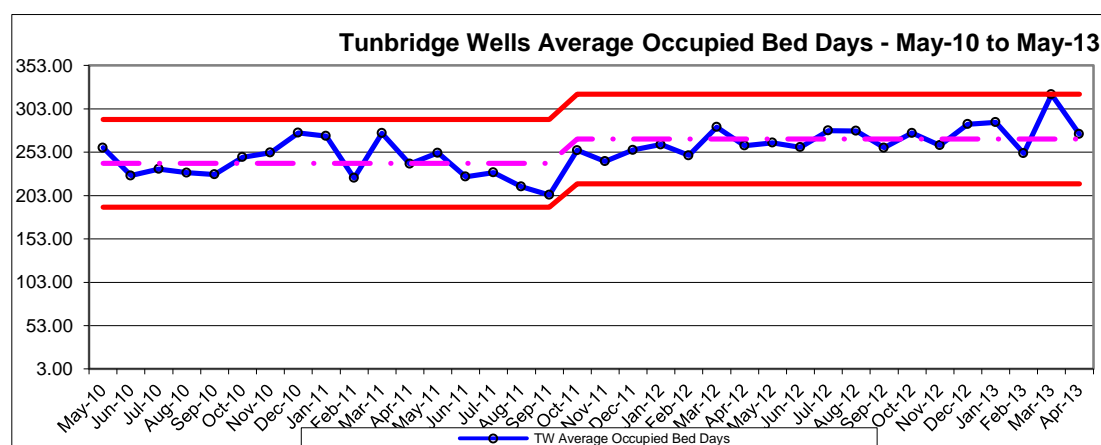
**Rule 4:** The number of points within the middle third of the region between the control limits differs markedly from two-thirds of the total number of points. This gives an indication of how stable a process is. If controlled variation (common cause) is displayed in the SPC chart, the process is stable and predictable, which means that the variation is inherent in the process. To change performance you will have to change the entire system.

## Changes to Control Lines

When there are known changes to the services we provide we reset the calculations as at the date of that change. For example you will see in the graph below that we have re-calculated the control lines from October 2011 onwards. This is to reflect the move of services to the new Tunbridge Wells Hospital in late September.



The change is not immediately obvious in the graph above if you look at just the blue line, but we know there were major changes to our inpatient beds. Looking at site level the change is more obvious:

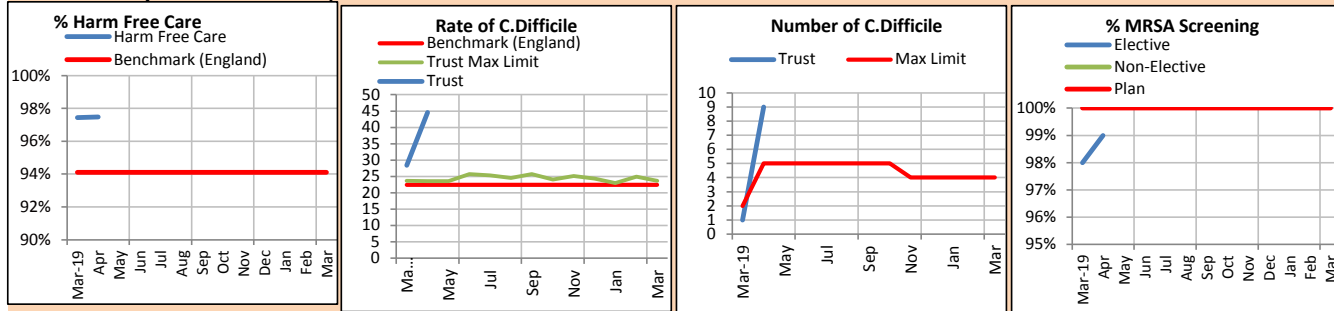


So in the examples given we have calculated a mean and control limits based on the data for May 2010 to September 2011 and then calculated them based on the period October 2011 to April 2013. The lines are all a result of the SPC calculations, only the date of the change is decided by the Information team based on a real life changes in process or service.

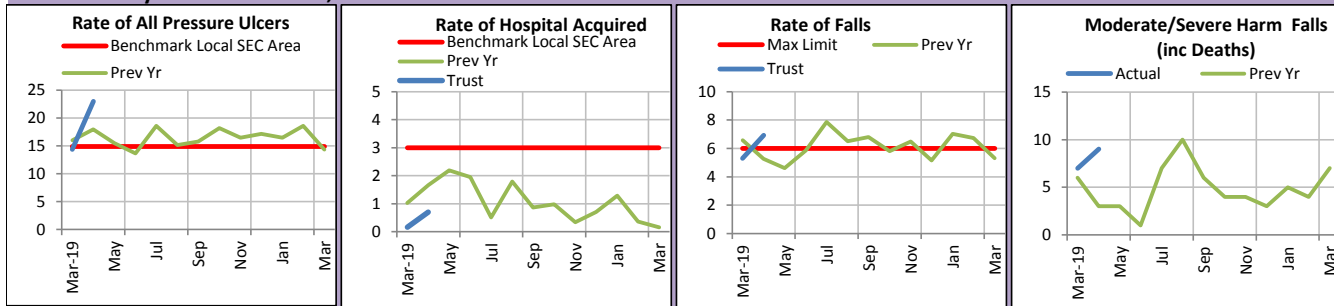


# INTEGRATED PERFORMANCE REPORT ANALYSIS - PATIENT SAFETY & QUALITY

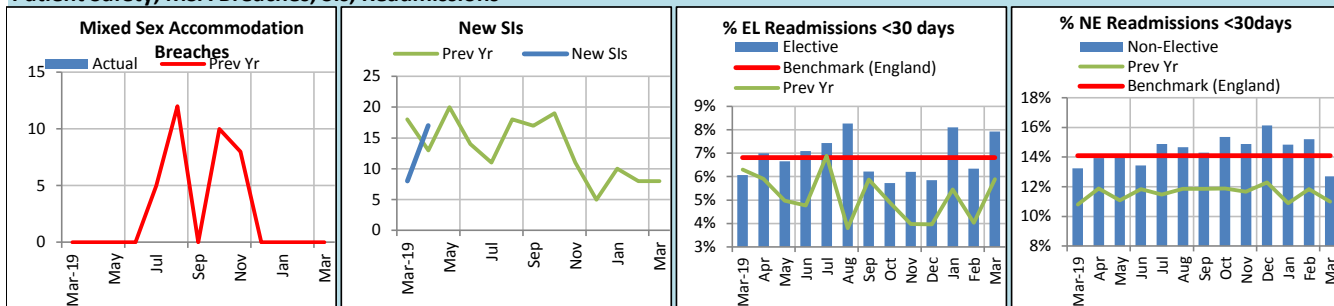
## Patient Safety - Harm Free Care, Infection Control



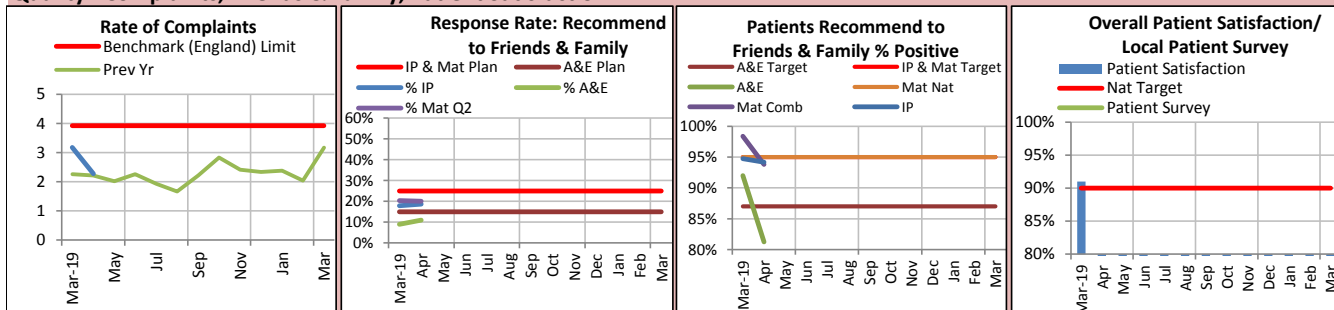
## Patient Safety - Pressure Ulcers, Falls



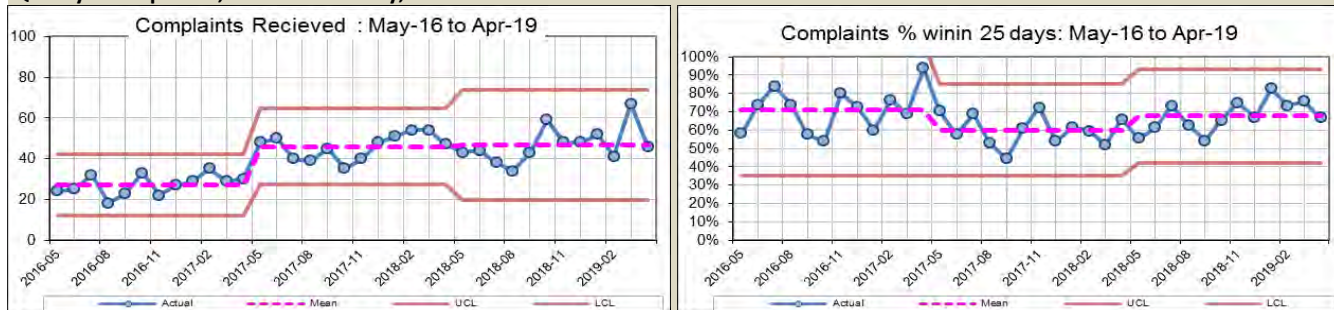
## Patient Safety, MSA Breaches, SIs, Readmissions



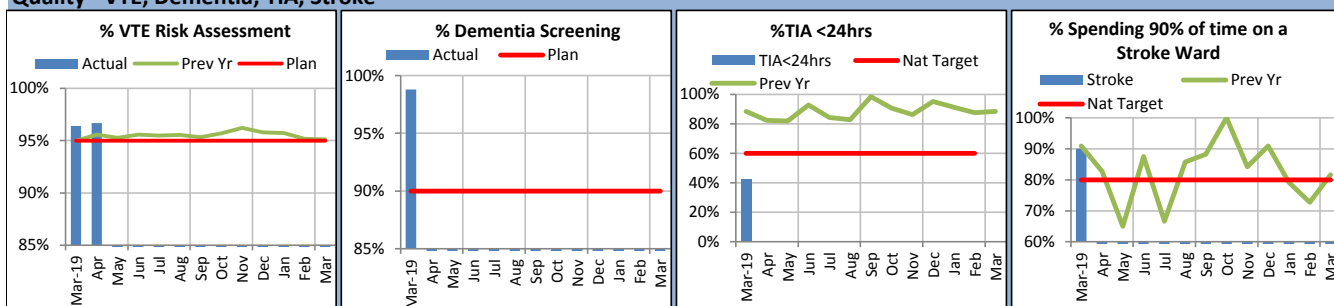
## Quality - Complaints, Friends & Family, Patient Satisfaction

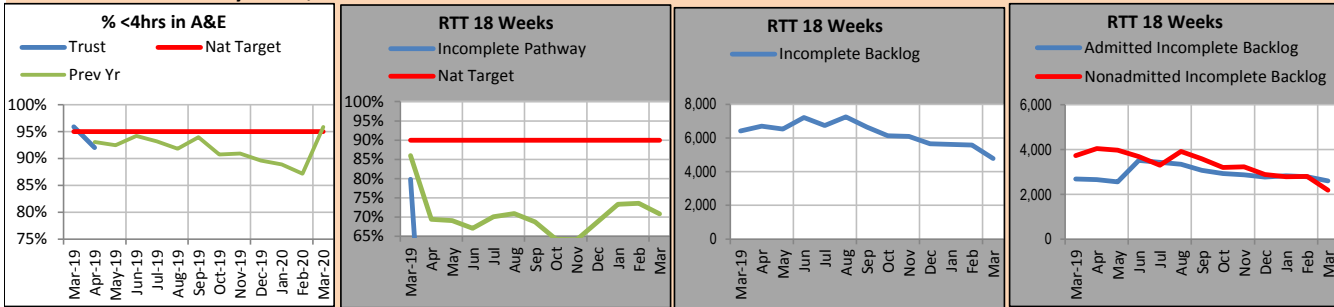
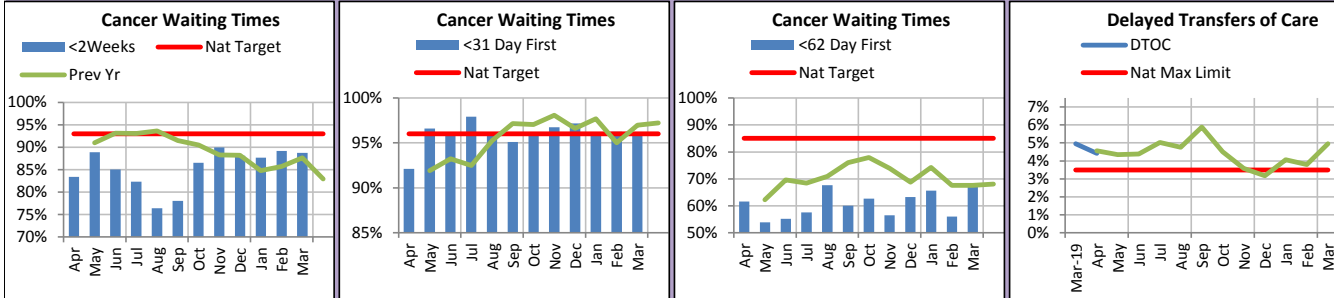
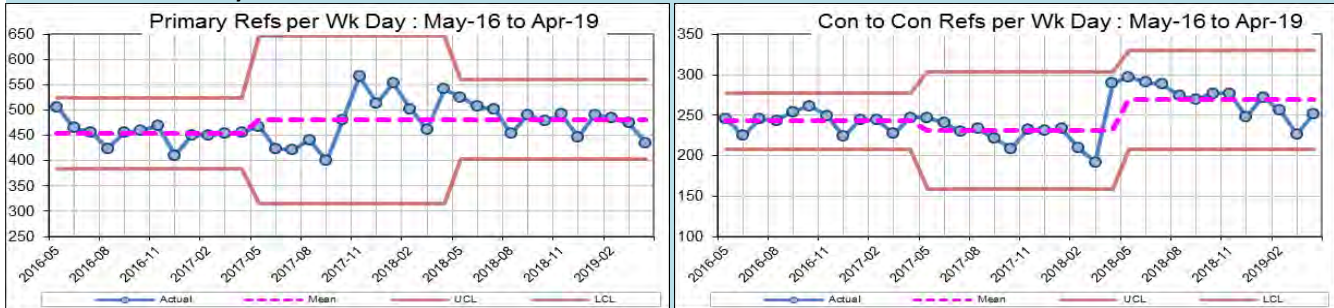
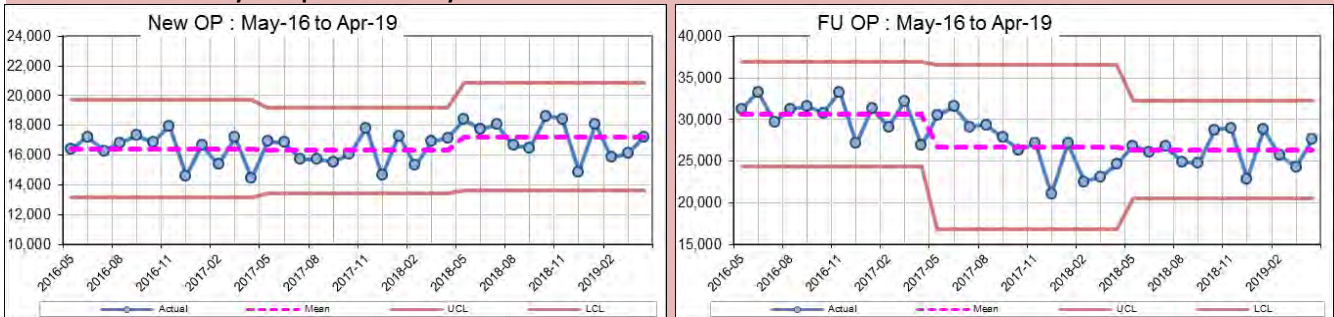
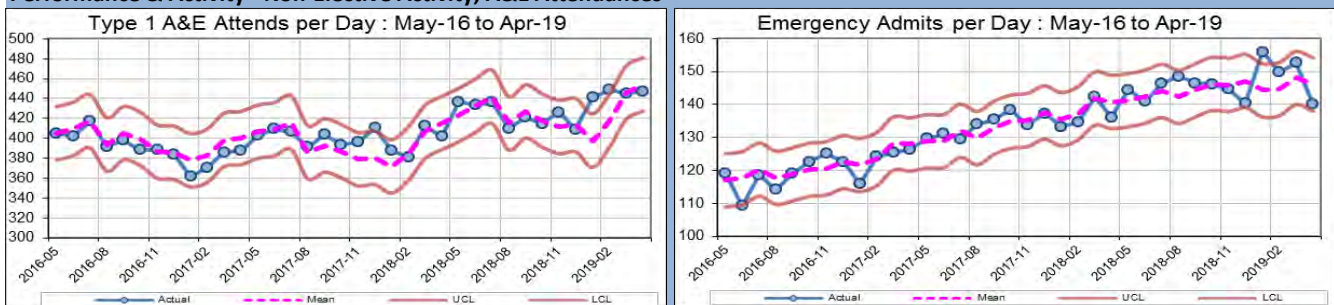


## Quality - Complaints, Friends & Family, Patient Satisfaction



## Quality - VTE, Dementia, TIA, Stroke



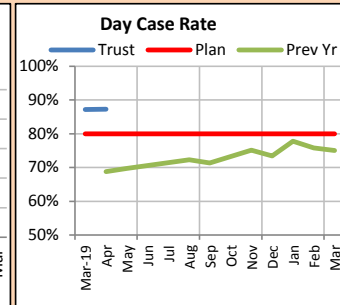
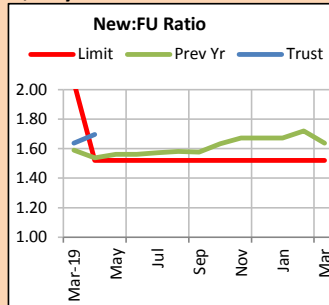
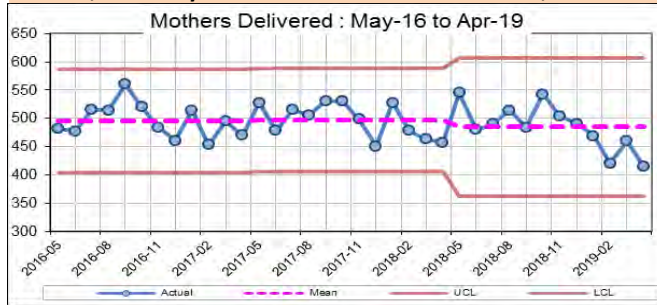
**INTEGRATED PERFORMANCE REPORT ANALYSIS - PERFORMANCE & ACTIVITY****Performance & Activity - A&E, 18 Weeks****Performance & Activity - Cancer Waiting Times, Delayed Transfers of Care****Performance & Activity - Referrals****Performance & Activity - Outpatient Activity****Performance & Activity - Elective Activity****Performance & Activity - Non-Elective Activity, A&E Attendances**

These have been changed to show actual against model, since emergency activity is subject to both growth and seasonal variation. Control limits are 2 standard deviations of variance, so a count outside the control limits will be expected around one month in 20.

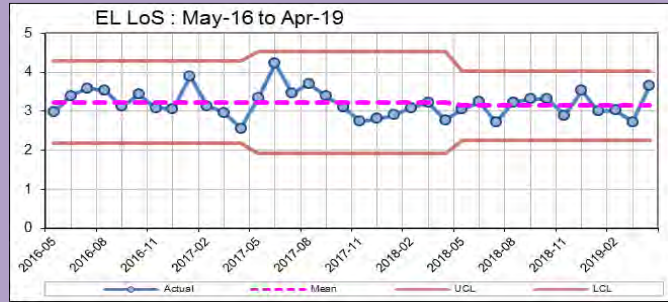


# INTEGRATED PERFORMANCE REPORT ANALYSIS - FINANCE, EFFICIENCY & WORKFORCE

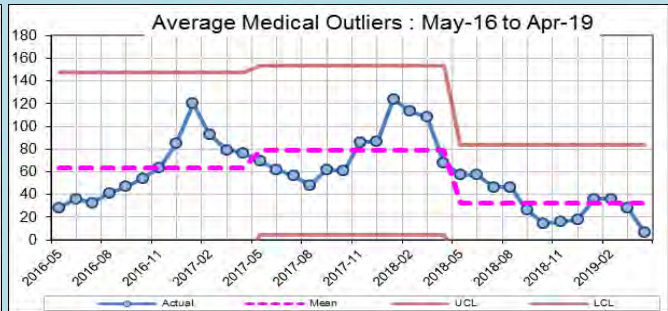
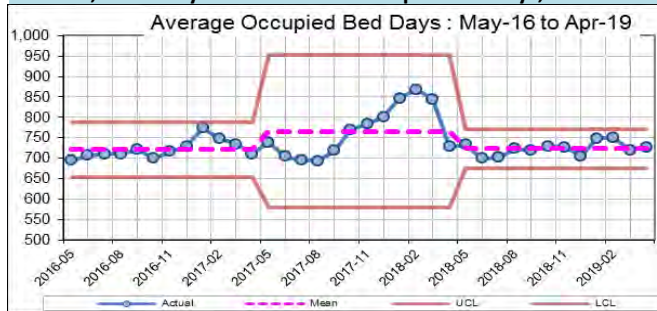
## Finance, Efficiency & Workforce - Mothers Delivered, New:FU Ratio, Day Case Rates



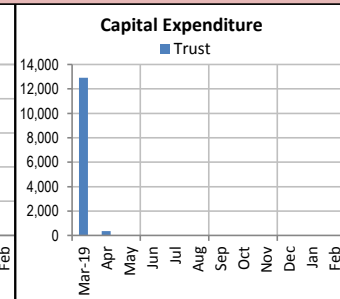
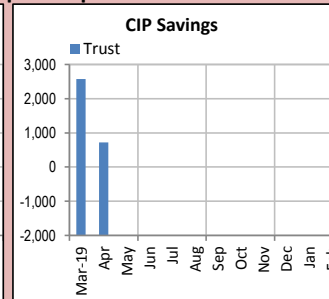
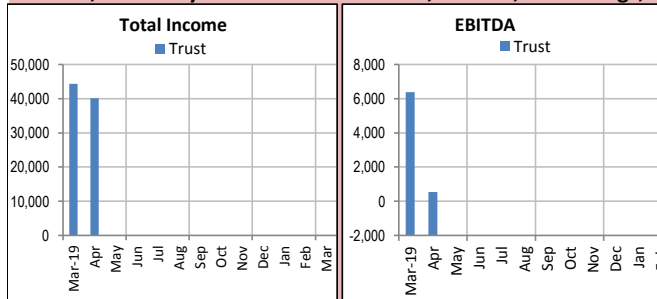
## Finance, Efficiency & Workforce - Length of Stay (LOS)



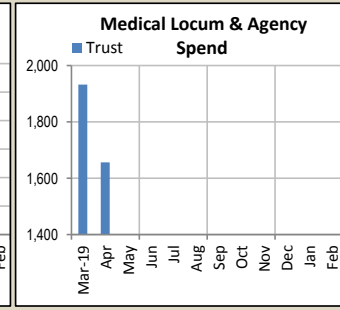
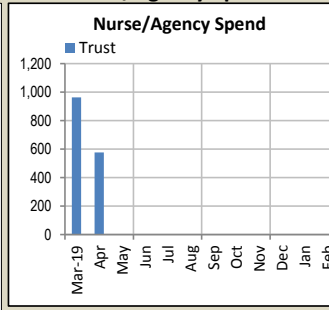
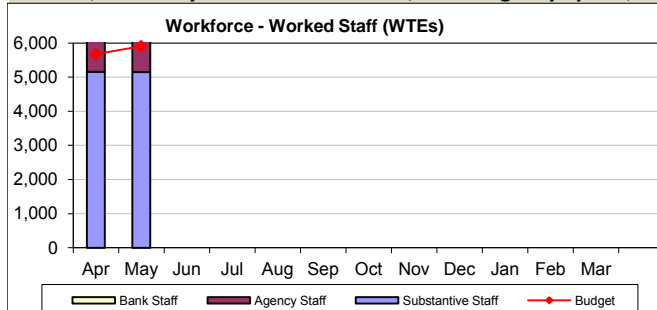
## Finance, Efficiency & Workforce - Occupied Beddays, Medical Outliers



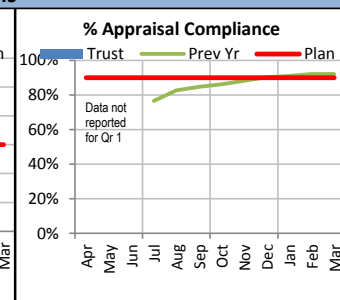
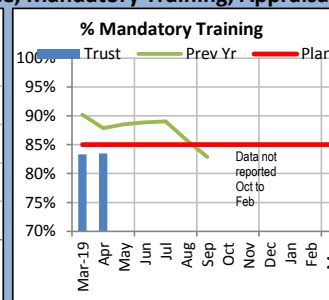
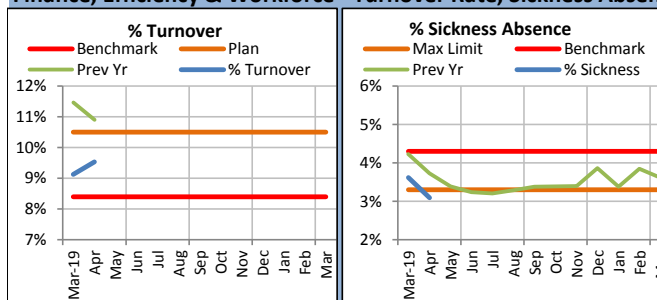
## Finance, Efficiency & Workforce - Income, EBITDA, CIP Savings, Capital Expenditure



## Finance, Efficiency & Workforce - WTEs, Nurse Agency Spend, Medical Locum/Agency Spend



## Finance, Efficiency & Workforce - Turnover Rate, Sickness Absence, Mandatory Training, Appraisals



# Trust Board Finance Report

**Month 1  
2019/20**

## **Trust Board Finance Report for April 2019**

### **1. Executive Summary**

- a. Dashboard
- b. I&E Summary

### **2. Financial Performance**

- a. Consolidated I&E
- b. I&E Run Rate

### **3. Cost Improvement Programme**

- a. Savings by Division

### **4. Balance Sheet and Liquidity**

- a. Balance Sheet
- b. Cash Flow
- c. Capital Plan

# Maidstone and Tunbridge Wells

NHS Trust



## 1a. Dashboard

April 2019/20

	Current Month						Year to Date						Annual Forecast			
	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m	RAG	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m	RAG	Actual £m	Plan £m	Variance £m	RAG
Income	40.2	40.5	(0.3)	0.1	(0.4)		40.2	40.5	(0.3)	0.1	(0.4)		502.7	502.7	0.0	
Expenditure	(39.6)	(39.9)	0.3	(0.1)	0.4		(39.6)	(39.9)	0.3	(0.1)	0.4		(464.8)	(464.8)	0.0	
EBITDA (Income less Expenditure)	0.5	0.6	(0.0)	0.0	(0.0)		0.5	0.6	(0.0)	0.0	(0.0)		37.9	37.9	0.0	
Financing Costs	(2.6)	(2.6)	0.0	0.0	0.0		(2.6)	(2.6)	0.0	0.0	0.0		(32.1)	(32.1)	0.0	
Technical Adjustments	0.0	0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0		1.1	1.1	0.0	
<b>Net Surplus / Deficit (Incl PSF and MRET)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>6.9</b>	<b>6.9</b>	<b>0.0</b>	
CIPs	0.7	1.1	(0.4)		(0.4)		0.7	1.1	(0.4)		(0.4)		22.3	22.3	0.0	
Cash Balance	41.3	41.5	(0.2)		(0.2)		41.3	41.5	(0.2)		(0.2)		3.0	3.0	0.0	
Capital Expenditure	0.4	0.4	0.0		0.0		0.4	0.4	0.0		0.0		14.8	14.8	0.0	

### Summary:

- The Trusts deficit including PSF was £2m in April which was on plan. The key variances against plan are: Adverse variances relating to CIP slippage (£0.4m), private patient income slippage (£0.2m net), Medical staffing pressures within Surgery and Paediatrics (£0.2m), EPR project overspend (£0.1m) offset by £0.4m Clinical income over performance mainly relating to Radiotherapy and regular attenders, £0.2m non recurrent release of old year provision and £0.4m underspends within pay budgets.
- The Trust has spent £0.4m more (36%) than the YTD agency ceiling set by NHSI (£11.8m per annum)
- The Trust has delivered £0.7m savings YTD which is £0.4m adverse to plan (36% slippage)

### Key Points:

- The Trusts normalised run rate in April was £3.1m deficit pre PSF which was £0.2m adverse to plan (pre PSF).
- The Trust delivered the financial control target for April and therefore achieved the criteria for PSF funding (£0.4m in the month)
- The main pressures (excluding CIP) related to Private Patient income which was £0.3m below the plan, generating £0.1m in the month £20k lower than the quarter 4 average, Medical staffing pressures within Surgery and Paediatrics (£0.2m) due to higher than planned temporary staffing usage and £0.1m pressure associated with the EPR project due to the plan assuming £1.5m of costs would be capitalised funded from additional funding from NHS Digital however the Trust has not yet been notified if they have been successful therefore the full costs have been charged to revenue.

### Risks:

- The Trust has following key risks: The Trusts plan includes 12 months of elective and out patient Prime Provider activity however due to the timeline from referral to elective procedure it is likely that the Trust will start to see the conversion into elective activity from July 2019 resulting in a reduced CIP delivery of c£1m. The Trusts plan assumed an additional £1.5m of capital support would be received to support IT projects, the Trust is still waiting confirmation therefore if not successful this would result in £1.5m costs charged to I&E. The level of Private patient income continues to be lower than planned levels, if the activity continues as current rate this would equate to £3m pressure. The Operational Efficiencies CIP assumed the Trust would 'cap' the additional investment to fund service developments to £10m, the current forecast for this investment is £2.8m more.
- To mitigate these risks the Trust is focusing on identifying further CIPs with Bi-weekly meetings taking place with Divisions and External support as well as focussing on financial management controls with Divisions reviewing all cost centres monthly variances and detailing action plans to address any overspend as well as identifying if underspending cost centres will / can continue to underspend in future months.

## 1b. Summary Income & Expenditure (Exceptional Items)

Income & Expenditure April 2019/20

	Current Month					Year to Date				
	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m
Income	39.3	39.6	(0.3)	0.1	(0.4)	39.3	39.6	(0.3)	0.1	(0.4)
Expenditure	(39.8)	(39.9)	0.1	(0.1)	0.2	(39.8)	(39.9)	0.1	(0.1)	0.2
Trust Financing Costs	(2.6)	(2.6)	0.0	0.0	0.0	(2.6)	(2.6)	0.0	0.0	0.0
Technical Adjustments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Revenue Surplus / (Deficit) before Exceptional Items</b>	<b>(3.1)</b>	<b>(2.9)</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.2)</b>	<b>(3.1)</b>	<b>(2.9)</b>	<b>(0.2)</b>	<b>0.0</b>	<b>(0.2)</b>
Exceptional Items	0.2		0.2		0.2	0.2		0.2		0.2
<b>Net Position</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
PSF and MRET Funding	0.9	0.9	0.0	0.0	0.0	0.9	0.9	0.0	0.0	0.0
<b>Net Revenue Surplus / (Deficit) Incl PSF, MRET and Exceptional Items</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Key messages:

The Trust before exceptional items was £0.2m adverse to plan , the release of £0.2m prior year provision helped the Trust to deliver the plan in the month..

### Income:

Income YTD net of pass-through related costs and exceptional items is £0.4m adverse to plan, this is mainly due to under delivery of Private Patient Income (£0.3m) and Cancer and RTT recovery plan income (£0.5m) although this is offset by underspend within expenditure partly offset by £0.5m non AIC contract over performance.

### Expenditure:

Expenditure budgets net of pass-through and exceptional items are £0.2m favourable, which is due to budget overspends within Pay budgets (£0.5m) and Non Pay (£0.2m) offset by CIP slippage of £0.5m mainly relating to prime provider.

**Reserves:** The Trust has maintained full reserve in month 1.

**PSF:** The Trust delivered the financial control total in month 1 and therefore met the PSF criteria .

# Maidstone and Tunbridge Wells

NHS Trust



## 2a. Income & Expenditure

Income &amp; Expenditure April 2019/20

	Current Month					Year to Date					Annual Forecast		
	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m	Actual £m	Plan £m	Variance £m	Pass- through £m	Revised Variance £m	Actual £m	Plan £m	Variance £m
Clinical Income	31.3	31.3	(0.0)	0.0	(0.0)	31.3	31.3	(0.0)	0.0	(0.0)	390.0	390.0	0.0
High Cost Drugs and Devices	3.9	3.8	0.1	0.1	(0.0)	3.9	3.8	0.1	0.1	(0.0)	45.2	45.2	0.0
<b>Total Clinical Income</b>	<b>35.2</b>	<b>35.1</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.0)</b>	<b>35.2</b>	<b>35.1</b>	<b>0.1</b>	<b>0.1</b>	<b>(0.0)</b>	<b>435.1</b>	<b>435.1</b>	<b>0.0</b>
PSF and MRET	0.9	0.9	0.0	0.0	0.0	0.9	0.9	0.0	0.0	0.0	13.8	13.8	0
Other Operating Income	4.1	4.5	(0.4)	(0.0)	(0.4)	4.1	4.5	(0.4)	(0.0)	(0.4)	53.7	53.7	0.0
<b>Total Revenue</b>	<b>40.2</b>	<b>40.5</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.4)</b>	<b>40.2</b>	<b>40.5</b>	<b>(0.3)</b>	<b>0.1</b>	<b>(0.4)</b>	<b>502.7</b>	<b>502.7</b>	<b>0.0</b>
Substantive	(20.1)	(21.1)	1.0	0.1	0.9	(20.1)	(21.1)	1.0	0.1	0.9	(251.9)	(251.9)	0
Bank	(1.3)	(1.0)	(0.3)	0.0	(0.3)	(1.3)	(1.0)	(0.3)	0.0	(0.3)	(10.0)	(10.0)	0
Locum	(0.8)	(0.8)	(0.0)	0.0	(0.0)	(0.8)	(0.8)	(0.0)	0.0	(0.0)	(8.0)	(8.0)	0
Agency	(1.6)	(1.7)	0.1	0.1	0.0	(1.6)	(1.7)	0.1	0.1	0.0	(17.0)	(17.0)	0
Pay Reserves	(0.3)	(0.3)	(0.0)	0.0	(0.0)	(0.3)	(0.3)	(0.0)	0.0	(0.0)	(3.6)	(3.6)	0
<b>Total Pay</b>	<b>(24.2)</b>	<b>(24.9)</b>	<b>0.7</b>	<b>0.1</b>	<b>0.6</b>	<b>(24.2)</b>	<b>(24.9)</b>	<b>0.7</b>	<b>0.1</b>	<b>0.6</b>	<b>(290.5)</b>	<b>(290.5)</b>	<b>0</b>
Drugs & Medical Gases	(4.6)	(4.3)	(0.3)	(0.2)	(0.2)	(4.6)	(4.3)	(0.3)	(0.2)	(0.2)	(51.3)	(51.3)	0
Blood	(0.2)	(0.2)	(0.0)	0.0	(0.0)	(0.2)	(0.2)	(0.0)	0.0	(0.0)	(2.2)	(2.2)	0
Supplies & Services - Clinical	(2.7)	(2.9)	0.2	0.0	0.1	(2.7)	(2.9)	0.2	0.0	0.1	(33.6)	(33.6)	0
Supplies & Services - General	(0.4)	(0.4)	0.0	0.0	0.0	(0.4)	(0.4)	0.0	0.0	0.0	(5.3)	(5.3)	0
Services from Other NHS Bodies	(1.0)	(0.8)	(0.1)	(0.1)	(0.1)	(1.0)	(0.8)	(0.1)	(0.1)	(0.1)	(10.2)	(10.2)	0
Purchase of Healthcare from Non-NHS	(1.5)	(1.7)	0.2	0.0	0.2	(1.5)	(1.7)	0.2	0.0	0.2	(14.8)	(14.8)	0
Clinical Negligence	(1.5)	(1.5)	(0.0)	0.0	(0.0)	(1.5)	(1.5)	(0.0)	0.0	(0.0)	(17.6)	(17.6)	0
Establishment	(0.2)	(0.2)	0.0	(0.0)	0.0	(0.2)	(0.2)	0.0	(0.0)	0.0	(3.3)	(3.3)	0
Premises	(2.3)	(2.1)	(0.1)	(0.0)	(0.1)	(2.3)	(2.1)	(0.1)	(0.0)	(0.1)	(26.1)	(26.1)	0
Transport	(0.1)	(0.1)	0.0	0.0	0.0	(0.1)	(0.1)	0.0	0.0	0.0	(1.6)	(1.6)	0
Other Non-Pay Costs	(0.5)	(0.5)	0.0	(0.0)	0.0	(0.5)	(0.5)	0.0	(0.0)	0.0	(5.9)	(5.9)	0
Non-Pay Reserves	(0.5)	(0.2)	(0.2)	0.0	(0.3)	(0.5)	(0.2)	(0.2)	0.0	(0.3)	(2.3)	(2.3)	0
<b>Total Non Pay</b>	<b>(15.4)</b>	<b>(15.0)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(15.4)</b>	<b>(15.0)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(174.3)</b>	<b>(174.3)</b>	<b>0</b>
<b>Total Expenditure</b>	<b>(39.6)</b>	<b>(39.9)</b>	<b>0.3</b>	<b>(0.1)</b>	<b>0.4</b>	<b>(39.6)</b>	<b>(39.9)</b>	<b>0.3</b>	<b>(0.1)</b>	<b>0.4</b>	<b>(464.8)</b>	<b>(464.8)</b>	<b>0</b>
<b>EBITDA</b>	<b>0.5</b>	<b>0.6</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>0.5</b>	<b>0.6</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>37.9</b>	<b>37.9</b>	<b>0</b>
	0.0	0.0	0.0	%		1.3%	1.4%	6.4%	0.1%	5.0%	7.5%	7.5%	
Depreciation	(1.1)	(1.1)	0.0	0.0	0.0	(1.1)	(1.1)	0.0	0.0	0.0	(13.5)	(13.5)	0
Interest	(0.1)	(0.1)	(0.0)	0.0	(0.0)	(0.1)	(0.1)	(0.0)	0.0	(0.0)	(1.6)	(1.6)	0
Dividend	(0.1)	(0.1)	0.0	0.0	0	(0.1)	(0.1)	0	0.0	0	(1.6)	(1.6)	0
PFI and impairments	(1.2)	(1.2)	0.0	0.0	0.0	(1.2)	(1.2)	0.0	0.0	0.0	(15.4)	(15.4)	0
<b>Total Finance Costs</b>	<b>(2.6)</b>	<b>(2.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.6)</b>	<b>(2.6)</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>(32.1)</b>	<b>(32.1)</b>	<b>0</b>
<b>Net Surplus / Deficit (-)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>(0.0)</b>	<b>0.0</b>	<b>(0.0)</b>	<b>5.8</b>	<b>5.8</b>	<b>0.0</b>
<b>Technical Adjustments</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.1	0.0
<b>Surplus/ Deficit (-) to B/E Duty Incl PSF and MRET</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.0)</b>	<b>(2.0)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>6.9</b>	<b>6.9</b>	<b>0.0</b>
<b>Surplus/ Deficit (-) to B/E Duty Excl PSF and MRET</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(2.9)</b>	<b>(2.9)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(7.0)</b>	<b>(7.0)</b>	<b>0.0</b>

### Commentary

The Trusts deficit including PSF was £2m in April which was on plan .

The Trusts normalised run rate in April was £3.1m deficit pre PSF which was £0.2m higher than plan and £0.4m higher than March normalised position (pre PSF).

Pass-through adjustments have been applied to account for: High Cost Drugs and devices, STP associated costs, and Research and Development costs.

Clinical Income excluding HCDs was on plan in April . The key favourable variance s in A&E (£0.2m), Regular Attenders (£0.2m) and the AIC adjustment (£1.5m) , this is offset by adverse variances in the Elective IP (£0.2m), Day Cases (£0.6m), Non- Electives (£0.3m) and Adult Critical Care (£0.3m) .

The Trust delivered the current months PSF value (£0.4m) and MRET (£0.5m).

Other Operating Income excluding pass-through costs was £0.4m adverse in the month this was due to £0.3m slippage within the Private Patient Unit as activity levels are below agreed business case assumptions .

Pay budgets adjusted for pass-through items underspent by £0.6m in April. The key favourable variances relate to £0.2m release of old year provision and underspends within Admin and Clerical budgets (£0.2m), STT Staffing (£0.1m) and £0.1m cancer recovery plan reserve (offset by income reduction). The key adverse variances within pay relate to Surgery and Paediatric Medical staffing who both overspent in the month by £83k as well as Theatres and Critical Care nursing which overspend by £70k in the month.

Non Pay budgets adjusted for pass though items overspent by £0.2m in the month. The key adverse variances relate to CIP slippage (£0.4m) mainly relating to prime provider (£0.3m) and EPR (£0.1m) funding pressure resulting from the full EPR costs being charged to revenue pending confirmation of additional capital funding support. Underspends within Cancer and RTT recovery plan reserves of £0.5m are partly offsetting the pressure in non pay however these underspends are offset by a corresponding income under delivery.

The Trust is currently forecasting to deliver the planned surplus of £6.9m including PSF and MRET funding.



## 2b. Run Rate Analysis

Analysis of 13 Monthly Performance (£m's)

		Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Change between Months
Revenue	Clinical Income	30.7	33.5	32.3	35.4	33.1	32.0	33.7	35.5	33.1	32.4	30.6	34.5	35.2	0.6
	STF / PSF	0.6	0.6	0.6	0.8	0.8	0.8	1.3	1.3	1.3	0.0	0.0	12.8	0.9	(11.9)
	High Cost Drugs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Other Operating Income	4.5	4.5	4.4	4.9	4.7	3.9	5.7	4.1	4.3	4.7	4.4	5.3	4.1	(1.2)
	<b>Total Revenue</b>	<b>35.9</b>	<b>38.7</b>	<b>37.3</b>	<b>41.2</b>	<b>38.6</b>	<b>36.8</b>	<b>40.7</b>	<b>40.8</b>	<b>38.6</b>	<b>37.1</b>	<b>35.0</b>	<b>52.6</b>	<b>40.2</b>	<b>(12.5)</b>
Expenditure	Substantive	(18.3)	(18.7)	(18.4)	(19.4)	(18.5)	(18.9)	(17.6)	(18.9)	(18.7)	(18.8)	(18.7)	(19.9)	(20.1)	(0.3)
	Bank	(1.0)	(1.0)	(1.0)	(1.0)	(1.2)	(1.1)	(1.0)	(1.1)	(1.2)	(1.2)	(1.3)	(1.4)	(1.3)	0.1
	Locum	(0.5)	(0.6)	(0.5)	(0.6)	(0.7)	(0.7)	(0.6)	(0.8)	(1.0)	(0.9)	(0.7)	(1.1)	(0.8)	0.3
	Agency	(2.0)	(2.1)	(1.7)	(2.1)	(2.1)	(1.9)	(1.8)	(1.7)	(1.7)	(1.9)	(2.1)	(1.4)	(1.6)	(0.2)
	Pay Reserves	(0.2)	(0.2)	(0.2)	(0.1)	0.2	0.0	0.4	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.3)	(0.2)
	<b>Total Pay</b>	<b>(22.0)</b>	<b>(22.6)</b>	<b>(21.9)</b>	<b>(23.2)</b>	<b>(22.2)</b>	<b>(22.5)</b>	<b>(20.7)</b>	<b>(22.7)</b>	<b>(22.8)</b>	<b>(23.0)</b>	<b>(23.0)</b>	<b>(23.9)</b>	<b>(24.2)</b>	<b>(0.3)</b>
Non-Pay	Drugs & Medical Gases	(4.2)	(4.8)	(4.3)	(4.5)	(4.3)	(4.4)	(4.4)	(4.8)	(4.2)	(3.9)	(4.5)	(4.5)	(4.6)	(0.1)
	Blood	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	0.0
	Supplies & Services - Clinical	(2.6)	(2.9)	(2.7)	(2.9)	(3.0)	(2.8)	(3.1)	(3.0)	(3.1)	(3.0)	(2.8)	(2.7)	(2.7)	(0.1)
	Supplies & Services - General	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.5)	(0.4)	0.1
	Services from Other NHS Bodies	(0.6)	(0.6)	(1.1)	(0.7)	(0.7)	(1.1)	(0.8)	(1.3)	(0.9)	(0.9)	(0.2)	(3.2)	(1.0)	2.2
	Purchase of Healthcare from Non-NHS	(0.3)	(0.3)	(0.2)	(0.2)	(0.3)	(0.4)	(0.3)	(0.2)	(0.3)	(0.3)	(0.4)	(0.5)	(1.5)	(1.1)
	Clinical Negligence	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.3)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	0.1
	Establishment	(0.3)	(0.3)	(0.2)	(0.3)	(0.4)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.2)	(0.2)	0.1
	Premises	(1.9)	(1.8)	(1.8)	(2.6)	(2.2)	(1.8)	(1.7)	(1.5)	(1.8)	(2.6)	(1.9)	(2.3)	(2.3)	0.1
	Transport	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	0.0
	Other Non-Pay Costs	(1.0)	(1.0)	(0.3)	(1.2)	(1.1)	(0.2)	(1.1)	(0.4)	(0.3)	(1.0)	(1.5)	1.8	(0.5)	(2.3)
	Non-Pay Reserves	(0.2)	(0.2)	(0.2)	(0.2)	0.5	0.6	(0.4)	0.0	0.0	0.0	0.0	0.0	(0.5)	(0.5)
	<b>Total Non Pay</b>	<b>(13.5)</b>	<b>(14.3)</b>	<b>(13.2)</b>	<b>(14.9)</b>	<b>(13.8)</b>	<b>(12.7)</b>	<b>(14.5)</b>	<b>(13.6)</b>	<b>(13.2)</b>	<b>(14.3)</b>	<b>(13.9)</b>	<b>(14.0)</b>	<b>(15.4)</b>	<b>(1.4)</b>
	<b>Total Expenditure</b>	<b>(35.5)</b>	<b>(36.9)</b>	<b>(35.1)</b>	<b>(38.2)</b>	<b>(36.1)</b>	<b>(35.3)</b>	<b>(35.2)</b>	<b>(36.3)</b>	<b>(36.0)</b>	<b>(37.3)</b>	<b>(36.9)</b>	<b>(38.0)</b>	<b>(39.6)</b>	<b>(1.7)</b>
	<b>EBITDA</b>	<b>0.4</b>	<b>1.8</b>	<b>2.2</b>	<b>3.0</b>	<b>2.5</b>	<b>1.5</b>	<b>5.5</b>	<b>4.5</b>	<b>2.6</b>	<b>(0.1)</b>	<b>(1.9)</b>	<b>14.7</b>	<b>0.5</b>	<b>(14.1)</b>
Other Finance Costs	Depreciation	1%	5%	6%	7%	7%	4%	14%	11%	7%	0%	-6%	28%	1%	
	Interest	(1.1)	(1.1)	(1.1)	(1.0)	(1.0)	(1.2)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)	(0.0)
	Dividend	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)
	PFI and Impairments	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.5	(0.1)	(0.6)
	<b>Total Other Finance Costs</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>2.7</b>	<b>7.9</b>	<b>(1.2)</b>	<b>(9.1)</b>
Net Surplus / Deficit (-)	<b>Total Other Finance Costs</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.7)</b>	<b>(2.7)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>(2.5)</b>	<b>1.4</b>	<b>7.2</b>	<b>(2.6)</b>	<b>(9.8)</b>
	<b>Net Surplus / Deficit (-)</b>	<b>(2.2)</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>0.5</b>	<b>0.0</b>	<b>(1.1)</b>	<b>2.8</b>	<b>2.0</b>	<b>0.1</b>	<b>(2.6)</b>	<b>(0.5)</b>	<b>21.9</b>	<b>(2.0)</b>	<b>(23.9)</b>
Technical Adjustments	<b>Technical Adjustments</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.2)</b>	<b>0.0</b>	<b>0.3</b>
	<b>Surplus/ Deficit (-) to B/E Duty Incl pSF</b>	<b>(2.2)</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>0.6</b>	<b>0.1</b>	<b>(1.0)</b>	<b>3.1</b>	<b>2.0</b>	<b>0.1</b>	<b>(2.6)</b>	<b>(0.5)</b>	<b>21.7</b>	<b>(2.0)</b>	<b>(23.7)</b>
Surplus/ Deficit (-) to B/E Duty Excl STF	<b>Surplus/ Deficit (-) to B/E Duty</b>	<b>(2.8)</b>	<b>(1.4)</b>	<b>(0.9)</b>	<b>(0.3)</b>	<b>(0.8)</b>	<b>(1.9)</b>	<b>1.8</b>	<b>0.8</b>	<b>(1.1)</b>	<b>(2.6)</b>	<b>(0.5)</b>	<b>8.9</b>	<b>(2.9)</b>	<b>(11.8)</b>

## 3a. Cost Improvement Plan

### Savings by Division

	Current Month			Year to Date			Forecast (Risk Adjusted)		
	Actual	Original Plan	Variance	Actual	Original Plan	Variance	Forecast	Original Plan	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Cancer Services	0.06	0.12	(0.07)	0.06	0.12	(0.07)	1.45	1.45	0.00
Diagnostics and Clinical Support	0.19	0.28	(0.09)	0.19	0.28	(0.09)	3.11	3.11	0.00
Medicine and Emergency Care	0.15	0.30	(0.15)	0.15	0.30	(0.15)	5.46	5.46	0.00
Surgery	0.06	0.69	(0.63)	0.06	0.69	(0.63)	8.15	8.15	0.00
Women's, Children's and Sexual Health	0.09	0.21	(0.12)	0.09	0.21	(0.12)	2.56	2.56	0.00
Estates and Facilities	0.12	0.22	(0.10)	0.12	0.22	(0.10)	2.30	2.30	0.00
Corporate	0.06	0.17	(0.10)	0.06	0.17	(0.10)	2.09	2.09	0.00
<b>Total</b>	<b>0.72</b>	<b>1.98</b>	<b>(1.25)</b>	<b>0.72</b>	<b>1.98</b>	<b>(1.25)</b>	<b>25.12</b>	<b>25.12</b>	<b>0.00</b>
Internal Savings Plan stretch	0.00	(0.84)	0.84	0.00	(0.84)	0.84	(2.79)	(2.79)	0.00
<b>Total</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>22.33</b>	<b>22.33</b>	<b>0.00</b>

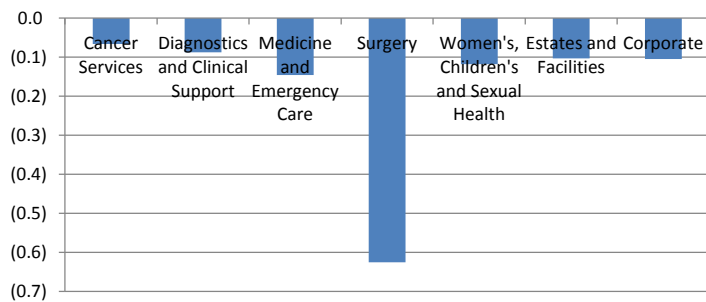
### Savings by Subjective Category

	Current Month			Year to Date			Forecast (Risk Adjusted)		
	Actual	Original Plan	Variance	Actual	Original Plan	Variance	Forecast	Original Plan	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Pay	0.18	0.19	(0.01)	0.18	0.19	(0.01)	4.58	4.58	0.00
Non Pay	(0.71)	(0.31)	(0.40)	(0.71)	(0.31)	(0.40)	2.54	2.54	0.00
Income	1.25	1.25	0.00	1.25	1.25	0.00	15.20	15.20	0.00
<b>Total</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>22.33</b>	<b>22.33</b>	<b>0.00</b>

### Savings by NHSI RAG

	Current Month			Year to Date			Forecast (Risk Adjusted)		
	Actual	Original Plan	Variance	Actual	Original Plan	Variance	Forecast	Original Plan	Variance
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Green	0.55	0.88	(0.33)	0.55	0.88	(0.33)	14.17	14.17	0.00
Amber	0.12	0.17	(0.05)	0.12	0.17	(0.05)	3.26	3.26	0.00
Red	0.06	0.09	(0.03)	0.06	0.09	(0.03)	4.90	4.90	0.00
<b>Total</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>0.72</b>	<b>1.13</b>	<b>(0.41)</b>	<b>22.33</b>	<b>22.33</b>	<b>0.00</b>

### YTD Month Variance £m



### Comment

The Trust was £0.4m adverse to plan in the month. which is mainly due to Prime Provider (£0.33m) and £40k Estates and Facilities relating to Energy and Catering staffing changes.

The Trust has an internal CIP plan of £25.1m with an external plan of £22.3m, therefore creating a savings stretch of £2.8m.

The operational efficiencies savings (£5.8m) included within the CIP and the internal savings stretch (£2.8m) have been phased into divisions in twelfths with a corresponding adjustment back to the submitted CIP phased plan reported out side if the divisions position (£0.84m in April.)

# Maidstone and Tunbridge Wells

NHS Trust

## 4a. Balance Sheet

April 2019

The Trust Balance Sheet is produced on a monthly basis and reflects changes in the asset values, as well as movement in liabilities.

£m's	Reported	April Plan	Variance	March 2019 Reported	Full year Plan
Property, Plant and Equipment (Fixed Assets)	291.7	291.6	0.1	292.3	307.6
Intangibles	3.2	3.2	0.0	3.3	2.8
PFI Lifecycle	0.0	0.0	0.0	0.0	0.0
Debtors Long Term	1.4	1.4	0.0	1.4	1.4
<b>Total Non-Current Assets</b>	<b>296.3</b>	<b>296.2</b>	<b>0.1</b>	<b>297.0</b>	<b>311.8</b>
<b>Current Assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Inventory (Stock)	7.6	7.6	0.0	7.8	7.8
Receivables (Debtors) - NHS	32.5	32.4	0.1	25.2	24.7
Receivables (Debtors) - Non-NHS	14.9	15.1	(0.2)	9.2	9.2
Cash	41.3	41.5	(0.2)	10.4	3.0
Assets Held For Sale	0.0	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>96.3</b>	<b>96.6</b>	<b>(0.3)</b>	<b>52.6</b>	<b>44.7</b>
<b>Current Liabilities</b>					
Payables (Creditors) - NHS	(5.8)	(4.6)	(1.2)	(6.4)	(5.1)
Payables (Creditors) - Non-NHS	(45.3)	(46.9)	1.6	(21.6)	(31.1)
Deferred Income	(25.0)	(25.0)	(0.0)	(2.6)	(2.6)
Capital Loan	(2.2)	(2.2)	0.0	(2.2)	(2.2)
Working Capital Loan	(17.0)	(16.9)	(0.1)	(17.0)	(26.1)
Other loans	(0.4)	(0.4)	0.0	(0.4)	(0.4)
Borrowings - PFI	(5.4)	(5.4)	0.0	(5.4)	(5.3)
Provisions for Liabilities and Charges	(1.5)	(1.5)	0.0	(1.5)	(1.5)
<b>Total Current Liabilities</b>	<b>(102.6)</b>	<b>(102.9)</b>	<b>0.3</b>	<b>(57.1)</b>	<b>(74.3)</b>
Net Current Assets	(6.3)	(6.3)	(0.0)	(4.5)	(29.6)
non-current liabilities: Borrowings - PFI > 1yr	(187.0)	(187.1)	0.1	(187.5)	(182.2)
Capital Loans	(8.0)	(8.0)	0.0	(8.0)	(6.6)
Working Capital Facility & Revenue loans	(26.2)	(26.1)	(0.1)	(26.2)	0.0
Other loans	(1.5)	(1.5)	0.0	(1.5)	(1.3)
Provisions for Liabilities and Charges- Long term	(1.0)	(1.0)	0.0	(1.0)	(1.0)
<b>Total Assets Employed</b>	<b>66.2</b>	<b>66.2</b>	<b>0.0</b>	<b>68.3</b>	<b>91.1</b>
Financed By:					
Capital & Reserves					
Public dividend capital	211.8	211.8	0.0	211.8	213.3
Revaluation reserve	31.8	31.8	0.0	31.8	46.2
Retained Earnings Reserve	(177.4)	(177.4)	0.0	(175.3)	(168.4)
<b>Total Capital &amp; Reserves</b>	<b>66.2</b>	<b>66.2</b>	<b>0.0</b>	<b>68.3</b>	<b>91.1</b>

### Commentary:

The overall working capital within the month results in a slight decrease in debtors and slight increase in creditors compared to the revised plan submitted on the 15th May. The cash balance held at the end of the month is slightly lower than the plan by £0.2m.

### Non-Current Assets -

Capital additions for 2019/20 based on the plan submitted on 15th May are £14.8m with depreciation of £13.5m. Included within the capital additions are £0.4m donated assets. The planned spend for April was £0.4m with actual spend of £0.36m.

### Current Assets -

Inventory of £7.6m is in-line with the planned value of £7.6m. The main stock balances are pharmacy £2.7m, TWH theatres £1.4m, Materials Management £1m and Cardiology £0.9m.

NHS Receivables have increased from the year end position by £7.3m to £32.5m. Of the £32.5m reported balance, £13.8m relates to invoiced debt of which £2.2m is aged debt over 90 days. Invoiced debt over 90 days has remained at £2.2m since the year end position. The remaining £18.7m relates to uninvoiced accrued income including PSF year end bonus £8.3m, Qtr 4 PSF funding £4.45m, work in progress - partially completed spells £2.7m. Due to the cash pressures of many neighbouring NHS bodies regular communication is continuing and arrangements are being put in place to help reduce the level of debt.

Non NHS Receivables have increased by £5.7m to £14.9m from the year end position. Included within the £14.9m balance is trade invoiced debt of £1.9m and private patient invoiced debt of £0.6m. Also included within the £14.9m are prepayments and accrued income totalling £9.6m. Prepayments primarily relate to rates & annual service maintenance contracts, which will reduce throughout the year as they are expensed. The Trust is currently using a company called Patient Billing Ltd which are supporting the PPU department with improving the quality of invoices and debt collecting.

The cash balance of £41.3m is in-line with the plan of £41.5m. The Trust carried forward £8.4m proceeds from the asset sale which the Trust is waiting confirmation from NHSI that this can be used to fund capital projects in 2019/20. In April the Trust received an advanced contract payment received from WKCCG of c£20m.

### Current Liabilities -

NHS payables have decreased from the year end reported position by £0.6m to £5.8m. Non-NHS trade payables have increased by £23.7m giving a combined payables balance of £51.1m.

The Balance of £8m approved trade invoices at the end of April shows 99% are within 0-30 days outstanding. The Trust is currently paying suppliers at c30days this is calculated by dividing the invoice creditor balance to the YTD operating expenses and multiplying by the YTD number of days.

Of the £51.1m combined payables balances, £14.4m relates to actual invoices of which £9.5m are approved for payment and £36.7m relates to uninvoiced accruals.

Deferred income of £25m primarily is in relation to £20.4m advance contract payment received from WKCCG and £1.9m maternity pathway with CCG's.

The Trust has 3 working capital loans totalling c£43m. £16.9m working capital loan is in current liabilities as due to be repaid in February 2020, the remaining two are due to be repaid in 20/21, £12.132m which is due to be repaid in October 2020 and the remaining £14m loan is based on a phased repayment plan throughout 2020/21 and are in non-current liabilities.

Other loans for both current and non current liabilities relate to the Salix loan which has been taken out to improve the energy efficiency of the Trust.

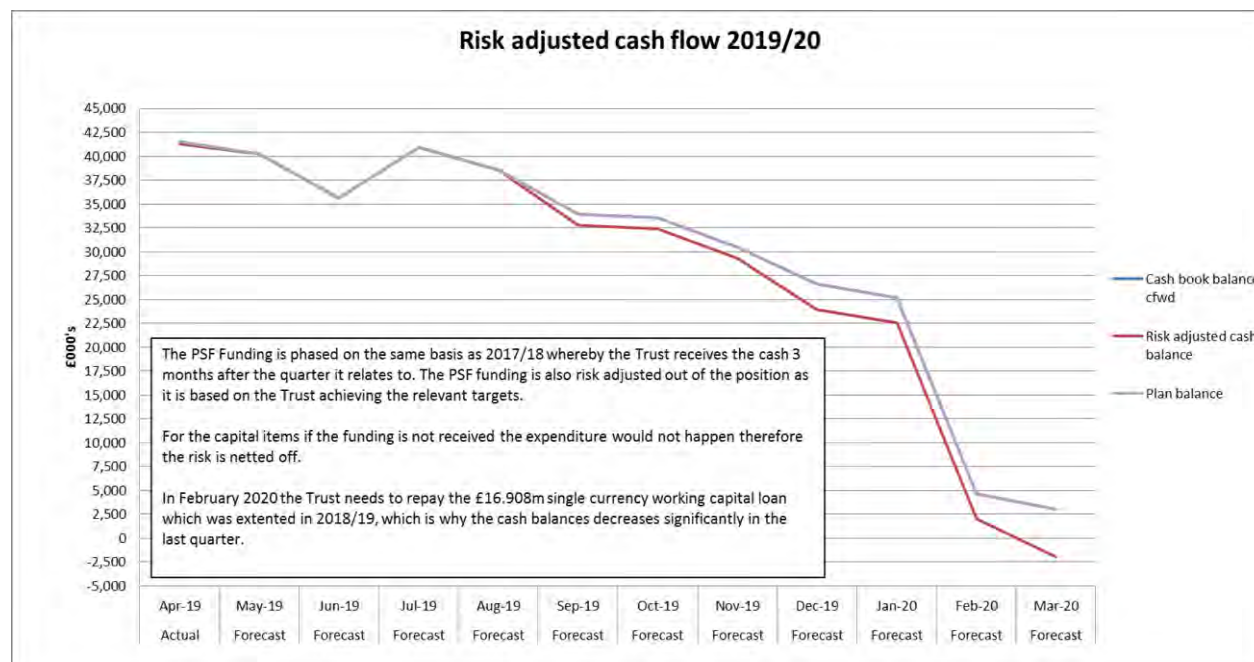
The Trust has an opportunity to amend some areas within the 2019/20 plan it submitted on the 4th April, this has been submitted on the 15th May - both the cash flow and capital tabs have been amended.

# Maidstone and Tunbridge Wells



NHS Trust

## 4b. | Cash Flow



### Information on loans:

#### Revenue loans:

Interim Single Currency Loan	1.50%	16.908	0.00	0.25	18/02/2020
Interim Revolving Working Capital Facility (IRWCF)	3.50%	12.132	0.00	0.43	19/10/2020
Interim working capital loans	3.50%	13.990	0.00	0.49	18/03/2021

#### Capital loans:

Capital investment loan	2.02%	12.000	1.20	0.06	15/09/2020
Capital investment loan	3.91%	11.000	0.73	0.19	15/19/2025
Capital investment loan	4.73%	6.000	0.24	0.16	15/19/2035

#### Other loans:

Salix loan (interest free)	0.00%	2.217	0.37	0.00	2024/25
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### Commentary

The blue line shows the cash Trust's cash position for 2019/20 which is in line with the plan (purple line). The red risk adjusted line shows the position if the relevant risk items are not received.

The Trust's cash flow is based on the Income & Expenditure (I&E) plan and working capital adjustments from the Balance Sheet. If the I&E starts to move away from the plan, this will effect the Trust's cash position.

The closing cash balance at the end of April 2019 was £41.3m which is in line with the plan value of £41.5m. The reason for the high cash balance is due to the Trust carrying forward £8.4m from the asset sales to fund capital projects in 2019/20 and in April the Trust received an advance contract payment from WK CCG of c£20m.

The risk adjusted items relate to:

PSF funding which is received if certain targets are met. The cash flow has three quarters included as the income is received in arrears. Quarter 4 will be included within 2020/21 cash flow.

Within quarter 3 the Trust has external loan capital financing of £0.85m, if the funding is not received the capital expenditure will not be spent.

The Trust has planned to receive PDC funding of £1.48m in quarter 4, the £1.48m relates to ICT - EPMA project. The funding is not received the capital expenditure will not be spent.

Last year the Trust received an extension of year in respect to repaying the single currency interim loan of £16.9m. The loan will need to be repaid in February 2020 which is the reason as to the reduction in cash balance between January and February on the graph.

## 4c. Capital Programme

### Capital Projects/Schemes

	Year to Date			Year to Date			*Committed & orders raised
	Plan	Actual	Variance	Plan	Actual	Variance	
	£000	£000	£000	£000	£000	£000	£000
Estates	0	38	-38	6,588	6,588	0	498
ICT	370	314	56	4,103	4,103	0	300
Equipment	30	6	24	3,163	3,163	0	102
PFI Lifecycle (IFRIC 12)	0	0	0	594	594	0	594
Donated Assets	0	0	0	400	400	0	284
<b>Total Including Donated Assets</b>	<b>400</b>	<b>358</b>	<b>42</b>	<b>14,448</b>	<b>14,448</b>	<b>0</b>	<b>1,494</b>
Donated Assets	0	0	0	-400	-400	0	
<b>Total Excluding Donated Assets</b>	<b>400</b>	<b>358</b>	<b>42</b>	<b>14,048</b>	<b>14,048</b>	<b>0</b>	

The figures above reflect the agreed capital plan resubmitted in May 2019. In response to the letter from NHSI/E of 7th May the Trust reviewed its proposals for externally financed schemes and agreed to reduce or defer £3.5m of projects in to 2020/21 to support the national position. These included the assumption of a further nationally funded Linac (£1.7m); the deferral of £1.65m relating to a potential loan application for critical medical imaging equipment replacement; and the deferral of a bid for further Salix Energy Efficiency funding (£167k). The Trust has retained £850k in relation to a potential loan for a replacement CT scanner.

The Trust Programme includes projects totalling £6.4m relating to funding carried forward from 2018/19 as cash from the Maidstone Residences asset sale. This funding has not yet been approved as capital resource by NHSI/E and the Trust is working with the capital lead at NHSI/E to take this forward. The projects involved are:

1. Acute Medical Unit (AMU) £3.6m
2. Backlog Maintenance - £2.0m
3. Urgent Medical Equipment - £0.8m

\*Committed = actual Year to Date spend/accruals/purchase orders & known contractual commitments

## Trust Board Meeting – May 2019



5-9	Summary report from the Finance and Performance Committee, 21/05/19	Committee Chair (Non-Exec. Director)
	<p>The Finance and Performance Committee met on 21<sup>st</sup> May 2019.</p> <p><b>1. The key matters considered at the meeting were as follows:</b></p> <ul style="list-style-type: none"> <li>▪ An update was given on the research from the Finance and Performance Committees of Trusts rated as “Outstanding” by the Care Quality Commission</li> <li>▪ The first of the monthly “Finance or performance moment” items (which has replaced the “Safety moment”) was considered (which focused on Emergency Department access performance). The good work of the department and wider team was noted particularly as it appeared there has been a sustainable step change in performance. It was also agreed to consider whether allocating additional nursing staff to the Clinical Decisions Unit would enable the application of more flexible admission criteria</li> <li>▪ The month 1 financial performance was reviewed, and it was noted that the two main issues were budgetary pressure in the Surgery Division and the overall delivery of the Cost Improvement Programme which was behind plan. It was agreed to arrange for the June Committee “performance moment” to consider the options/interventions to support the Surgery Division, which was faced with a number of complex challenges in the coming year, including the delivery of prime provider activity, RTT, cancer and finance.</li> <li>▪ The latest monthly update on Wells Suite income was noted, and a discussion was held on the future strategic options available to improve the position. As the Board has discussed previously, there is considerable opportunity which needs to be carefully managed</li> <li>▪ The financial aspects of the Best Care programme were reviewed and the Chief Executive reported that the Trust was recalibrating each of the workstreams, which meant that some projects would be removed from the programme as they were ‘business as usual’</li> <li>▪ The Committee was apprised of the latest position on the Trust’s intended use of Avastin medication in Ophthalmology, and the Chief Finance Officer confirmed he did not expect any financial benefit in 2019/20. It was therefore agreed to amend the Committee’s forward programme to remove all future update items on the issue</li> <li>▪ The month 1 non-finance related performance was discussed, which included the A&amp;E 4-hour, Referral to Treatment (RTT), and 62-day Cancer waiting time targets. It was agreed that the Chief Operating Officer would submit a report to the June 2019 Committee meeting on the RTT data quality work (including the project plan)</li> <li>▪ The usual update on the Lord Carter efficiency review (incl. SLR) was given, and the latest quarterly progress update on Procurement Transformation Plan was reviewed (this has been submitted to the Trust Board separately)</li> <li>▪ The Committee received a report on the management of the 2019/20 capital programme in relation to the proposed development of the Acute Medical Unit (AMU) at Maidstone Hospital, and also considered the Business Case for the revised AMU. Following a detailed discussion, it was agreed to continue to discuss the issue at the ‘Part 2’ Trust Board meeting on 23/05/19, but clarified that the Committee supported the Business Case, although confirmation was awaited as to whether the modular build cost could be reduced, whilst other options should be explored (the Business Case has been submitted to the ‘Part 2’ Board meeting on 23/05/19 as a separate report)</li> <li>▪ The Committee approved a Business Case regarding the resources required to support Learning and Development services (which exceeded £500k but was below £1m) on the understanding this increased the 2019/20 CIP target and that consideration was given to the reach of the initiative.</li> <li>▪ The standing “Breaches of the external cap on Agency staff pay rate” report was noted, as were the recent uses of the Trust’s Seal</li> <li>▪ The Committee confirmed that the “Finance or performance moment” at the next meeting should focus on the Surgery Division</li> </ul> <p><b>2. In addition the agreements referred to above, the Committee agreed that: N/A</b></p>	

**3. The issues that need to be drawn to the attention of the Board are as follows:**

- The Business Case for the revised AMU was supported, although confirmation was awaited as to whether the modular build cost could be reduced, whilst other options should be explored

**Which Committees have reviewed the information prior to Board submission?** N/A

**Reason for receipt at the Board (decision, discussion, information, assurance etc.)**

Information and assurance

## Trust Board Meeting – May 2019



5-9	Summary report from Quality Committee, 08/05/19	Committee Chair (Non-Executive Director)
<p>The Quality Committee met on 8<sup>th</sup> May 2019 (a 'main' meeting).</p> <p><b>1. The key matters considered were as follows:</b></p> <ul style="list-style-type: none"> <li>▪ The Committee agreed proposed <b>amendments to its Terms of Reference</b> (a separate report has been submitted to the Trust Board regarding this)</li> <li>▪ The Deputy Medical Director gave an update on the <b>response to the issues arising from the "Patient experience" item at the 'Trust Board meeting on 28/02/19</b> and it was agreed to schedule further updates at the 'main' Quality Committee until the action plan was completed</li> <li>▪ Representatives from West Kent Clinical Commissioning Group attended to present a report on the <b>quality concerns, support and monitoring</b> that had arisen from the application of the Quality Risk Tool process to the Trust</li> <li>▪ The <b>Acute Medicine and Geriatrics Directorate</b> and <b>Emergency Medicine</b> Directorates presented their latest <b>clinical outcomes reports</b> and it was noted that if the Committee's amended Terms of Reference were approved, such reports would in the future be considered via the Divisional clinical governance meetings</li> <li>▪ The minutes of recent <b>Trust Clinical Governance Committee</b> meetings was discussed, and those present at the meeting reported the key issues from their areas, which included staffing vacancies and Serious Incidents (SIs)</li> <li>▪ A summary report from the <b>Patient Experience Committee</b> meeting on 05/03/19 was noted</li> <li>▪ The Chief Operating Officer presented an <b>update on Referral to Treatment (RTT) data quality</b>, and it was agreed that a further update should be given at the July 2019 meeting</li> <li>▪ The Associate Director, Quality Governance reported on <b>progress with implementing the Quality Strategy</b> and also submitted the <b>draft Quality Accounts for 2018/19</b></li> <li>▪ The Transformation Programme Director attended to give a verbal report for the scheduled <b>Annual review of Quality Impact Assessments (QIAs)</b>, but it was agreed to reschedule the review of a written report at the 'main' Quality Committee in July 2019</li> <li>▪ The standing updates on <b>mortality</b> and <b>SIs</b> were given, and the report of the <b>Quality Committee 'deep dive' meeting</b> held on 10/04/19 was noted</li> </ul>		
<p><b>2. In addition to the agreements referred to above, the Committee agreed that:</b></p> <ul style="list-style-type: none"> <li>▪ The Clinical Director for Children's Services and Chief of Service for Women's Children's and Sexual Health should provide the Chair of the Trust Board with details of any response/evidence that the Royal College of Paediatrics and Child Health and Royal College of Obstetricians and Gynaecologists had submitted to NHS Improvement's (NHSI's) Workforce Implementation Plan</li> <li>▪ The Chair of the Trust Board should write to the Chair of NHSI to express the Trust's concern at the national policy for the allocation of medical training places (taking account the response/evidence the Royal College of Paediatrics and Child Health and Royal College of Obstetricians and Gynaecologists had submitted to NHSI's Workforce Implementation Plan)</li> </ul>		
<p><b>3. The issues from the meeting that need to be drawn to the Board's attention are:</b></p> <ul style="list-style-type: none"> <li>▪ The Committee agreed proposed amendments to its Terms of Reference (a separate report has been submitted to the Trust Board regarding this)</li> </ul>		
Which Committees have reviewed the information prior to Board submission? N/A		
Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup>		
Information and assurance		

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



## Trust Board meeting – May 2019



5-10	Update from the Best Care Programme Board	Chief Executive
Enclosed is an update from the Best Care Programme Board.		
<b>Which Committees have reviewed the information prior to Board submission?</b>		
▪ -		
<b>Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup></b>		
Information, assurance		

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



Trust Board  
Best Care Programme 19/20  
May 2019

# Content

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  - a. Executive Summary
2. Workstream Update
  - a. Best use of Resources
  - b. Best Workforce
  - c. Best Flow
  - d. Best Quality
  - e. Best Safety
3. Financial Summary
4. Communication and Engagement

# 1a. Executive Summary

Item 5-10. Attachment 9 - Best Care

## Workstreams Update

### KEY PROGRESS

Best Patient Flow – Cancer Transformation structure in progress to prioritise Cancer transformation projects. MY POA scheduled to go live on 22<sup>nd</sup> May. Online Outpatients platform 'Attend Anywhere' planning underway with NHSI and clinical divisions, phase 1 scheduled with Sexual Health and Phase 2 with Specialist Medicines. Outpatients survey resulted in 80% return from patients, data currently being analysed. Out of Hospital - #NOF Pathway change to be signed off at next meeting in June 2019. SDEC – Surgical division signed up to cohort 4 of National Surgical Ambulatory Emergency care network. Medical AEC – first patient seen / treated at Tonbridge Cottage Hospital.

Best Safety – GIRFT Programme continues as planned, awaiting final dates for Rheumatology and Respiratory. Geriatrics data collection scheduled for 31<sup>st</sup> May

Best Workforce – Nursing shifts requested 6 weeks in advance has seen an increase from 19% to 32% in one month. New project included within the scope of Attract and Retain . 42 nurses offered posts from overseas recruitment. Local recruitment day recruited 8 nurses. 34 medical appointments currently undergoing checks. 15 medical bank appointments undergoing checks.

### KEY RISKS

Best Patient flow – Request to extend H@H at the end of the trial period submitted for approval. Recruitment of skilled staff continues to be an issue.

Best Safety – Medical Productivity - not all divisions have signed off job plans and have missed the 29<sup>th</sup> March deadline. This has been escalated and scheduled to be raised at the Divisional Performance review meetings week commencing 20<sup>th</sup> May. Sufficient resources to meet 7DS still remains an issue.

Best Workforce – Nursing vacancy numbers still high, however overseas recruitment in India and local recruitment events starts to see numbers increasing. Financial gap to CIP target not yet covered. Retrospective medical booking improved from last month but still above target at 20.2%

## Workstreams Update

### KEY PROGRESS

Best Quality – Dementia Emergency Services Event scheduled for 21<sup>st</sup> May. Collaborative bid submitted to Health Foundation on 15<sup>th</sup> May. Re-launch of EndPJ Paralysis. CNST key focus on training as this could be the one area at risk. Team attended ELFT Annual Quality Conference on 14<sup>th</sup> May, with a view to link in with the work they are undertaking with KCHFT

Best Use of Resources – Disposal of unwanted/unused vehicles compelled. Orthotics contract gone live. NHSE have agreed to go ahead with the Aseptic service but not yet agreed to amount. POCT tender process response rate was not as high as expected, so now going to direct approach. WK A Diabetes model transitioned into operational with ERS training to be scheduled.

### KEY RISKS

Best Quality – CNST training element key focus to mitigate the risk of not achieving target. No schemes yet identified to plug the current CIP gap of £160k

Best Use of Resources – Avastin continues to be a risk. Process for obstetric scanning not yet agreed. Team will now benchmark against other trusts and present to CO'B/PM for final acceptance.

## 2a. Best Use of Resources

**Best Use of Resources** is focused on reducing waste and improving value on the products and services we buy across the Trust.

The workstream has started with five key areas to achieve best value in by reviewing costs and identifying opportunities for savings, whilst ensuring quality of service and patient experience is not comprised and continues to improve.

The key areas are:

- **Estates and Facilities**
- **Procurement**
- **Medicines Management**
- **Aligned Incentive Contracts**
- **STP pathology review**
- **West Kent Diabetes Community Clinics**

WORKSTREAM		Best Use of Resources Summary Report		BEST CARE BOARD DATE	May 2019
WORKSTREAM LEAD		Steve Orpin		Item 5-10 Attachment 9 - Best Care PMO SUPPORT	Toyin Falana
DESCRIPTION	MILESTONE (last 4 weeks progress)	DELIVERY RAG		MILESTONE (next 4 weeks progress)	
		LAST MONTH	THIS MONTH		
<u>Estate &amp; Facilities</u>	<ul style="list-style-type: none"> <li>Operational Variation for PFI LED maintenance issued to CFO for approval</li> <li>Commercial and legal negotiation ongoing for PFI Energy Procurement</li> <li>Disposal of unwanted/unused vehicles completed</li> </ul>	Green	Green	<ul style="list-style-type: none"> <li>Progress patient meals alignment to bed occupancy</li> <li>Progress tender for post services</li> <li>Complete Commercial/Legal for PFI Energy Procurement</li> </ul>	
<u>Procurement</u>	<ul style="list-style-type: none"> <li>Orthotics (Insole) -New contract gone live.</li> <li>SCCL - all catalogue updates completed, savings live from April.</li> <li>Photocopier contract - £1.1m savings over 5 years in discussion with suppliers with a £189K to claim by end of April.</li> </ul>	Green	Green	<ul style="list-style-type: none"> <li>Point of care testing - £80K savings was planned to deliver by end of March 2019 but delays with supply route as products not in market yet, delivery timeline adjusted to June 2019. firming things up with NHS supply chain.</li> <li>Review Discharge Services contract – rolling annual contract (current contract ends in May 2019)</li> </ul>	
<u>STP</u>	<p>Send away tests - EKHUFT are currently writing the specification, once this is drafted we will be able to move forward with preparing the commercial strategy</p> <p>- Baseline data collection is currently being compiled by MTW, before NKPS undertake theirs</p> <p>- Interim Contracts for specialist tests at UHB are currently being looked at - MTW leading for STP</p>	Amber	Amber	Conclude ongoing work with writing specification.	
<u>Medicine Management</u>	Biosimilar – Switches for existing patients on Infliximab, Transtuzimab, Rixuzimab, Ethernacept all complete, all new patients now on new biosimilars.	Green	Green	Complete Acceptance criteria form to convert to BAU.	
	Adalimumab – switch to Humira still ongoing and progressing well, uptake report on DEFINE shows 65% uptake till date, the target is to obtain a 80% uptake by August 2019.	Green	Green	Adalimumab – continue to monitor monthly uptake.	
	Aseptic Service – NHSE have agreed to go ahead with the proposal but not agreed to the amount, so further discussions ongoing to come to an agreement.	Amber	Amber	Aseptic Service –agree an amount with NHSE and commence charging.	
	Dossette Box – pilot did not commence in January as originally stated, due to issues experienced within the CCG. Pilot due to commence before the end of May, date TBC.	Green	Green	Dossette Boxes / MAR Chart – commence pilot, and also evaluate impact concurrently.	
	Avastin – no further update.	Red	Red	Progress with work on Business Case.	


DESCRIPTION	MILESTONE ACTUAL	DELIVERY RAG		ACTIONS FOR NEXT REPORTING PERIOD
		Last Month	This Month	Item 5-10. Attachment 9 - Best Care
<u>Medicines Management.</u>	Pharmacy Outsourcing –Trust Board approved the Business Case and preferred option to outsource pharmacy outpatient service at Maidstone Hospital to a subsidiary under a Joint Venture with another established/experienced Trust subsidiary (i.e.Pharm@Sea Ltd).	Amber	Green	Set up meetings with non – Executive Panel members to provide on going advise about the business side of the project. Set up meetings with Finance to go through requirements for subsidiary Seek Legal advise Submit Business Case for NHSI approval at the end of June Commence engagement with Pharma@Sea in July. Continue NHSE discussions around dispensing fee.
	Paediatric Feed – policy agreed, price reduction implemented. FYE savings calculations still pending due to work priorities	Amber	Red	Obtain final figure for 18/19 FYE savings.
<u>Pathology</u>	Point of Care Testing (POCT) – invitation to tender for a Managed Equipment Service (MES) contract opened to all intending suppliers and closed on the 29 <sup>th</sup> March, response received was less than expected, so a direct approach to well known suppliers is now being considered.		Green	Approach a direct supplier and negotiate a contract by the end of June. Write and submit Business Case with all financial information for approval at F&P committee by the end of July.
	HPV Tender – MTW has not been awarded the contract, therefore this scheme has been removed from the 19/20 CIP plan.	Red		Scheme not going ahead, therefore removed from CIP scheme. Closed.
<u>STP Pathology</u>	MSC Managed Service Contract - Strategic Outline Case (SOC) completed and approved by all Trust's Boards Terms of Reference completed and approved Outline Business Case (OBC) still being worked upon Operations sub group now has MSC as part of work plan, preliminary meetings with 4 suppliers already held.	Amber	Amber	MSC Managed Service contract - Present OBC at all Trust Boards for approval Review timeline and achievements so far.
	NPEX – Software purchased.	Amber	Green	NPEX – Roll out plan to be developed once initial meeting held with supplier on the 10 <sup>th</sup> May 2019.
<u>WKA Diagnostics</u>	Decision reached at the last WKA Executive meeting 7 <sup>th</sup> May to shut down Diagnostics as a programme given that <ul style="list-style-type: none"> <li>Current projects could be delivered elsewhere (e.g. Feecal Calprotectin or FIT testing)</li> <li>operational and financial benefit minimal</li> <li>integrated model of care work is at STP level</li> </ul>	Green	Green	Develop and sign off closure report and present to the WKA Exec Group on the 14 <sup>th</sup> June, which details where pieces of work will be ongoing and monitored.
<u>Radiology</u>	Obstetric Scanning – Leads yet to agree on a process.	Red	Red	Obstetric Scanning – Maternity and senior sonographers to benchmark processes for other Trusts and agree on a process and set new actions timeline for go live.
	Radiology Tender – team are currently revising the scope of this project, as another option of purchasing 2 CT scanners is being explored.	Amber	Amber	Complete financial estimates and agree preferred option.
	Radiology MES Contract - temporarily on hold as other options of purchasing 2 CT scanners is currently being looked at.	Amber	Amber	Complete financial estimates for new option being explored.

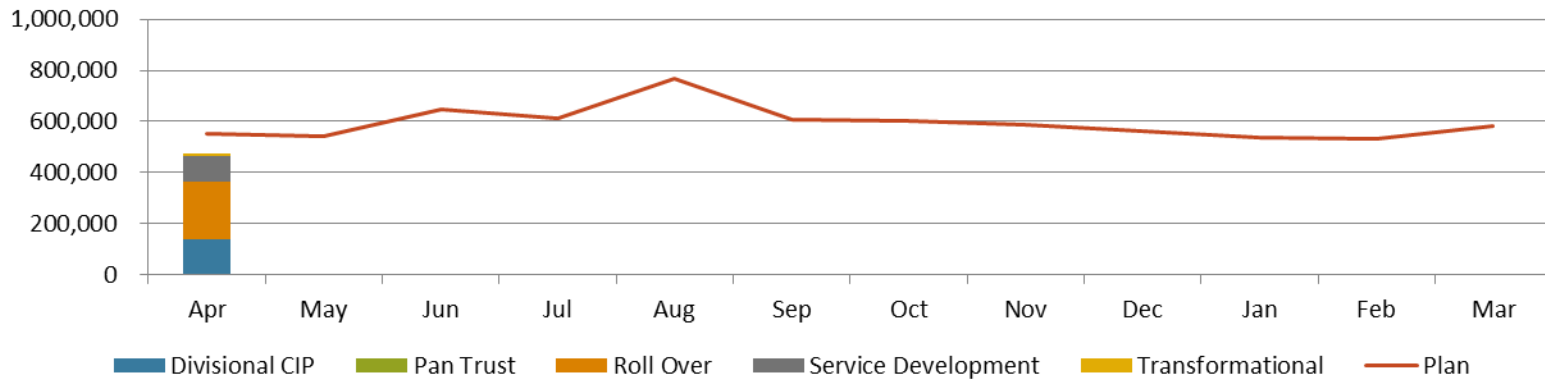
DESCRIPTION	MILESTONE ACTUAL	DELIVERY RAG		ACTIONS FOR NEXT REPORTING PERIOD
		Last Month	This Month	Item 5-10. Attachment 9 - Best Care
WKA Diabetes	MTW CDSN laptops used for clinics at Rusthall Medical Centre and Tonbridge Medical Group. The connection was intermittent . MTW IT team have resolved VPN connections.	Green	Green	Continue to monitor with access to systems via VPN during the phased roll out.
	Clinics at held Rusthall Medical Centre 15/0/3/19 and Tonbridge Medical Group 21/03/19, Warders Medical Centre, 27/03/19 and Lonsdale Medical Centre 29/03/19. 3 Spokes have now been fully utilised.	Green	Green	Continue to monitor and discuss concerns/improvement during the phased roll out.
	Contract novation WKCCG:MTW. / WKH:MTW. WKH to provide MTW with costings for Q3/4. MTW and WK CCG reviewed costings against contract. MOU has been signed.	Red	Green	Continue to monitor and discuss concerns/improvement during the phased roll out.
	CDSN triage is taking place on ERS. PCBS able to use ERS following triage to book patients onto vision. ERS permissions updated for CDSN, both now able to triage patients.	Amber	Green	MTW ERS project team to arrange training for MTW Abbey Court Admin team. Smartcards for Clinical team required – escalated to Exec Lead for Recruitment for support issue of cards.
	DPIA completed and DIG agreed on 07/03/19 MTW would provide the final signature for the group. Data sharing agreements reviewed WKHealth Ltd/KCHFT/MTW with slight amendments agreed via email from.	Green	Green	MTW IG Committee to sign DPIA. IG leads from each organisation to sign data sharing agreement.
	Prescribing dashboard to monitor pharmacy usage with the community at GP Practice level prepared and reviewed at DIG 07/03/19	Green	Green	Continue to monitor training/guidance with comms through MTW/CCG and detailed monitoring of baselined KPI dashboard.
	Vision training for CDSN and PCBS staff completed.	Green	Green	Once a timeframe for MTW Clinicians to move to Vision plan for training. MTW to work with WK Health on training scheduled and required licences.
	Operational Team set up with fortnightly meetings in place to discuss/review findings from the implementation and support delays in training. WKA Executive Group 12/3/19 presentation resulted in, as the programme objective of rolling out the clinics had been delayed, the conversion from a live programme to operational be undertaken by the DIG and DOG running in parallel , to achieve phased approach.	Green	Green	Operational team meeting to continue with monitoring progress. To make contact with patient rep to sit on the meeting from 04/19 Team to re-present to WKA Executives in 09/2019 regards moving fully into operational.
ICT	<ul style="list-style-type: none"> <li>• DOCMAN – working with system owners to develop current process which will be cross referenced with Fun Assett’s specification for interfacing.</li> <li>• HSCN Network gone live</li> <li>• ED project - Contract renewed with Symphony till the end of March 2020, planned savings of £23K from M7 will not be realised.</li> </ul>	Green	Green	Progress with work with developing current processes with system owners
Others	Income for Overseas Patients – pathway approved by Clinical Director and going live on 13 <sup>th</sup> May 2019.	Green		No further action, converts into BAU.
EME	<ul style="list-style-type: none"> <li>• Recruitment for extra resource to help expedite income opportunities work started at the end of May.</li> <li>• Reviewing manufacturers contract in house</li> <li>• Started conversations with procurement to find a suitable mattress supplier, user requirement and expectations agreed.</li> <li>• Looking at contracts to bring in house</li> <li>• 18/19 achieved £33K recovered money from various contracts (overcharging on non delivery goods and services)</li> </ul>	Amber	Amber	<ul style="list-style-type: none"> <li>• Continue to look into making savings on contracts</li> <li>• Review suppliers, negotiate discounts to identify savings</li> </ul>



KEY ISSUES/RISKS TO FINANCIAL PERFORMANCE					CRITICAL PATH MILESTONES (next 4 weeks)				
Key Risks	Mitigating Actions	DATE last reviewed	LAST MONT H	THIS MONT H	Item 5-10. Attachment 9 - Best Care	Week 5-10. Attachment 9 - Best Care	Week 5-10. Attachment 9 - Best Care	RAG Last Month	RAG This month
Endoscope Repair Contract – contractors unable to support present workload. Should contract fail, MTW will incur significant repair cost with the Original Equipment Manufacturer (OEM).	Discussions with suppliers ongoing, suppliers has admitted they have capacity issues and have sourced additional manpower from the US and procured additional manpower from the US and procured additional service loan devices.	1 <sup>st</sup> May		A	Pharmacy Outsourcing – submit Business Case for NHSI approval	06/19	On track	Amber	Green
					Obstetric Scanning – agree pathway	05/19	On Track	Red	Red
MRI - Unable to source replacement parts for 2 old CT scanners presently used in the department, which may result in loss of activity.	Temporary use of mobile scanners, but these cannot accommodate the current capacity of work, which will result in reduction in capacity and increase in waiting list.	7 <sup>th</sup> May		R	Radiology Tender - complete financial estimation for purchasing 2 new CT scanner	05/19	On Track	Amber	Green
Outpatient Outsourcing - A review of the subsidiary transaction proposal by NHSI is now mandatory for their approval. If the transaction proposal is deemed too risky (red risk) we may not be able to proceed. Only a proposal with a risk rating of green or amber by NHSI is eligible to proceed.	work with NEDs to review Business Case and further provide advise if needed, go through requirements for subsidiary with finance, seek legal advise relating to joint venture from Trusts legal advisers	7 <sup>th</sup> May		A	POCT – decide preferred supplier and agree contract.	06/19	On Track		Green
					DOCMAN – Interface clinical systems( Tomcat, Endobase, E3) with Hybrid mail	06/19	On Track		Green
Extra car park funding – project will be delayed or may not go ahead if funding from external source falls through	Source alternative joint venture.	14 <sup>th</sup> May		R	Post – Progress tender for Post Services	06/19	On Track		Green
Payment for PFI insurance expected in M5 is an externally controlled scheme which may leave a gap if falls through.	Yet to be determined	14 <sup>th</sup> May		R	EFM – obtain approval for Operational Variation for PFI LED	06/19	On Track		Green
Key Issues	High Level Actions				EFM – obtain Execs approval for PFI Energy Procurement	06/19	On Track		Green
Capital funding for 2019/20 schemes has not been released by the Trust which has delayed the delivery of some projects.	Review alternatives to capital funding.	17 <sup>th</sup> May		A					

KPIS	Target	LAST MONTH	THIS MONTH
Procurement		MAR	APRIL
95% of transactions lines on e-catalogue	95%	95.4	95.2
90% invoice (by no) on purchase order	90%	92.9	84.1
90% of invoice (by value) on purchase order	90%	97.9	80.7
Medicines Management			
Transuzimab uptake rate	80%	88	100
Rixuzimab uptake rate	80%	77	78
Ethernacept uptake rate	80%	81	94
Infliximab uptake rate	80%	92	92
Adalimumab uptake rate	80% by M5	25	65

Finance Narrative
<p><u>Month 1 summary</u>      <b>Item 5-10. Attachment 9 - Best Care</b></p> <p>Total delivery across work stream was £474K against plan of £552K.</p> <p>Main areas of short fall include transformational project which delivered £9k against its £27K target.</p>
 <p><b>Maidstone and Tunbridge Wells</b> NHS Trust</p>



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Divisional CIP	139,917											
Pan Trust	0											
Roll Over	222,515											
Service Development	102,833											
Transformational	9,487											
Plan	552,493	542,993	646,176	613,005	767,416	607,416	603,884	585,225	560,225	538,906	533,656	582,764
Actual	474,752											

## 2b. Best Workforce

**Best Workforce** is devising innovative strategies to develop new roles and attract and retain staff to the Trust. Implementing more efficient processes to help make people's jobs easier and reviewing temporary staffing are the key areas of focus for Best Workforce.

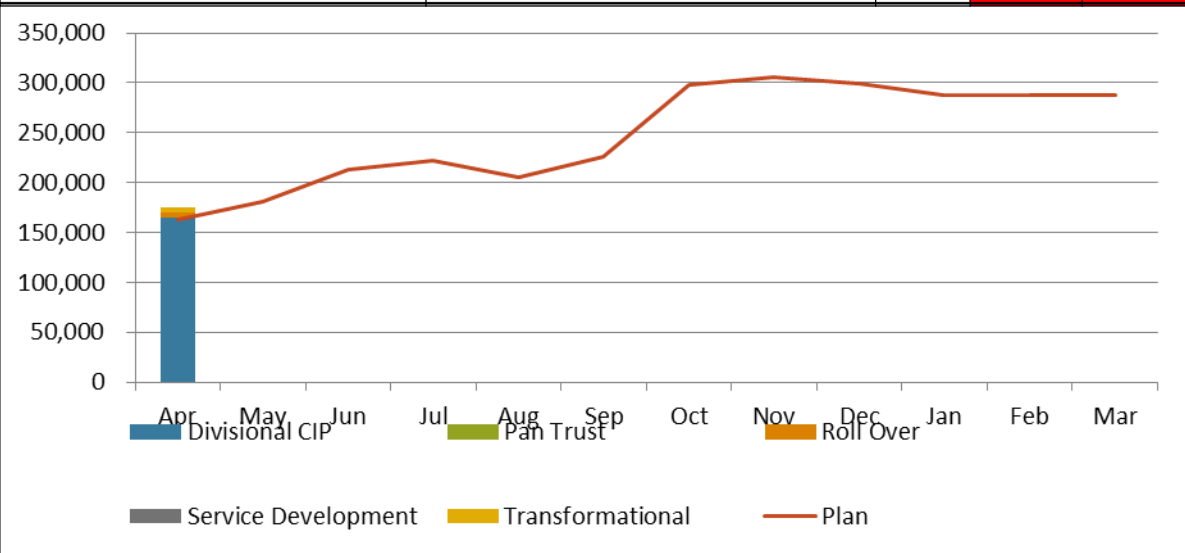
The workstream's priority areas are:

- **Recruitment**
- **Temporary Staffing**
- **New Roles and Apprenticeships**
- **Workforce Productivity**
- **Attract and Retain**

WORKSTREAM		Best Workforce		BEST CARE BOARD DATE	May 2019
WORKSTREAM LEAD		Simon Hart / Tracey Karlsson		HEAD SUPPORT	Attachment 9 - Best Care KCHFT Lesley Johnson
	Actions/Milestones completed	DELIVERY RAG		Actions for next reporting period	
		LAST MONTH	THIS MONTH		
<b>Temporary Staffing Controls Group</b>	<ul style="list-style-type: none"> <li>Executive approval for Medical Bank rates obtained and effective from 1<sup>st</sup> May 2019 for new bookings, any existing bookings to be honoured at current rates until 31<sup>st</sup> July 2019 to be cascaded by the Chiefs of Service.</li> <li>Work continuing with agencies/bank to supply at cap in clinical areas at risk.</li> <li>Initial Medical supplier meetings held and contract KPI's agreed with a proposed go live of the new Medical contract on 3<sup>rd</sup> June 2019.</li> <li>Proposal for Nursing bank enhancements drafted, to be presented at Exec meeting by 30th April – Enhancement paper delayed to enable a full cost appraisal to be completed and approach agreed.</li> </ul>	R	R	<ul style="list-style-type: none"> <li>Bank recentralisation meetings commenced 25<sup>th</sup> April 2019 with weekly meetings planned until go live on 3<sup>rd</sup> June 2019.</li> <li>Medical Staff on honoured banks rates to be monitored and reduced by 31<sup>st</sup> July 2019</li> <li>Medical supplier meeting planned for 17<sup>th</sup> May 2019, with a proposed go live of the new Medical contract on 3<sup>rd</sup> June 2019.</li> <li>20.2% of medical shifts requested retrospectively, reduced from 23.7% the previous month. Process of adding bank shifts to be modified</li> </ul>	
<b>New Roles and Apprenticeships</b>	<ul style="list-style-type: none"> <li>As at 16 May, 108 apprenticeships enrolled on programme.</li> <li>Physician Associates Faculty meeting held. 7 now in the trust compared to 1 last year.</li> <li>Apprenticeship levy opportunities identified with SEACAMB and KCHFT.</li> <li>ACP Scoping Project Mangers commenced in posts.</li> </ul>	A	R	<ul style="list-style-type: none"> <li>Recruit nursing and AHP professional leads for New Roles and Apprenticeships.</li> <li>Identify ways to promote Physician Associate role and raise awareness of new roles within the Trust.</li> <li>Review workforce plans to determine new roles and apprenticeship requirements.</li> <li>Procurement looking into supply chain for apprenticeship levy transfer opportunities.</li> <li>Plan levy transfers.</li> </ul>	
<b>E-Rostering</b>	<ul style="list-style-type: none"> <li>Nurse Bank shift booking app went live on 1<sup>st</sup> May 2019. Currently only available via Apple devices so will be 'soft' communicating the app whilst looking at how to work with Android devices.</li> <li>Workforce Performance Reports are now available and have been sent to HRBP's for fine tuning.</li> <li>Initial meeting to triangulate roster template requirements held.</li> <li>Draft Medical E-Roster business case shared with Medical Productivity meeting on 7<sup>th</sup> May 2019.</li> <li>Safecare site visit to EKUFT took place on 18<sup>th</sup> April 2019.</li> <li>Kronos testing commenced &amp; fortnightly project meetings taking place.</li> <li>Recommended access control levels approved.</li> </ul>	A	A	<ul style="list-style-type: none"> <li>Triangulate and agree correct roster templates to align with Finance shift pattern templates / establishment and safe staffing by 30<sup>th</sup> June 2019.</li> <li>Roster templates to be signed off following above meetings to enable roster challenge meetings to take place.</li> <li>Specification and evaluation criteria agreed with Procurement Team for Medical E-Rostering system by 31<sup>st</sup> May 2019 with evaluation session held and business case completed by 31<sup>st</sup> July 2019.</li> <li>Following visit to EKUFT and review of roster templates, SafeCare rollout to be rescheduled.</li> <li>Kronos to complete a system health check for completion by 31<sup>st</sup> May 2019.</li> <li>Access controls to be reviewed and aligned as new roster templates are implemented.</li> </ul>	
<b>Recruitment</b>	<ul style="list-style-type: none"> <li>Two MTW staff travelled to India on 4<sup>th</sup> May 2019 in order to fully support the Clearmedi pilot for nurse recruitment, with 42 nurses offered posts.</li> <li>Appointed MSI as additional partner for overseas nurse recruitment with potential of recruiting a further 50 nurses.</li> <li>Nursing recruitment day also recruited 8 nurses.</li> <li>34 Medical appointments currently undergoing pre-employment checks. 5 commenced in April, a further 4 commenced in May with a further 8 expected to commence later this month.</li> <li>15 Medical bank appointments currently undergoing pre-employment checks.</li> <li>Commence Recruitment Marketing Strategy with support from KCHFT.</li> </ul>	A	A	<ul style="list-style-type: none"> <li>Task &amp; Finish Group to commence / TOR agreed in order to progress action plan from Nurse Recruitment Workshop.</li> <li>Debrief / learning points paper to be produced in relation to Clearmedi pilot.</li> <li>Recruitment plan and timeline agreed for MSI nurse recruitment event in India commencing June 2019.</li> </ul>	
<b>Attract and Retain</b>	<ul style="list-style-type: none"> <li>New Project proposed</li> </ul>		G	<ul style="list-style-type: none"> <li>Project brief to be completed and submitted to Best Care Board including scope, objectives, key milestones, benefits and business need.</li> </ul>	

## KEY ISSUES/RISKS TO FINANCIAL PERFORMANCE

DESCRIPTION	MITIGATION	DATE REC	LAST MONTH	THIS MONTH
ISSUE – Divisions have not signed-up to Workforce 19/20 KPIs on rostering improvement. Potential to reduce reliance on temporary staffing missed.	Concerns exist by Divisions in likelihood of delivery of rostering improvement. Workforce Lead to review plans with divisions in order to improve confidence.	May - 19		
ISSUE – Due to significant vacancies in nursing, capacity not available to support, mentor and induct the 92 nurses by nursing staff on wards.	Escalated to HRD. Priority for 19/20 to include recruitment, new roles and apprenticeships and rostering improvements.	May- 19		
ISSUE – Delays to medical recruitment are occurring due to significant scale and pace of change required by team to meet objectives.	Escalated to HRD, who is closely monitoring team. Staff member also on long term sick. Backfill requested for short term admin support (B4) as part Best Care resource request.	Jan - 19		
ISSUE – Significant nursing vacancies in medicine at TWH impacting morale, retention and recruitment.	Nursing vacancy workshop held on 12 April to identify obstacles and objectives. Priority was given to securing marketing expertise and to set-up a Task & Finish Group.	Apr - 19		
ISSUE – Procurement of marketing expertise delayed, impacting promotion of job vacancies and recruitment.	KCHFT has been approached to support with providing expertise. SON has asked to meet so MTW can explain requirements and determine if capacity exists to meet our needs.	May - 19		
RISK – Medical temporary staff rates vary across the Trust. If rates are capped, staff who are on higher rates may not wish to reduce and will not book shifts.	A fair and equitable standard set of medical bank rates agreed with effect from 3 June 2019. Impact to be monitored.	Oct-18		
ISSUE – Key apprenticeship resource on long term sick leave as of 24 April 2019 without backfill impacts ability to deliver project.	Apprenticeship not backfilled. Impacting ability to recruit apprentices, spend the levy and transfer the levy.	Feb- 19		



KPIS	Target	LAST MONTH	THIS MONTH	
Public Sector Target for workforce on Apprenticeships Apr 18 to Mar 19	2.30%	1.29%	1.36%	↑
Medical				
Medical Shifts Requested		3,452	2,743	↓
Percentage of Medical agency shifts over STP break glass rates	0%	74.1	60.3	↓
Percentage of Medical shifts requested more than 6 weeks in advance	> 80%	34.5	23	↓
Percentage of Medical shifts requested Retrospectively	< 5%	23.7	20.2	↓
% Medical Shifts covered by bank workers	> 70%	36.4	37	↑
% Medical Shifts covered by Framework agency workers	< 24%	32.1	42.6	↑
% Medical Shifts covered by Non-Framework agency workers	< 1%	0.3	0.8	↑
% Medical Shifts Unfilled	< 5%	31.1	19.6	↓
Nursing				
Nursing Shifts Requested		7,028	5,901	↓
Percentage of Nursing agency shifts over NHSI Caps	0%	6.4	5.5	↓
Percentage of Nursing shifts requested over 6 weeks in advance	> 80%	19.7	32.3	↑
Percentage of Nursing shifts requested Retrospectively	< 5%	7.7	7.9	↑
% Nursing Shifts covered by bank workers	> 70%	45.5	43.4	↓
% Nursing Shifts covered by Framework agency workers	< 24%	27.3	30	↑
% Nursing Shifts covered by Non-Framework agency workers	< 1%	1.3	2.2	↑
% Nursing Shifts Unfilled	< 5%	25.8	24.4	↓
Average roster performance score for in-patient nursing areas	> 85%	71.86%	72.24%	↑

## FINANCE NARRATIVE

Forecast Position	
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The Best Workforce achievement to date is £165,033 against a plan of £162,427. Roll over schemes accounted for £4,687 of this figure.

New un-planned schemes of £13,908 identified in the month – conversion of Medical Agency to Substantive in Medicine and Emergency 1 month earlier than anticipated and delay in recruitment within Women's and Children.

## 2c. Best Flow

**The Best Flow workstream** is using a number of approaches to improve the safety, efficiency, effectiveness and productivity of MTW's services, by implementing good practice in patient flow and improving the processes that support this.

Through work currently being carried out, processes will be reviewed and analysed to identify pressure points and better ways of working, to benefit staff and patients.

The projects include:

- **Non-elective**
- **Theatre Productivity**
- **Outpatients Productivity and Transformation**
- **CAU Effectiveness**
- **Private Patients**
- **Repatriation of Services**

WORKSTREAM		Best Patient Flow		BEST CARE PROGRAMME BOARD DATE Item 5-10, Attachment 9 - Best Care		20.05.2019	
WORKSTREAM LEAD		Sean Briggs		TRANSFORMATION SUPPORT		Fiona Redman / Jodie Kennett	
DESCRIPTION	ACTIONS / MILESTONES COMPLETED	DELIVERY RAG		ACTIONS FOR NEXT REPORTING PERIOD			
		LAST MONTH	THIS MONTH				
TRANSFORMATIONAL PROJECTS							
<u>SDEC - Frailty</u>	<p><b>FRAILITY:</b> Pilot continues until the end of June of silver model, i.e. increased hours Nurse recruitment underway (B5 and B6 interviews May 6<sup>th</sup> 2019) Review of GP Advice lines as low usage. Lines stopped until GP referral in place. Presentation of paper to support increased funding for silver model of AFUs taken to Local Clinic Board 26<sup>th</sup> April by clinical Lead Katy Davies TTO Cupboard nurse training completed.</p> <p><b>MEDICAL AEC:</b> Planned Ambulatory in the community – first patient has been treated at Tonbridge Cottage. Best Flow Workshop 4.4.19: project team identified and key objectives for AEC to sit in new Same Day Emergency Care (SDEC) project under Best Flow overseen by Lynn Gray. This will also include Frailty, SAU, EGAU, Paeds and Oncology</p> <p><b>NEW 19/20 - SURGICAL AEC:</b> Surgical Division have signed up to Cohort 4 of National Surgical Ambulatory Emergency Care network through NHS Elect. Launch event 10<sup>th</sup> April attended by 8 members of project team. National team have visited 10<sup>th</sup> May to identify next steps. Project and clinical lead in place, supported by Chief of Service. Vision and method agreed.</p>	A	A	<p><b>FRAILITY:</b> As part of the Bronze pilot recruitment for 2 registrars at TWH continues. TTO Cupboard to be put live, May 2019 HIT Review in place to support improved flow and reduction of LOS CGA form expected completion date September 2019.</p> <p><b>MEDICAL AEC:</b> Development of planned ambulatory pathways across Directorates Agreement of waiting area on AMU and co location of Frailty at TW</p> <p><b>SURGICAL AEC:</b> Baseline measurements agreed. First intervention to be piloted.</p>			
<u>Out of Hospital Capacity</u>	<p><b>H@H:</b> Continue to work with wards and consultants to gain buy in for H@H. Funding not agreed for 19/20. Report submitted to L.Strong, M.Atkinson, A.Wickings to secure future of H@H for next 12 months with associated finance. <b>Sunhill Court</b> (to support complex discharge patients): flat has been agreed with KCC. Clinical leads have been agreed and visited flat to identify next steps. <b>#NOF</b> project aim to release capacity in acute sector with the use of KCHFT community beds. Draft project plan/documentation initiated; project team members identified. <b>Long stay</b> (super stranded) weekly Wed/Thur focus meetings with matrons and senior IDT continue. New target for Super Stranded set at 90 by end Mar 20 by NHSE Clinical Board paper has been presented at Local Care Board.</p>	G	A	<p><b>H@H</b> report including finances for 19/20 - To be discussed at WKA Exec 14.6.19 <b>Care home</b> patients LOS project being developed, investigating where patients are referred in from nursing or care home could be discharged earlier, supported by the Acute hospital. Lead allocated, next steps to be identified. <b>Sunhill Court</b> Project plans and risk and issues to be written and signed off. Exclusion criteria to be agreed. <b>Frailty Bed in the Cottage Hospital</b> to have designated beds in the cottage hospital. Initial plans and analysis to be completed for the beginning of June. <b>#NOF</b> Project documentation to be signed off, project meetings arranged by June 2019.</p>			
<u>NEW 19/20 Planned Day Care</u>	Meeting with Clinical leads to agree scope of project and initial next steps. Initial project team agreed.	n/a	A	Analysis of the LOS and Planned Day Care patients, Complete end of June 2019. Project plans and documentation to be written and sign off gained.			
<u>Outpatient Transformation</u>	<p>Charcot: Group agreed to wait for the new consultant to commence with MTW before expanding BC. Respiratory Sprint: Practitioner Kinesis “Go Live” to be confirmed (approx. end May 19), with comms within MTW/CCG signed off by Clinical Lead. Clinical validation w/c 7/5/19. Gastro Sprint: Clinical Lead role recruited and meeting planned for w/c 6/5/19 Patient survey main OPD forms 80% returned/results analysed with key points: patients like telephone follow up, unsure of online, prefer Saturday clinics to extended week days.</p>	G	G	<p>Charcot review again in 06/19 (delayed due to Consultant start date). Respiratory Sprint Review clinical validation. CNS clinics to be reviewed against consultants to establish possible areas for support in particular COPD Gastro Sprint: meeting scheduled to look at next steps. Patient survey distributed in ENT and Sexual Health. JPMO to analyse/report findings. NHSI Attend Anywhere: Task &amp; Finish Group, QIA, DPIA to be developed. NHS benchmarking visits to be arranged for East Kent, Brighton and the Royal Free + question list + areas/colleagues requiring to visit to discuss points/utilisation issue resolution key focus of the visit.</p>			

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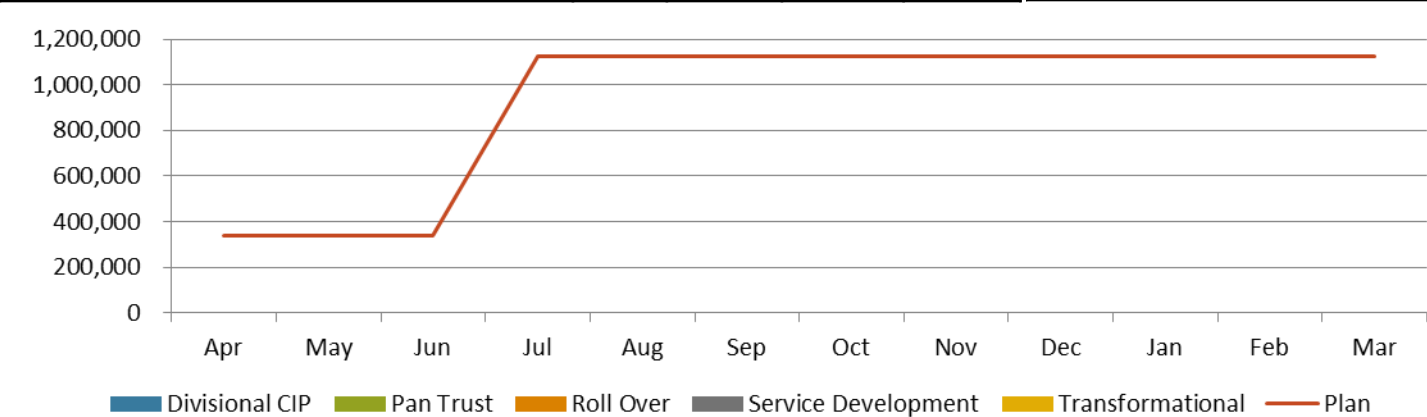


# DIVISIONAL IMPROVEMENT PROJECTS (led by Divisions)

<b><u>RTT/ Data</u></b> <b>Lead Jenny Pelly</b>	<ul style="list-style-type: none"> <li>Data analysis complete</li> <li>Project plan and governance set up</li> <li>Regular reports at Exec level</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>No RAG given as this is reported weekly at Exec level</li> </ul>
<b><u>Stroke</u></b> <b>Lead Jo Cutting</b>	<ul style="list-style-type: none"> <li>Project plans and governance structure fully embedded</li> <li>Workshops for all workstreams have taken place</li> <li>External liaison with STP</li> <li>Working with Estates to develop new reconfiguration of services</li> <li>Staff and patient engagement in place</li> </ul>	A	A	<ul style="list-style-type: none"> <li>Plans being reviewed due to external developments which are confidential</li> <li>Regular reports to COO and Chief Executive from Stroke Lead</li> </ul>
<b><u>Private Patients</u></b> <b>Lead David Fitzgerald</b>	<ul style="list-style-type: none"> <li>Wells Suite Day unit opening additional capacity as new staff recruited</li> <li>PP office team increasing revenue capture through contact with colleagues in other departments</li> <li>PP activity supported through new OP clinics MH</li> <li>Identified additional revenues that are chargeable dating back to Nov 18</li> <li>Negotiations with insurers to collect aged debt &gt;180 days</li> <li>Integration of Wells Day Unit Matron at Trust divisional meetings</li> </ul>	N/A	NA/	<ul style="list-style-type: none"> <li>Work to be done to merge present activity and financial information already collected with pre-set Trust budgets and targets for 19/20 – develop joined up budget/ performance report</li> <li>Continue to align governance and quality to endorse best practice</li> <li>Support cardiology activity growth</li> <li>Development of additional clinics MH</li> <li>Working with consultants across all specialties</li> <li>Creating and costing marketing and sales campaign</li> <li>Completion of negotiations with private insurers</li> <li>Nurse staff recruitment</li> </ul> <p>No RAG given as this is reported weekly at Exec level</p>
<b><u>Cancer Transformation</u></b> <b>Lead David Fitzgerald</b>	<ul style="list-style-type: none"> <li>Regular reporting in place</li> <li>Liaising with NHS E to identify key improvements</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>Setting up enhanced programme structure with Programme Director of Transformation Team</li> <li>No RAG given as this is reported weekly at Exec level</li> </ul>
<b><u>Prime Provider</u></b> <b>Lead Sarah Turner</b>	<ul style="list-style-type: none"> <li>Robust communication pathways to GPs and SPoA services including visits</li> <li>RAS templates – being used by referrers</li> <li>Final draft of contracts with IS for outsourcing.</li> <li>Received MOUs from IS in order to continue outsourcing whilst contracts being drafted.</li> </ul>	G	G	<ul style="list-style-type: none"> <li>Finalise Quattro system for electronic patient tracking to also include outpatients.</li> <li>Embed KPI and performance monitoring of prime provider into current systems.</li> <li>Submit operational policy to PRC for approval</li> <li>Sign finalised contract variation for prime provider with WKCCG</li> <li>Contracts with the IS distributed 15/05/19 for review.</li> <li>The project is green as project has gone live, but still waiting to see finances.</li> </ul>
<b><u>Theatre Productivity</u></b> <b>Lead Sarah Turner</b>	<b><u>My POA</u></b> <ul style="list-style-type: none"> <li>Reduction of clinics and crossover of old and new process agreed with the DDO and surgical specialties so activity is not affected.</li> <li>Testing of system continues.</li> <li>Soft go live, patients on the waiting list started to receive their My Pre Op login information in their POA appointment letters from 23<sup>rd</sup> April 2019.</li> <li>IT Confirmed ipads and IT systems were ready for use.</li> <li>EPR confirmed support for go live.</li> </ul>	A	G	<b><u>My POA</u></b> <ul style="list-style-type: none"> <li>Go live 22<sup>nd</sup> May, with new clinics, Outpatients for surgery will come directly to POA, to have their POA appointment. POA clinics will still run for patients on the waiting list.</li> <li>Complete testing of system and gain sign off</li> <li>Support to be confirmed for go live and post go live with IT.</li> <li>Monitor of new clinics and patient pathways, review and amend as requested.</li> <li>Communication plan implement for go live.</li> </ul>

KEY ISSUES/RISKS TO FINANCIAL PERFORMANCE: DESCRIPTION	MITIGATION	DATE REC	LAST MONTH	THIS MONTH	Critical Path Milestones	Milestone Date	Status	RAG Last month	RAG This month
NOF – Risk of recruitment of therapists to enable the enhanced rehabilitation pathway.	Working with KCHFT to develop a recruitment plan.	23.03.2019	R	R	Recruit to posts substantively and in the short term through bank to support increased opening hours of TW AFU	13.05.2019	90% for Bronze model	A	A
POA - Patients will be ready for surgery, but there may not be capacity for patients to have surgery in the hospital.	Waiting for approval for Implementation of the Vanguard will assist and working with the directorates to review their demand and capacity	01.04.2019	A	A	The new POA clinic templates implemented and go live 22 <sup>nd</sup> May 2019.	22.05.2019	Reduction by 30% of face to face POA appointments.	A	G
Frailty Bed in the Cottage Hospital , concern with the resources available with Social Services.	Arranging a meeting with Social Services, to work through issues and identify resolutions.	01.04.2019	A	A	Agreement of funding for Frailty/ AEC / H@H to support beyond 1.4.19 to allow for substantive recruitment and build on pathways	28.2.19	In business planning, paper to go to Execs 19/3 for H@H	A	R
Operational pressures will impact on transformational projects	Identification of further resources required, i.e. for Acute Med and Geriatrics Directorate, for B.I. support, for nursing support	01.05.19	N/A	A	Plans and governance in place for Best Flow 19/20	5.4.19	Underway	A	A
Funding not agreed for H@H for 19/20	Issue raised at senior level. Paper to go to WKA Exec 14.6.19 for agreement. KCHFT currently picking up costs	01.05.19							
Recruitment of skilled staff to support assessment pathways, including appropriate notification of funding streams to allow substantive staff to be recruited	Rolling recruitment programme, funding needs to be secured	12.03.2019	A	A					

KPIS					FINANCE NARRATIVE				
	KPI	2018/19	Mar-19	Apr-19	Target for Best Flow in 19/20 is £7.1m. Plan in month was £1600 against which £785 has been achieved against improved transport costs. Forecast delivery of £1.3m against the annual plan through closure of one ward. Further developments in the last 2 weeks suggest that there will be agreement on Vanguard prime provider work delivering an additional £2.1m. This is subject to recosting. Further developments around Teletracking and other schemes are also being worked up at Divisional level.				
LoS Medical	7.4	7.74	7.42	7.92					
LoS Surgical	5.5	5.20	4.65	4.76					
LoS T&O	10.3	10.41	12.28	11.19					
DToC	3.5%	4.42%	4.96%	4.42%					
Super Stranded : Daily Average	113.1	119.5	117.9	115.5					
New OP DNA	5%	6.0%	4.6%	5.2%					
FU OP DNA	7%	6.1%	5.1%	5.3%					



## 2d.Best Quality

**The Best Quality workstream** has worked with colleagues from across the Trust to help identify four key areas of work that can really transform our patient and staff experience.

While the workstream is focused on a number of important and quite specific clinical improvements, it is also the conduit for developing new strategies for patient, staff and public engagement that support and enable future change.

The projects include:

- **Complex Needs**
- **Quality Improvements**
- **Engagement and Experience**
- **Effectiveness and Excellence**

WORKSTREAM		Best Quality	BEST CARE BOARD DATE		May 2019
WORKSTREAM LEAD		Gemma Craig	PMO SUPPORT		Item 5-10: Attachment 9 - Best Care

PROJECT	MILESTONE ACTUAL	DELIVERY RAG		FORWARD VIEW: KEY MILESTONES TO TAKE PLACE IN THE NEXT 4 WEEKS
		March	April	
Complex Needs	<b>MTW Dementia</b> <ul style="list-style-type: none"> <li>Meeting on 17/04 with A&amp;E matron to identify problems in A&amp;E and discuss what solutions could be put in place.</li> <li>Plan to develop ‘Flow Chart’ to assist A&amp;E staff to direct pts to services to support those with Dementia</li> <li>Discussion to add some sort of Dementia Flag on Symphony to attempt to capture numbers of those attending A&amp;E with dementia (who do not have a flag on AllScripts)</li> <li>Continual planning of Emergency Services Dementia Event on 21st May 2019.</li> </ul>	A	A	<b>MTW Dementia</b> <ul style="list-style-type: none"> <li>First draft of ‘flow chart’ – not to be circulated until pilot by Dementia nurse</li> <li>Meeting to develop current dementia pathway and gold standard maps.</li> <li>Identification of Dementia ‘champions’ in A&amp;E</li> <li>Discussions with staff on A&amp;E/AMU/AFU to identify what kind of support they think would be beneficial</li> <li>Still awaiting information re executive lead</li> <li>Emergency Services Round table event 21<sup>st</sup> May.</li> </ul>
	<b>WKA Dementia</b> <ul style="list-style-type: none"> <li>Jacquie Mowbray-Gould appointed as co-chair with the existing chair Katie Collier, with Jacquie Mowbray-Gould and Claire O’Brien appointed as Executive Sponsors. Project documentation in line with West Kent Alliance requirements produced and reviewed by the Dementia Group.</li> <li>Develop a clear plan to increase referrals to KMPT to support Dementia Diagnosis Rate</li> <li>Finalisation and sign off 2019/20 work plan agreed by Executive sponsors</li> <li>JPMO to meet with Executive Sponsors/ Chairs to review work plan/ KPIs/ task and finish group proposals</li> </ul>	A	A	<b>WKA Dementia</b> <ul style="list-style-type: none"> <li>Develop plan to improve and maintain dementia diagnosis rates through utilisation of new Dementia cluster nurses.</li> <li>Establish an operational sub-group to the WKA Dementia Group</li> <li>Establish a KPI dashboard to monitor monthly through the WKA Dementia Group</li> <li>Investigate and identify gaps in post-diagnostic support to feed future work plan.</li> </ul>
	<b>Delirium</b> <ul style="list-style-type: none"> <li>Inaugural meeting with project team</li> <li>Initial objectives set within core project team and identification of initial KPI’s to support delivery of project.</li> <li>Review carried out of the Fall SI patients for presence of delirium, results to be discussed at next meeting.</li> <li>Research of Delirium Teams/delirium team management at other acute hospital trusts -to be discussed at next project group meeting.</li> <li>Pulling together volumes of pts coded with a Delirium to understand volumes.</li> </ul>	A	A	<b>Delirium</b> <ul style="list-style-type: none"> <li>Engagement lead frailty nurse on project to discuss integration of CGA and Short CAM</li> <li>Results of Jr Dr Audit on Delirium in geriatrics at TW</li> <li>Plan to mirror Jr Dr Audit on Delirium in geriatrics at Maidstone</li> <li>Collation of evidence to present at extended discussion of Best Quality Workstream Board.</li> </ul>
	<b>MCA</b> <ul style="list-style-type: none"> <li>Project objectives to be defined following outcomes of the TIAA MCA and Safeguarding Audit</li> <li>MTW is an outlier for MCA in the national audit of Dementia</li> </ul>	B	B	<b>MCA</b> <ul style="list-style-type: none"> <li>Meeting to define project objectives and goals / Publication of TIAA Audit outcomes – date TBC</li> </ul>
	<b>Transition</b> <ul style="list-style-type: none"> <li>Rebranding of Transition Nurse – with a Learning disability element after unsuccessful attempts to appoint to Band 6 Transition post – in progress. To be completed.</li> <li>Policy for care of 16&amp;17 year olds on adults wards agreed at Project group meeting 25/04/2019.</li> <li>Links with KCHFT Community School Nursing Team to on project group to ensure that the role of the transition nurse and link in with community teams and build cross organisational links.</li> <li>Decision to be made about scope of project, in line with outcome for additional Best Care resources in 19/20</li> <li>Agreement of KPIs to support project</li> <li>Data collected for no. of Children with Community nurses on Ready Steady Go programme</li> </ul>	A	A	<b>Transition</b> <ul style="list-style-type: none"> <li>Draft Trustwide policy for care of 16/17 year olds in adult areas – draft to be shared with all matrons/ area managers . And shape reengagement with Adult areas on project group.</li> <li>Data to be sent to project team – to quantify percentage of pts with community nurses who have been commenced onto the ready steady go programme.</li> <li>Draft Trustwide policy for care of 16/17 year olds in adult areas – draft to be shared with all matrons/ area managers . And shape reengagement with Adult areas on project group. Delayed due to changes being made.</li> </ul>
Effectiveness and Excellence	<b>Pressure Sores:</b> <ul style="list-style-type: none"> <li>Updated Dressing Formulary has been approved and it is in use now.</li> <li>Study days have been arranged to take place across site.</li> <li>First prevalence audit to happen 15/05/2019.</li> <li>Datix system has been updated and it is in use with the correct terminology.</li> <li>Continual work with continence care nurse and PDNs working towards a variety of incontinence pad sizes and for all staff to have the correct training on the use of incontinent products to works towards a reduction of Moisture Associated Skin Damage</li> </ul>	A	A	<b>Pressure Sores</b> <ul style="list-style-type: none"> <li>Pressure Ulcer Policy went for Ratification 26/5/2019 but requires amendments. – did not go to the June PRC due to a new decision tool.</li> <li>Implementation of new policy in line with new guidelines to be presented at the Nursing, Midwifery &amp; AHP Steering Group and through policy ratification process after amendments are completed.</li> <li>Prevalence audit</li> <li>Screensaver with information to be spread to all staff to be in place.</li> <li>Safety Calendar for May</li> </ul>
	<b>#EndPJParalysis:</b> <ul style="list-style-type: none"> <li>Date for relaunch week identified and ideas for ‘games’ and activities developed (<b>week of 3<sup>rd</sup> -7<sup>th</sup> June</b>)</li> <li>Email drafted from PJ team to ward managers to communicate dates of the walk around on 20<sup>th</sup> May to gain feedback on relaunch week activities.</li> <li>Dates set at the end of May for Deputy Chief Nurse and #EndPJ Core team to walk around and discuss the initiative with ward staff – how can we help them to engage with the initiative? And spread good news story</li> <li>Quotes obtained for PJ Promo Banners</li> <li>Begin revamping of #EndPJ leaflet/poster – ensure that the concept is clear to the public</li> <li>Funding for clothing/promo material not agreed.</li> </ul>	A	A	<b>#EndPJParalysis</b> <ul style="list-style-type: none"> <li>Meeting with comms to promote #End PJ’s on social media</li> <li>Promote in all areas NELF, NMAHPSG, Clinical Gov and ward managers meeting.</li> <li>Ward 32 and 20 have planned meetings regarding engagement and with initiative.</li> </ul>
	<b>Nutrition</b> <ul style="list-style-type: none"> <li>Inaugural meeting with Learning and Development to commence work on updating MUST elearning – has not yet taken place due to staffing problems within the team.</li> <li>Inability to carry out re-auditing on MUST due to staffing problems.</li> <li>Put plans in place so that the MUST induction sessions for CSW can delivered by a dietitian</li> </ul>	A	A	<b>Nutrition</b> <ul style="list-style-type: none"> <li>Restart up of Nutrition Steering Group with Dieticians and matron support 5<sup>th</sup> June.</li> <li>Refresh TOR for Nutrition Steering Group to ensure group produces action plan to begin aligning MTW dietetic service with CQC Outstanding KLOE</li> </ul>

WORKSTREAM		Best Quality	BEST CARE BOARD DATE		May 19
WORKSTREAM LEAD		Gemma Craig	PMO SUPPORT		Lisa Crowhury/Hannah Pearson
PROJECT	MILESTONE ACTUAL	RAG		FORWARD VIEW: KEY MILESTONES TO TAKE PLACE IN THE NEXT 4 WEEKS	
		Feb	March		
E&E continued	<b>Maternity Safer Births / CNST</b> <ul style="list-style-type: none"> <li>Update on ATAIN action plan reviewed at Trust Board , LMS and ODN</li> <li>PMRT planned into Trust Board Schedule to go Quarterly</li> <li>Plan to present full submission at Trust Board in June and final submission in July in preparation for the deadline</li> <li>All actions currently green and some also marked as complete.</li> </ul>	OK	OK	<b>Maternity Safer Births / CNST</b> <ul style="list-style-type: none"> <li>Focus on 90% of training as this is the only one which could be a risk</li> <li>All evidence being collated for review at next CNMT meeting ahead of Trust Board</li> </ul>	
	<b>Crowborough</b> <ul style="list-style-type: none"> <li>End of Works celebratory event - Exec attendance at Crowborough for 'Thank you' party</li> <li>Work up marketing plan –drop in comms support meaning this has stalled.</li> </ul>	Amber	Amber	<b>Crowborough</b> <ul style="list-style-type: none"> <li>Amber with regards to lack of marketing plan for completion of works</li> <li>Story to be sent out following 'Thank you' Party</li> <li>Meeting with communications Team regarding support for marketing plan</li> </ul>	
	<b>Patients and their own Medications</b> <ul style="list-style-type: none"> <li>No finance methodology can be applied to this initiative – accounted for elsewhere in Pharmacy CIPs. No decrease in medications dispensed and no reduction in staffing required to deliver.</li> <li>QIA written and in draft</li> <li>Review undertaken of the Self-Administration Policy – policy shared with project team</li> <li>Proposal that we pilot self-Administration with Parkinson Patients</li> <li>Update on VTE prophylaxis funding was missed -next meeting 23<sup>rd</sup> May.</li> </ul>	Amber	OK	<b>Patients and their own Medications</b> <ul style="list-style-type: none"> <li>QIA to be presented at next QIA clinic (30<sup>th</sup> May)</li> <li>Medicines information leaflets: Looking at feasibility of updating subscription to provide access to better quality, easy read patient information for vulnerable groups. Finance will be required.</li> <li>Agreement to carry out pilot for updated self administration policy re Parkinson's patients. To be discussed at meeting on 21/05/2019</li> <li>Self Medication box to be presented at NMAHP Steering Group – delayed from March.</li> </ul>	
	<b>CQUINS</b> <ul style="list-style-type: none"> <li>Q4 Submissions confirmed for Specialist and general CQUINS by NHSE and CCG</li> <li>Self assessment shows achievement of all CQUINS but the Staff health &amp; well being – NHS survey results did not improve by 5% in three key questions. Awaiting confirmation from commissioners.</li> <li>Meeting with leads to discuss new CQUINS published. Lack of detail received from commissioners.</li> <li>Questions from leads regarding detail collated for the CCG.</li> <li>Agreement of Rollover of CUR and Medicines Management</li> <li>Sepsis to continue in schedule 6 as part of BAU</li> <li>BAU plan agreed with KMPT regarding management of Frequent attenders.</li> </ul>	Amber	Amber	<b>CQUINS</b> <ul style="list-style-type: none"> <li>Awaiting confirmation of payment for Q4 following submission to NHSE and CCG</li> <li>Schedule meeting with CCG to discuss detail and targets for new CQUINS in 19/20</li> <li>Continuation of Risky behaviors CQUIN into 19/20, which is a CQUIN that MTW struggles to achieve</li> <li>Detail of 19/20 CQUINS not yet finalised with commissioners. Inability to meet with CCG meaning that the thresholds for 19/20 CQUINS have not yet been negotiated via contracting and we are already over one month into Q1.</li> </ul>	
Experience and Engagement	<b>PPEE</b> <ul style="list-style-type: none"> <li>Business Case for Pt experience lead sent for Exec Consideration W/C 08/04/2019 and approved.</li> <li>Email drafted to reach out to the patient network, ensuring that we maintain engagement levels with them.</li> <li>Strategy launch and implementation – This phase of project remains at risk due to reduced support</li> </ul>	At Risk	At Risk	<b>PPEE</b> <ul style="list-style-type: none"> <li>Pt experience to be discussed at TME in June.</li> <li>Take final draft of making it personal (following comments from Healthwatch and Patient Network) to be shared at Execs with the proposal for Divisional Patient Experience Leads.</li> <li>Draft Job Description for patient experience lead to go to Agenda for change – 3<sup>rd</sup> June.</li> </ul>	
	<b>Staff Experience and Engagement</b> <ul style="list-style-type: none"> <li>Q4 Staff Friends and Family Survey ran March 2019 for all new starters in the preceding year</li> <li>NHS National Staff Survey results received</li> <li>Departmental results sent out and corporate actions identified</li> <li>Engagement Outreach events continue</li> <li>Creation of online tool to capture feedback from staff</li> </ul>	OK	OK	<b>Staff Experience and Engagement</b> <ul style="list-style-type: none"> <li>Q4 Staff FFT results to be collated and communicated</li> <li>Each area to identify senior engagement champions to lead the engagement of their staff with the key issues within their feedback, create an action plan and map progress against delivery</li> <li>Staff to be consulted to co-design corporate actions</li> <li>Action plans to be completed and communicated</li> <li>Draft Staff Engagement Action Plan</li> </ul>	
Quality Improvement	<b>Quality Improvement</b> <ul style="list-style-type: none"> <li>To move to BAU –monthly reporting established to TCGC</li> <li>Agenda for April QIC changed to update group on Developing People Improving Care and discuss how this agenda will align with QIC</li> <li>Teams sent CQC Self Assessment from to complete Summer 2017 to refresh.</li> </ul>	OK	OK	<b>Quality Improvement</b> <ul style="list-style-type: none"> <li>Divisional leads to carry out CQC Self assessment and present back at next QIC</li> <li>Continuation transition from CQC Tracker to appropriate action plans monitored through Best Care programme, PLACE, QIC, etc.</li> <li>Quality insurance inspections continuation of feedback.</li> </ul>	
KPIs		TARGET	March	April	
Leads this month were asked to think about meaningful data which would demonstrate the benefits of their projects. This means a fuller list will be provided in the next Best Quality Report.					
Crowborough: Number of Births at Crowborough Birthing Centre		14	12	16	
Dementia: % of pts admitted to MTW with an All Scripts Dementia Flag which are admitted		N/A	61%	?	
Dementia: Intermediate Dementia Training Compliance (target 85% by end of 19/20)		66%	72.3%	75.2%	

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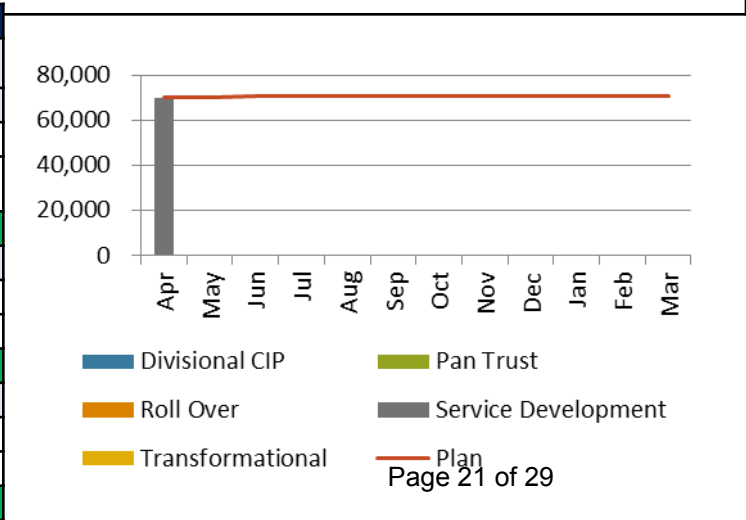
WORKSTREAM	Best Quality	BEST CARE BOARD DATE	May 2019
WORKSTREAM LEAD	Gemma Craig	PMO SUPPORT	Item 5.10 Attachment 9 - Best Care Lisa O'Donnell / Hannah Pearson

CRITICAL PATH MILESTONES					CRITICAL PATH MILESTONES				
TASK	DATE	STATUS	RAG		TASK	DATE	STATUS	RAG	
			March	April				March	April
Dementia: Emergency Services Dementia Event	21/05/19	On Target	A	A	EndPJPAralysis – Re launch week 1 year anniversary	03/06/19	On Target	A	A
Dementia Patient pathway Mapping	12/06/19	On Target	NEW	A	Launch of PPEE Strategy sharing with staff and pt network	29/01/19	Delayed	A	A
Delirium: Review of Falls SI Pts with Delirium	15/05/19	Complete	NEW	C	Nutrition Steering Group Set up	06/06/19	On Target	NEW	A
MCA: Publication of TIAA Audit	TBC	In progress	TBC	TBC	CNST first review of evidence at Trust Board	26/06/19	On Target	NEW	A
Transition: Recruitment to Transition Lead (New plan in place)	30/08/18	Overdue	A	A	Crowborough : Celebratory Event	10/05/19	On Target	A	A
Pressure Sores: Policy to Policy Ratification Committee	26/05/19	Delayed	A	A	Patients and meds: Meeting to finalise Pilot for Self Administration policy	21/05/19	On Target	A	A
					Pt Experience Lead JD to Agenda for Change	05/06/19	On Target	NEW	A

KEY ISSUES/RISKS				
DESCRIPTION	MITIGATION	DATE REC	March	April
Risk: PPEE remains unsupported without resource post project phase in BAU mode	Production of Business case for to include provision for PPEE support. PMO Support not in place to support strategy launch.	11/12/18	A	A
Risk: Lots of the projects within best quality rely heavily on communication support to succeed (Namely Crowborough / #EndPJParalysis/ Patient Experience & Engagement). Reduced capacity within communications teams meaning reduced	Engagement with communications team to provide support where necessary	30/04/2019	NEW	A
Risk: CNST - Safety action 8 90% of each maternity unit staff group have attended an 'in house' MDT Maternity Emergencies Training session within the last year.	Currently at 70% compliance with 3 dates still available. Currently calculating the staffing numbers required for both medical and midwifery staff to complete and achieve the 90% compliance target.	29/04/2019	NEW	A
Risk: Inability of projects within Best Quality to Identify Financial CIP stretch target of £160,000.00	Although Best Quality will be able to secure the money assigned to the CNST Maternity Rebate the projects do not align themselves to the stretch target aligned with the programme.	09/05/2019	NEW	A
One month into 19/20 Quarter 1 and the only detail of the 19/20 CQUINs is the titles. The targets and thresholds have not yet been agreed and may be difficult to embed and achieve.	Meeting has been scheduled to meet with the commissioners to discuss the detail of the CQUINs. Questions have been collated from MTW leads regarding the detail and achieveability of each CQUIN. Other local trusts are in the same position.	22/05/2019	NEW	A

FINANCE NARRATIVE													
<p><u>CIP Target:</u> £1,000,000.00 . £840,000.00 identified as part of CNST rebate. Inability of projects within Best Quality to Identify Financial CIP stretch target of £160,000.00 added to the Best Quality Risk Log.</p> <p><u>Safer Births / CNST:</u> Ongoing monitoring of performance against NHS Resolution new 10 safety criteria. Monthly monitoring meetings in place – action planning to address any concerns or possible under performance. Monthly meetings in place to monitor KPI mapping underway.</p>													

FINANCES 19/20													
	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Sum
CNST – Maternity Incentive Premium													
Sum of NHSi 1819 Plan	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000
Sum of 1819 Actual / Forecast	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0
Maternity Balloon Induction													
Sum of NHSi 1819 Plan	0	0	500	500	500	500	500	500	500	500	500	500	5,000
Sun of 1819 Actual / Forecast	0	0	500	500	500	500	500	500	500	500	500	500	5,000
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0
Overall													
Total Sum of NHS 1819Plan	70,000	70,000	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	845,000
Total Sum of 1819 Actual	70,000	70,000	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	70,500	845,000
Total Variance	0	0	0	0	0	0	0	0	0	0	0	0	0



## 2e.Best Safety

**Providing** consistently safe standards of care for all of our patients is at the centre of everything we do at MTW and it's at the heart of the Best Safety workstream.

The workstream is leading on seven safety improvement programmes in 2018/19, with the aim of collectively transforming the way we identify safety issues, learn lessons and improve our patient experience.

The projects include:

- **Preventing Harm**
- **Learning Lessons**
- **Mortality**
- **Seven Day Services (7DS)**
- **Quality Mark**
- **Medical Productivity**
- **GIRFT**

WORKSTREAM		Best Safety	BEST CARE BOARD DATE		May 2019	
WORKSTREAM LEAD		Lynne Sheridan	PMO SUPPORT		Abigail Hill (Medical Productivity/Preventing Harm and GIRFT) 7DS	
PROJECTS	ACTIONS/MILESTONES COMPLETED SINCE PREVIOUS MEETING	DELIVERY RAG		FORWARD VIEW: KEY MILESTONES TO TAKE PLACE IN THE NEXT 4 WEEKS		
		LAST MONTH	THIS MONTH			
7 Day Services	<p>The focus this month has been upon the Surgical Division specialties that have remaining compliance issues. As previously reported, these are primarily small pockets of time at weekends in respect of standards 2 and 8.</p> <p><b>T&amp;O:</b> The CD has reported that the SOP to ensure that standard 8 is fully robust is now in place and working well with everyone fully job planned. Given this, a paper will be prepared for the June Quarterly Review with NHSI/E and the CCG to confirm full compliance. This is a significant achievement.</p> <p><b>Urology:</b> The panel have met to approve the 6<sup>th</sup> consultant post and confirmation of approval is awaited. The advert is ready to release and if approval is received, it is anticipated that the post will be filled by late Autumn/early Winter. The Consultant of the Week (CoW) model is in place and the virtual ward rounds are also in place for weekdays. Weekend virtual ward rounds will be implemented once the workforce requirements have been finalised (expected during June). The Clinical Lead is finalising the remaining 3 protocols. in respect of the delegated care pathways.</p> <p><b>General Surgery:</b> The virtual ward rounds that went live in January 2019 are working well. The audit of standard 2 is in place and continues. All job plans have been updated for the second daily ward round on weekdays. Full compliance is expected to be delivered following the reconfiguration implementation to the TW site (Oct 2019), and the appointment of the new consultants (expected to be in post by December 2019).</p> <p><b>ENT:</b> The ENT Team produced their proposals in line with their deadline of 29<sup>th</sup> March. The proposals are to work towards compliance for standards 2 and 8. As previously stated in previous updates, this is our only service that currently has weekday compliance issues as well as weekends. The proposals have been discussed with the CD, the CoS and Director of Operations. Implementation is now expected to commence. These proposals will not achieve full compliance, but will provide a much closer position to the national requirements. Work will continue with the service to continue to develop their compliance status.</p> <p><u>The Medicine &amp; Emergency Care Division</u> continue to work on the implementation of their detailed plan. As previously reported, this is heavily workforce-related.</p> <p>The debrief telecon took place with Sue Cottle to discuss the Board Assurance Template and receive feedback on improvements required for the June submission.</p> <p>Work continues on the 6 remaining non-priority standards.</p>			<ul style="list-style-type: none"><li>Further work on the Med &amp; Emer Division plan (in respect std 8)</li><li>Continue to meet with ENT, Urology, Surgery and Med &amp; Emer Div to agree next steps and actions</li><li>Meeting with T&amp;O to sign off their compliance position and agree paper for June Quarterly Review.</li><li>Follow up work with CCG (Mark Atkinson) on 6 remaining National standards.</li><li>Monthly reports from the Medicine and Emergency Care and Surgical Divisions by end of each month</li><li>Core Team meeting on 9.5.19</li><li>Quarterly Review with NHSE/I and CCG on 09.06.19.</li></ul>		
Mortality	<ul style="list-style-type: none"><li>New mortality forms have been circulated to all doctors on behalf of SM, WG and LM.</li><li>Divisional reports presented at April MSG. Mortality leads to take to directorates for review and report back to MSG in May. Reports include monthly dataset regarding status of mortality reviews and also learning outcomes for the SJRS.</li><li>The Datix Cloud IQ Implementation Group has been set up and future meeting dates circulated. WG has been confirmed as SRO.</li><li>Deep Dive took place at the Quality Committee on 10 April.</li><li>Penny Booysen from Dr Foster, presented data re disparity between hospital sites and weekday and weekend admissions at the April MSG</li><li>Directorates are chased monthly for Outstanding Mortality Reviews.</li><li>Medical Examiners' conference held on 25 April – Dominic Chambers and WG will be attending.</li><li>Internal meeting to be held on 29.5.19 to discuss outputs from Medical Examiners' conference and agree next steps.</li></ul>			<ul style="list-style-type: none"><li>Dominic Chambers and David Golden will be attending the Medical Examiner training on 16 May.</li><li>Internal Medical Examiner update and planning meeting to be held on 29 May.</li><li>Datix Implementation Group meetings to commence with WG leading as SRO.</li><li>Agreement needed for continuity of data inputting when Band 2 role expires on 31.5.19.</li></ul>		
Learning Lessons	<p>A presentation was given to the TME on 17.4.19 to advise of the work done to date and the plan going forward. The TME members were all in support of the process.</p> <p><b>1: Action Planning &amp; Learning Source Identification</b></p> <p>The meeting of the Datix Recovery Group took place as planned on 4.4.19 to plan the implementation of the project and to confirm all project governance arrangements. This group will then become the Datix Cloud IQ Implementation Group. It was agreed that the Associate Director of Nursing will be the Implementation Project Lead, working with the Director of IM&amp;T, the Datix System Administrator and the Head of Delivery Development. Procurement are in the process of finalising the purchase order to allow Datix to commence their implementation kick off meeting with the Trust. As part of this work, the Interim Datix System Administrator is undertaking the necessary remedial work to ensure that all existing data is in the right condition for migration. The Patient Safety Team business case has now been approved for required resource for the collation and dissemination of the learning outputs from the system to the Clinical Governance Leads. It is anticipated that the new Datix Cloud IQ system and the staffing required for the next stages in the process will be on line at the end of October 2019, pending smooth transition of the above.</p> <p><b>2: Clinical Governance Meetings &amp; Infrastructure</b></p> <p>To support the CoS in their process of implementation of the new clinical governance arrangements, the Clinical Lead (Sarah Flint) and the Head of Delivery Development are running a further workshop with the Directorate Clinical Governance Leads on 4<sup>th</sup> June 2019 to review the implementation process in each Directorate and offer support where required.</p> <p>The Deputy Medical Director has continued to work with the Trust Secretary to review the Trust-level Clinical Governance meeting arrangements. The review has taken place and revised ToRs are being finalised.</p> <p><b>3: Evidencing and Embedding Learning</b></p> <p>As reported above, the business case to support the resource requirements for this element of the project has been approved. The method and metrics that have been reported in previous updates are planned to be implemented in October 2019 via the Patient Safety Team.</p>			<ul style="list-style-type: none"><li>Datix Cloud IQ system implementation – commencement of meeting series and implementation plan.</li><li>Continued work on the Datix system recovery (led by the Interim Datix System Administrator) and preparation works for migration to Datix Cloud IQ.</li><li>Planning for the next Clinical Governance Leads workshop on 4.6.19.</li><li>Recruitment for the required resource in the Patient Safety Team (following the recent business case approval)</li></ul>		
Medical Productivity	<p><b>Job planning</b></p> <p>The teams have not met the 29<sup>th</sup> March deadline nor the revised deadline of the end of April, despite assurances that this would be met. This has been escalated further and will be discussed at the Divisional Performance Reviews. The teams have been asked to provide the status by doctor of each job plan and blockers to signing these off. Support continues to be provided to the GMs and CDs for individual issues.</p> <p>Planning is commencing for the MJPC meetings and a schedule will be agreed at the June meeting.</p> <p><b>Demand and Capacity</b></p> <p>The BI team have developed the draft personalised metrics and shared this at the last project meeting. This work can not be finalised until the job plans have been completed. At this stage it doesn't include diagnostics. However it is planned to look at this throughout the year in readiness for next year.</p> <p><b>Best Value</b></p> <p>The team have received the data to reconcile PAs against job plans. This will also be used to compare movement in job plans between years. The work to look at localised WAU metrics against DCCs is continuing.</p> <p><b>National Project</b></p> <p>NHSI have asked MTW to be part of a pilot testing a medical productivity metric. However we have yet to receive further details. A teleconference will be scheduled in the next couple of weeks.</p> <p><b>Internal Audit</b></p> <p>All information requested has been provided to TIAA and the report is scheduled to go to Audit Committee next week.</p>			<ul style="list-style-type: none"><li>All job plans to be added to the system and signed off</li><li>Personalised metrics to be drafted</li><li>Reconciliation of pay against job plans</li><li>Reconciliation of job plans against budgets</li><li>Commence the evaluation of job planning between rounds</li><li>Set up the MJPC</li></ul>		



WORKSTREAM		Best Safety	BEST CARE BOARD DATE		May 2019
PROJECTS	ACTIONS/MILESTONES COMPLETED SINCE PREVIOUS MEETING	Item 5-10 Attachment 9 - Best Care			FORWARD VIEW: KEY MILESTONES TO TAKE PLACE IN THE NEXT 4 WEEKS
		DELIVERY HAS	LAST MONTH	THIS MONTH	
Preventing Harm	<p><b>Long Elective Waits</b></p> <p>The Datix team have produced a draft electronic Harm Review form , accessible via the intranet, that will auto generate an IR1. This will save considerable time as will remove the need for data collection and "hand filling" of the process and increase speed. This is currently being tested for both Cancer Harm Reviews and Long Q4 When making entries in the medical record, are you able to meet all of these standards?</p> <p>Q5 If you answered no can you indicate reasons that preclude you from meeting these</p> <p>I forw ; anticipated that this will move into BAU in the next couple</p> <ul style="list-style-type: none"><li>• Secretarial support is totally inadequate</li><li>• No notes or only last letter available</li><li>• I never specify why consultant was not involved in the ward round as he might have seen the patient who is stable the day before: I sometimes forget to time the entry</li><li>• Calious attitude of the Consultants may reflected in poor documentation by junior staff</li><li>• What about mostly dealing with outpatients</li><li>• Particular difficulty when moving onto another sheet of paper to both continue writing the review of the patient and the hospital details whilst on ward round. Often unable to find stickers to make this easier</li><li>• Often difficult to locate notes on the ward which causes delay in documentation</li><li>• OnGyn - certain areas have daily consultant ward round, but some don't (ex- postnatal ward) I am not sure if it is possible for there to be consultant ward round everyday (except on the be Consultant ward round every day (except on the AMU)</li><li>• Often notes are not available, it is therefore challenging to meet the audit standards when on a busy round one can not even start the note taking process in a timely fashion (ie 2 min spent trying to find notes can mean an hour wasted over the whole round).</li><li>• For some specialties such as ENT having consultant review within 14 hours of admission is not the norm.</li><li>• Electronic notes are superior to paper notes</li><li>• Time and place to write is definitely a huge factor. Very difficult writing while walking on a speedy ward round!</li></ul>				<p><u>LEW</u></p>
	<p><b>Documentation and Record Keeping</b></p> <p>A short survey monkey was sent out to all to all doctors in training on compliance and barriers to compliance against the standards via Medical Education. The doctors were asked to complete the survey by 8<sup>th</sup> April. Currently 33 responses have been received.</p> <p>Some of the additional comments received are below:</p> <p>The planning process for the rolling audit of medical documentation has commenced and the data collection is planned to start for the first round in June. The draft information sheet which contains a copy of the data collection tool showing the criteria to be measured for each set of case notes has been sent to the clinical lead for agreement.</p>				<p><u>Documentation and Record Keeping</u></p> <ul style="list-style-type: none"><li>• Design Survey</li><li>• Launch of project</li></ul>
	<p><b>Consent</b></p> <p>Consent Working Group met on the 22<sup>nd</sup> March, chaired by Alistair Challiner. Agenda items included:-</p> <ul style="list-style-type: none"><li>• Extension for expired policy agreed.</li><li>• Consent policy has been reformatted into new Trust Policy template and further revisions made. These revisions were then discussed and key actions allocated to relevant leads.</li><li>• Expediency in regard to the requirement to get a revised copy completed by the end of April 2019.</li><li>• Process for specialised consent forms discussed- inventory of consent forms to be sought from Louise Dunkley in Medical Records so key action can then be taken for those forms not listed.</li></ul>				<p><u>Consent:</u></p> <ul style="list-style-type: none"><li>• Next Consent working party planned for the 30<sup>th</sup> April, 2019</li><li>• Policy revisions to be completed by the end of April, 2019</li><li>• eLearning module to be reviewed to ensure Montgomery compliant</li><li>• WB &amp; WG to meet with Di Peach to understand requirements needed for eConsent roll-out and to understand feedback from T&amp;O.</li></ul>
GIRFT	<p><b>GIRFT</b></p> <p>The third meeting of the internal panel was held on the 26<sup>th</sup> March. The main focus was the Ed action plan. The next meeting will be held on the 27<sup>th</sup> March and will focus on A&amp;E.</p> <p><b>Meeting and data requests ahead of meetings</b></p> <p><b>Diabetes</b> –awaiting new date</p> <p><b>Acute Medicine</b> - Data collection submitted -Review date yet to be set</p> <p><b>Cardiology</b> - Date pending, in discussion with GIRFT Team.</p> <p><b>Rheumatology</b> - Data collection submitted –Review date yet to be set</p> <p><b>Respiratory</b> - Data collection submitted –Review date yet to be set</p> <p><b>Coding</b> - Data requested submitted</p> <p><b>T&amp;O</b> –Prof Briggs returning 9<sup>th</sup> May</p> <p><b>Geriatrics</b> –data collection 31st May</p> <p><b>Pathology</b> data collection due 14<sup>th</sup> May- no date set for the meeting.</p> <p>Nationwide Theatre Productivity Report has been received and is currently being reviewed by the teams.</p> <p><b>Recently reviewed area updates</b></p> <p><b>Anaesthetics and Perioperative Medicine</b> - Review date: 26<sup>th</sup> March 2019. Positive meeting –awaiting observation notes.</p> <p><b>Vascular</b> – 19<sup>th</sup> March –one action relating to repatriation of patients faster.</p> <p><b>Other</b></p> <p>The <b>Litigation</b> action plan is now in progress and a revised deadline has been agreed with the Local Implementation Team.</p>				<p><u>GIRFT:</u></p> <ul style="list-style-type: none"><li>• Ensure each action plan has a clinical lead assigned to it and they are clear on their responsibilities..</li><li>• Action plans all updated by clinical leads.</li></ul>

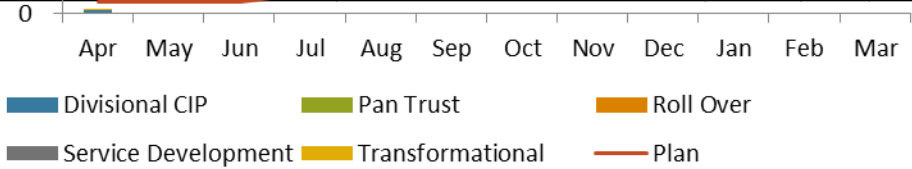
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WORKSTREAM		Best Safety			BEST CARE BOARD DATE		May 2019			
WORKSTREAM LEAD		Lynne Sheridan			PMO SUPPORT		Abigail Hill (Medical Productivity/Preventing Harm and GIRFT)/ 7DS			
KEY ISSUES/RISKS					CRITICAL PATH MILESTONES					
DESCRIPTION		MITIGATION	DATE REC	LAST MONTH	THIS MONTH	TASK	DATE	STATUS	RAG	
7DS: Exemption Pathways not accepted by NHSI/E and CCG		LS working with Directorates and producing papers with evidence for submission to NHSI/E.	18.10.18			7DS meeting with NHSE and CCG to ratify compliance in principle for 4 priority standards for proposed services.	12/06/18	Completed		
7DS: Consultant numbers and recruitment constraints in Med & Emer Division		Work ongoing with Division and Director of Workforce in respect of recruitment aids	5.5.18			7DS submission of paper outlining Urgent Care options for achieving standards (complex and reasons for delay understood by 7DS Project Board).	30/07/18	Completed		
7DS: Delay or inability to implement the 24/7 GI Bleed Rota (to achieve compliance for Priority standards 5 and 6).		Estimated potential date for delivery is Q2 of 2019/20.	18.10.18			7DS – Challenge Event with Regional Team (NHSI/E) 18.10.18 to confirm current compliance status of all services	18.10.18	Completed		
Mortality: Business Case in development for Funding of Mortality Module (Datix)		Continued use of manual process (lacks transparency, but no current alternative)	25.10.18			7DS – Confirmation of position for Med & Emer Division and how to relay this to Regional Team (NHSE/CCG).	Decision by End Mar 2019	Ongoing		
Mortality: Keeping the data entry up to date when the Band 2 data inputting resource finishes		Maintaining the manual inputting of mortality reviews alongside other role	21.1.19			7DS – Implementation of GI Bleed Rota in Urgent Care	Estimated Q2 2019/20	Ongoing		
Medical Productivity: Additional costs from the implementation of the PAAT		All CDs are aware of their responsibilities to remain within budget., and it will be the responsibility of the MJPC to check for consistency across departments	1.9.17			7DS – Continuation of implementation of actions for remainder of Surgery Division Services to achieve compliance or exemption (via exception pathways) by March 2020.	March 2020	Ongoing		
Medical Productivity: Significant cultural change required to obtain buy in to undertake and implement Best Value DCC and Personalised Metrics		Deputy MD will work through Dof S and CDs to resolve concerns. Project to be standard agenda item on CD meeting to keep Directorate Management Teams informed and updated. This will provide an opportunity to voice concerns and resolve issues arising.	12.9.18			Learning Lessons: Creation of a standard CG agenda for all Directorates.	End Jan	Completed		
Medical Productivity: All job plans to be added to the system and signed off by Directorate Management Teams by April 2019		Progress is tracked by the project Team and reported through Divisional EPRs,	28.1.19			Learning Lessons: Automation of learning outcomes via Datix on a monthly basis (for distribution to CG Leads and other key comms sources – Team Brief/Senior Leaders etc.)	Oct 2019	In progress		
Learning Lessons: Project Lead and Datix Lead.		Programme Lead is covering as Project Lead with support from the Associate Director of Governance and Team were possible. Substantive Datix resource is being reviewed within Datix recovery business case.	25.10.18			Learning Lessons: Creation of a Datix Recovery Business Case for migration to Datix IQ and substantive resource for Datix System Administrator.	Feb 2019	Completed & approved		
Learning Lessons: Datix Recovery Business case (System migration to IQ and substantive System Administrator Funding not approved) – work in progress to create business case		None – system functionality not available without the Datix Health Check (which requires the in-house System Administrator).	25.10.18			Learning Lessons: Creation of a business case for additional resources for the Patient Safety Team to implement stages 1 & 3 of this project (monthly learning to all CG Leads and evidencing and embedding metrics).	Mar 2019	Completed & approved		
Learning Lessons: Potential for capacity constrains in Patient Safety Team to take forward the first and third stages in the project (Datix and Action Planning and Evidencing & Embedding)		Business Case now approved. Awaiting successful recruitment process for go live in October 2019.	28.1.19			Learning Lessons: Implementation of revised CG arrangements (Directorates, Divisions and Trust-Wide (stage 2 of project)	June 2019	In progress		
GIRFT: All action plans need to be fully updated with detailed evidence.		The PMO team are working with the Clinical Leads and Managers to ensure these are fully updated.	16/10/18			Learning Lessons: Implementation of stages 1 & 3 project via Patient Safety Team	Oct 2019	In progress		
GIRFT: Litigation action plan is not yet up to date		The team have provided assurance that work has commenced against the action plan but this still requires updating –with a clear plan for outstanding actions once the staffing issues are resolved	16/10/18			GIRFT: Ensure all Action Plans are up to date.	15/11/18	Ongoing		
GIRFT: SSI Audit to commence in May –Leads yet to assigned		Potentially patients can be retrospectively identified for the first month	26/11/18			GIRFT: Set up a KPI dashboard, integrated into the single oversight framework	24/1/19	In progress		
Consent: Time factor to complete revised Consent Policy against competing priorities		A Challiner aware of timeframe	30.04.19			GIRFT: Refresh data from the older action plans where feasible	24/1/9	In progress		
						Medical Workforce: All job plans to be added to the system and signed off	31/3/19	In progress		
						Medical Workforce: Personalised metrics to be developed	31/3/19	In progress		
						Medical Workforce: Reconciliation of pay against job plans	15/05/19	In progress		
						Document & Record Keeping: Letter to all doctors	Jan 19	Complete		
						Document & Record Keeping: Survey Monkey	Feb 19	In Progress		
						Document & Record Keeping: Survey Analysis	Mar 19	Slight delay –will not impact on the overall project		
						Document & Record Keeping: Local specialty audits, action plans and collation of results	June–Nov 19	In development		
						Document & Record Keeping: Trust wide report (production)	Dec 19	Yet to commence		
						Document & Record Keeping: Trust wide report (review and agreement of recommendations)	Jan 20	Yet to commence		
						Document & Record Keeping: Implementation of agreed actions	Jan 20 onwards	Yet to commence		

Divisional CIPPan TrustRoll OverService DevelopmentTransformationalPlan

0AprMayJunJulAugSepOctNovDecJanFebMar

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	KPIS	TARGET	ACTUAL	THIS MONTH
** KPI'S PAPER WENT TO BEST SAFETY BOARD 06/06/2018 – MORE KPI'S TO BE FINALISED AS PROJECTS PROGRESS				
7DS	Generic KPIs have been in existence since project was first initiated , but will be reviewed if they can be localised by Division once each Division has completed their actions against the Challenge Day action plan.	NA	NA	
MORTALITY	HMSR (Monthly)	100.0	102.3	
	SHMI (Quarterly)	1.0	1.0391	
	% compliance with all mortality forms following a patient death (death cert, preliminary screening form, first stage mortality form and where appropriate, SJR)	95.0	82.5	
PREVENTING HARM	Long Elective Waits: Delivery of NHS England report 'External Clinical Review Handbook' Remaining Projects' KPS to be developed once scoping complete and indicators identified for each project.	NA	NA	
LEARNING LESSONS	% Reduction in Top 10 recurrent incidents (To be confirmed)	NA	NA	
	% Reduction of duplication of incident occurrence	NA	NA	
	Evidence of learning from successes (Metric TBC)	NA	NA	
Medical Workforce Productivity	Number of Job plans on the e-job planning system and in discussion (see detail below)	332	312	
	Number of Job plans signed off on the e-job planning software (see detail below)	332	180	
GIRFT	Project GIRFT Dashboard below. It is also planned to identify the detailed GIRFT metrics on the Single Oversight Framework.	TBC	TBC	

	13/05/2019							
	Directorate	Total number of Job plans required from each service	Number in discussion	Percentage in discussion	Awaiting Sign off by Management Team	Percentage awaiting sign off by Management team	Fully Signed off	Percentage Fully Signed off
Cancer Services	Haematology	6	5	83%	0	0%	1	17%
	Oncology	30	13	43%	2	7%	15	50%
	Palliative Care	1	1	100%	0	0%	0	0%
Diagnostics and Clinical Support	Radiology	22	0	0%	0	0%	22	100%
	Biochemistry	1	0	0%	0	0%	1	100%
	Histopathology	19	0	0%	1	5%	18	95%
	Microbiology	4	0	0%	2	50%	2	50%
Surgery	Generalists	23	1	4%	2	9%	20	87%
	Intensivists	15	1	7%	2	13%	12	80%
	SAS Doctors	19	1	5%	1	5%	17	89%
	Breast	6	3	50%	3	50%	0	0%
	Gynae Oncology	3	0	0%	3	100%	0	0%
	Urology	10	10	100%	0	0%	0	0%
	LGI	9	9	100%	0	0%	0	0%
	UGI	5	4	80%	1	20%	0	0%
	Emergency	3	2	67%	1	33%	0	0%
	ENT	10	6	60%	0	0%	4	40%
	Ophthalmology	21	7	33%	3	14%	11	52%
	Trauma and Ortho	19	8	42%	10	53%	1	5%
Medicine and Emergency Care	Emergency Dept	14	2	14%	1	7%	11	79%
	Acute Medicine	6	2	33%	4	67%	0	0%
	Geriatrics	11	6	55%	5	45%	0	0%
	Cardiology	10	0	0%	2	20%	8	80%
	Diabetes and Endo	4	0	0%	2	50%	2	50%
	Gastroenterology	8	3	38%	1	13%	4	50%
	Neurology	6	0	0%	1	17%	5	83%
	Respiratory	4	1	25%	1	25%	2	50%
	Rheumatology	5	2	40%	1	20%	2	40%
W&C	Sexual Health	5	0	0%	0	0%	5	100%
	Obs and Gynae	19	4	21%	0	0%	15	79%
	Paediatrics	15	0	0%	1	7%	15	100%
		333	91	27%	50	15%	193	58%

Live Action Plans RAG	
	RAG
Surgical Specialities	
Breast Surgery	
ENT Surgery	
General Surgery	
Obstetrics and Gynaecology	
Ophthalmology Surgery	
Orthopaedic Surgery	
Spinal Surgery	
Urology Surgery	
Vascular surgery	
Medical specialities	
Emergency Medicine	
Endocrinology	
Other	
Litigation	
SSI	
Radiology	

# 3.0.Best Care Programme - Financial Summary

Item 5-10. Attachment 9 - Best Care

## Comment

The Trust was £0.4m adverse to plan in the month.. The main schemes adverse to plan are:

- Prime Provider £0.33m
- Estates and Facilities £40k

The Trust has an internal CIP plan of £25.1m with an external plan of £22.3m, therefore creating a savings stretch target of £2.8m

# 4.0 Communication & Engagement

## Best Care Key Messages

### Best Quality

- Dementia Emergency services Event to be hosted by MTW has been organised and is taking place on the 21<sup>st</sup> May.
  - All available tickets have sold out.
  - Collaborative event with KFT/KCHFT
  - The event has been designed by to educate and empower staff in relation to pathway and support available to people living with dementia and carers in the West Kent area. The closing speaker is Kent's Police Crime Commissioner.
- Delirium project group has been established and meetings arranged with core project team
- Birthday celebrations have been organised for the #PJparalysis project for the week of the 3<sup>rd</sup> June.
  - Staff will be wearing PJs
  - Executive walk rounds and Chief Executive will be working clinically on one of the wards during the week.
  - Participating wards will be given the opportunity of playing party games – Giant Connect 4/Bingo/Quiz/Pass the parcel/Art competition
- The Nutrition project group has been relaunched and meetings arranged.

### Best Safety

- Medical Productivity: Job Planning completion targets – The directorates are behind target for completing their job plans. These should have been signed of prior to the 1<sup>st</sup> April start date (Launched Jan 19). As of 13<sup>th</sup> May, 27% remain in discussion with 57% fully signed off. Support has been requested from the Deputy CE, who will support the DMD in discussing this at DPR.
- 7DS: The interim compliance plans for ENT commenced on 13<sup>th</sup> May.
- Learning Lessons: Datix Cloud IQ Implementation process has commenced this month.

# 4.0 Communication & Engagement

## Best Care Key Messages

### Best Workforce

#### Nursing Recruitment

- 100 potential nursing recruits in May:
  - 42 are now OSCE ready through Clearmedi in India. As a result of Two MTW staff travelling to India on 4<sup>th</sup> May 2019 in order to fully support the Clearmedi pilot for nurse recruitment.
  - 8 nurses recruited through Nursing Recruitment Open Day.
  - 50 potential nurses through newly appointed overseas nurse recruitment partner MSI.

#### Medical Recruitment

- 49 potential medical appointments:
  - 34 Medical appointments currently undergoing pre-employment checks.
  - 15 Medical bank appointments currently undergoing pre-employment checks.

#### Attract and Retain Project

- New Best Workforce project proposed
- Scope will include initiatives identified from nursing workshop but will cover all staff groups, not just nursing.
- Supports programme within the new NHS Workforce Strategy to “Make the NHS Best Place to Work”.

## Trust Board meeting – May 2019



5-11 Approval of key objectives for 2019/20	Director of Strategy, Planning & Partnerships
Enclosed for consideration and approval are the Trust's key objectives for 2019/20.	
<b>Which Committees have reviewed the information prior to Board submission?</b> <ul style="list-style-type: none"> <li>Executive Team Meeting, 16/04/19</li> </ul>	
<b>Reason for receipt at the Board (decision, discussion, information, assurance etc.)</b> <sup>1</sup> Review, approval	

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

# MTW 19/20 Objectives

17<sup>th</sup> May 2019



# Our 2018/19 Objectives were composed from the themes in the operating plan



**Maidstone and  
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	Draft objective	Lead
1	To deliver the trajectory agreed with NHS Improvement for the A&E 4 hour waiting time target	Chief Operating Officer
2	To deliver the trajectory agreed with NHS Improvement for the 62-day Cancer waiting time target	Chief Operating Officer
3	To deliver the Referral to Treatment (RTT) trajectory agreed with NHS Improvement for patients on an 'incomplete' pathway	Chief Operating Officer
4	To deliver the financial plan for 2018/19	Director of Finance
5	To ensure a falls rate of no more than 6.0 per 1000 occupied bed days	Chief Nurse
6	To ensure a pressure ulcer rate of no more than 3.0 per 1000 admissions	Chief Nurse
7	To deliver the agreed 'lessons learned' plan for 2018/19	Medical Director
8	To deliver the agreed medical productivity plan for 2018/19	Medical Director
9	To deliver a vacancy rate of no more than 8.5%	Director of Workforce
10	To deliver a staff turnover rate of less than 10%	Director of Workforce

# While the PRIDE values were used as the basis for our 2019/20 objectives they were not easily understood



Maidstone and

The PRIDE values have been well articulated and communicated to staff but are not directly linked to our objectives

P – Patient First We always put the patient first and at the centre of what we do

R – Respect We respect and value our patients, visitors and each other

I – Innovate We take every opportunity to improve service delivery

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

E – Excellence We take every opportunity to enhance our reputation and aim for excellence

**We can orient our 19/20 Objectives against these values**

## Potential Objectives

### Patient first

- **Improve E-Coli infection rate** to 21.5 per 100'000 bed days by March 2020 – **DIPC**
- **Reduce falls to 6 per 1'000 bed days**– **Chief Nurse**

### Respect

- **Improve complaints performance to 75%** across all divisions and directorates by March 2020 – **Chief Nurse**
- **Improve vacancy rate to 9%** by March 2020 – **Director of workforce**
- **Achieve staff engagement score of  $\geq 7.2$**  within 2019/20 - **Director of workforce**

### Innovate

- **Establish functioning Digestive Diseases Unit** by October 2019 – **Director of Strategy, Planning and Partnerships**
- **Build new AMU to enable Stroke move by winter 2019** - **COO**

### Delivery

- **Deliver consistent 85% cancer performance over 2019/20** - **COO**
- **Deliver 86.7% RTT performance by March 2020** – **COO**
- **Maintain A&E performance** at 91.67% over 2019/20 - **COO**
- **Deliver control total** of £7.0m deficit before MRET and PSF by March 2020 – **CFO**

### Excellence

- **Maintain HSMR < 100** – **Medical Director**

We have re-drafted the Proposed Trust Objectives for 2019/20 to both make them more accessible and so that people can understand the steps linking them to the Trust values



**Maidstone and  
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Pride value	How will we deliver on this value in 19/20?	What will success look like?	How will we measure our success?	Who will be responsible?
<b>Patient First</b> We always put the patient first and at the centre of what we do	We will embed a culture of safety improvement that reduces harm and enhances patient experience. We will actively seek out the views of patients, relatives and visitors and use this to improve the care we provide	We will reduce the number of patients experiencing a fall while in hospital	Reduce our fall s rate while in hospital to 6 per 1'000 bed days	Chief Nurse
		We will reduce the number of patients acquiring an E-coli infection while in hospital	Reduce E-Coli blood stream infections to 21.5 per 100'000 bed days by March 2020	Director of Infection, Prevention and Control
		We will respond to complaints in a timely and consistent manner	Improve complaints performance to 75% across all divisions and directorates by March 2020	Chief Nurse
<b>Respect</b> We respect and value our patients, visitors and each other	We will make MTW a great place to work and ensure that we value and listen to our staff	We will reduce the number of vacant posts we have in the Trust	Improve our vacancy rate to 9% by March 2020	Director of workforce
		We will improve how involved, motivated and satisfied our staff are	Achieve staff engagement score of $\geq 7.2$ within 2019/20	Director of workforce
<b>Innovate</b> We take every opportunity to improve service delivery	We will continually improve the way we provide our services to ensure that our services meet the needs of the people we serve	We will optimise the care across our two hospital sites	Establish functioning Digestive Diseases Unit by October 2019	Director of Strategy, Planning and Partnerships
		We will work with partners to develop the best possible models of care across the region	Build new AMU to enable a new Hyper Acute Stroke Unit (HASU) by winter 2019	Chief Operating Officer
<b>Delivery</b> We aim to deliver high standards of quality and efficiency in everything we do	We will treat people in a timely consistent manner making the best possible use of our resources to do so	We will ensure that our cancer patients receive their treatment as quickly as possible	Ensure that 85% or more of cancer patients are treated within 62 days	Chief Operating Officer
		We will carry out elective treatments as quickly as possible	Ensure that 86.7% or more of patients wait no longer than 18 weeks from referral to treatment	Chief Operating Officer
		We will review and treat patients in our accident and emergency room as quickly as possible	Ensure that 91.67% or more of people presenting to our Accident and Emergency Departments wait no longer than 4 hours	Chief Operating Officer
		We will spend the taxpayers money wisely to ensure that we can invest as much as possible into patient care	Deliver a surplus of £6.9m in 2019/20 so that we can invest back into patient care	Chief Financial Officer
<b>Excellence</b> We take every opportunity to enhance our reputation and aim for excellence	We will consistently go above and beyond for our patients to deliver the best care possible	We will ensure that the number of patients that die in our hospital is as low as possible and remains below the level that would be expected	Ensure that our Hospital Standardised Mortality Ratio is <100	Medical Director

## Trust Board meeting – May 2019

5-12	Annual approval of the Sustainable Development Management Plan (SDMP)	Chief Executive
	<p>The enclosed report provides an update on the Trust's work in sustainability, alongside the annual Sustainability Development Management Plan (SDMP). The SDMP is required to be approved by the Trust Board annually and is therefore enclosed for review and approval.</p> <p>The Trust recognises that in delivering healthcare services its sites and operations may have adverse impacts on the environment and it is essential that these are minimised and maintained as such through continuous monitoring, mediation and changing culture around the environment and sustainability. The Trust is committed to providing healthcare and services to the populations of today without compromising the opportunities of the populations of tomorrow.</p> <p>The attached annual Sustainability Development Management Plan (SDMP) details the progress that has been made within the Trust during the past year, against the 20 clear objectives in which sustainability vision is achievable.</p> <p>Specifically during the past year the Trust has made significant investment in low energy technology with the installation of LED lights across all Trust sites, funded through Salix loans and in line with Recommendation 6(b) of the Operational productivity and performance in English NHS acute hospitals: Unwarranted variations by Lord Carter of Coles.</p> <p>In regards to single-use plastics, we have removed all-single use items from our restaurants with the exception of branded plastic bottle drinks. Any single-use plastic bottle waste that is generated by the Trust should go into the Dry Mixed Recycling bins, which means they are recycled.</p> <p>Any bottles that are put in the domestic waste will be sent to an 'energy from waste' facility and whilst this isn't as good as recycling it is better than landfill. The Trust has not sent any waste to landfill over the past two years.</p> <p>Overall, we continue to make good progress towards achieving both our specific carbon targets and our wider sustainability objectives, moving closer to realising our sustainability vision. The attached SDMP Action Plan for 2019/20, sets out the specific actions arising from and related to our SDMP. The action plan will be monitored and reviewed by the Sustainability Development and Environmental Committee, which meets on a quarterly basis.</p>	
	<b>Which Committees have reviewed the information prior to Board submission?</b>	
	■ -	
	<b>Reason for submission to the Board (decision, discussion, information, assurance etc.)<sup>1</sup></b>	
	Review and approval	

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



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# **Sustainable Development Management Plan**

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# 1. Vision, Strategy and Scope

## 1.1. Sustainability Vision

The Sustainability Vision of the Trust is “The provision of Sustainable and Resilient Healthcare and Buildings to ensure Healthy People and Places in Maidstone and Tunbridge Wells NHS Trust”

## 1.2. Sustainability Strategy

The Trust recognises that in delivering healthcare services its sites and operations may have adverse impacts on the environment and it is essential that these are minimised and maintained as such through continuous monitoring, mediation and changing culture around the environment and sustainability. The trust is committed to providing healthcare and services to the populations of today without compromising the opportunities of the populations of tomorrow.

The Trust recognises that, to deliver sustainable healthcare, it must achieve positive social impacts, must mitigate its impacts on the environment and must achieve a level of financial efficiency and effectiveness.



Figure 1: Components of Sustainability

The Trust has developed a Sustainability Strategy that will be implemented through a Sustainable Development Management Plan (SDMP) that comprises of 6 key areas of focus:

- Corporate Vision and Governance
- Leadership, Engagement and Development
- Healthy, Sustainable and Resilient Communities
- Sustainable Clinical Care Models
- Commissioning and Procurement
- Operational Management and Decarbonisation

Figure 2 shows the relationship between the Vision, the Policy, the SDMP and the SDMP Action Framework to form the sustainability strategy.

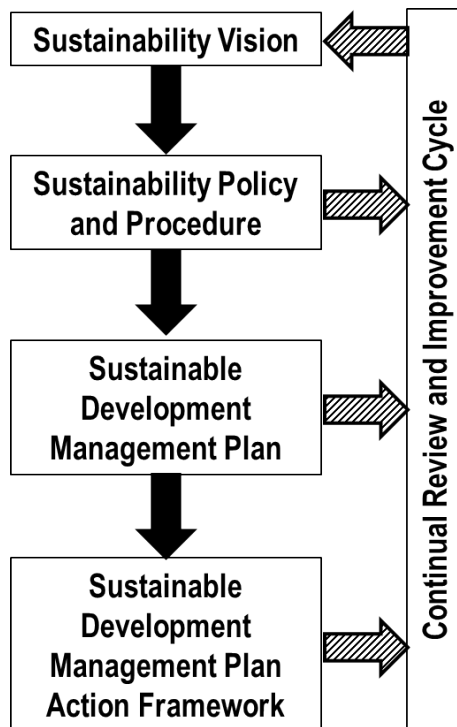


Figure 2: Relationship of the components of the Sustainability Strategy

### 1.3. Scope

This Plan is applicable across the entire geographical extent of the Trust where the Trust has direct operational responsibility

## 2. Drivers for Change

The need for an SDMP is driven by different factors, both internal and external to the NHS and the Trust.

The Kent and Medway Sustainability and Transformation Plan (STP), driven by central Government, is reviewing the services that are being provided by each Trust and the ways that they support and interact with each other to ensure they are as sustainable and efficient as possible and to remove duplication and inefficiency.

The Trusts themselves are also required to review *how* they are delivering the services to ensure that they are operating in the most efficient and sustainable manner possible

### 2.1. Financial

- **Operational Budget Constraints**

The challenge to the health and care system is clear. Kent, like the rest of England, has an ageing population that will put increasing demands on the system, and will require long-term complex care. This, along with unhealthy lifestyle behaviours and



the rising cost of technology means that nationally the NHS faces a £30bn funding gap by 2021.

- **Energy Costs**

The costs of energy are set to remain volatile in the short term and are predicted to rise in the medium to long term. The wholesale energy price is dependent upon many natural and geopolitical variables, none of which are within the immediate control of the Trust.

In 2017/18 the Trust spent a total of £4,533,223 on the procurement of Gas, Electricity, Biomass and CRC Compliance

- **Water Costs**

The deregulation of the commercial water industry in April 2017 means an element of uncertainty in the water industry. Whilst the industry will undoubtedly become more transparent and competitive the predictions are that, ultimately, prices for water supply and disposal will increase year on year.

In 2017/18 the Trust spent a total of £761,686 on Water Supply, Sewerage and Effluent Treatment.

- **Material and Services Costs**

The increase in the cost of materials and services, whilst being limited through effective procurement strategies, will continue to increase in line with inflation. External factors, such as Brexit, have potential to adjust the trajectory of increase to an unknown extent.

## 2.2. Legislation and Performance Targets

- **Climate Change Act 2008**

The Climate Change Act (2008) was introduced to ensure the UK cuts its carbon emissions by 80% by 2050. The 80% target is set against a 1990 baseline.

The act enables the UK to become a low carbon economy. It sets in place a legally binding framework allowing the government to introduce measures which will achieve carbon reduction and mitigate and adapt to climate change.

- **NHS Carbon Reduction Target**

As the largest public sector emitter of carbon emissions, the health system has a duty to respond to meet the targets which are entrenched in law. Contributing to the Climate Change Act target with a 34% reduction in carbon emissions by 2020 against a 1990 baseline is a key measure of the NHS's ambition across the country.

- **Public Services (Social Value) Act 2012**

The Public Services (Social Value Act) was passed at the end of February 2012 and came into force in January 2013. Under the Act, for the first time, all public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

- **Modern Slavery Act 2015**

The Modern Slavery Act 2015 is designed to tackle slavery in the UK. The Transparency in Supply Chain Provisions require commercial organisations to publish an annual statement regarding slavery within their supply chain if they have an annual turnover above a threshold (£36 million). However, the Department of

Health has confirmed that publicly-funded NHS activities were not intended to be within the scope of the Act, and therefore the £36 million threshold only applies to profit-making activities.

## 2.3. Demands upon Services

Using resident populations for the districts of Maidstone, Sevenoaks, Tonbridge & Malling and Tunbridge Wells, the following changes are predicted over the next 20 years:

- The overall population of the four districts is expected to increase, with the highest increases in Maidstone for 65 years or over (11% increase) and Tonbridge & Malling for people aged over 85 years (26%).
- The under-five population will remain fairly constant with an increase of less than 4% over 20 years.
- The population aged 5-19 will increase by just over 12.5% across that period. The under 15 population will increase by 12% over his period. The number of people aged between 16 and 64 years will increase by 11% across that period.
- The population of 65+ is set to increase by 58.93% from 2015 to 2035 increasing from 101,000 to 152,600 people and during the same period, within this the population of 85+ group is predicted to increase by 127.3% during the same period, from 12,100 to 27,500 people.

This population increase has serious implications for health and care delivery from both a financial and activity perspective.

- Older people have the greatest risk of their health being affected by cold temperatures. The majority of excess winter deaths are in people 75 years old
- The prevalence of multi-morbidity increases substantially with age
- The prevalence of dementia increases with age and these patients need additional elements in their care

## 3. Specific Areas of Focus

### 3.1. Corporate Vision and Governance

The Trust will make carbon reduction and sustainable development corporate responsibilities and will ensure that they are integrated into the governance and reporting mechanism.

The Trust will have a clear vision of its Sustainability Goals and will ensure that responsibility and accountability for sustainable development is clear within its organisational structures.

The Trust will produce evidence of its progress towards targets to satisfy the requirements of its regulators and commissioners. In addition the Trust will publish performance information to provide assurance to its stakeholders that the Trust is managing its corporate responsibility commitments.

### **3.2. Leadership, Engagement, Partnership and Development**

The Trust aspires will be a demonstrable leader within the provision of sustainable healthcare and is committed to engaging and partnering at all levels, both locally, regionally and nationally to deliver this ambition. The Trust will ensure that the SDMP is adopted by Heads of Department and Senior Management Team members and is cascaded through the lines of control

The Trust will engage with local stakeholders to ensure that its approach is dovetailed to local initiatives and activities as well as to seek endorsement of and support for its sustainability strategy and actions. The trust is committed to ensuring that local feedback and opinion is recognised within its decision making and that local community assets and initiatives are embedded within its care provision. The trust is committed to communicating its vision, goals and strategy to local stakeholders and will put in place a communications plan to ensure the openness and transparency of its programmes. The approach is one of supporting and enhancing local activities where they exist and working in partnership with local groups to achieve a common aim.

The Trust is committed to engaging in local, regional and national forums and platforms, both internal and external to the NHS to ensure that it maximises on all potential leverage that is available and benefits from and demonstrates best practice to the wider stakeholder community.

The trust recognises its own staff members are essential and intrinsic to the delivery of sustainable healthcare and is committed to supporting and developing its staff to have the competencies and skills to deliver sustainable healthcare within their specific areas of operation and to challenge and rectify practices that are not complementary to this aim. This will be achieved through the mainstreaming of sustainability into the recruitment process, into job descriptions and daily activities and operations through a comprehensive review of operational procedures and policies.

### **3.3. Healthy, Sustainable and Resilient Communities**

The Trust recognises the inherent value of a healthy community and will actively support programmes and schemes to improve the health and fitness of its local community, stakeholders and staff through direct activities, the use of volunteers and the partnership with local organisations.

The Trust recognises that investing in volunteers is investing directly in its stakeholders and seeks to capitalise on positive experiences and feedback to expand the scale and role of volunteers within the operation of the sites.

The Trust is committed to improving the health and welfare of its staff, both in and outside of the workplace, through the promotion of healthy living options, support services and the partnership with organisations that provide specialist services.

The Trust recognises that its grounds and green spaces are an asset, both due to the natural capital that they represent as a habitat and ecosystem but also as a resource for local communities to utilise and enjoy. The Trust will improve access to its green spaces and natural environments for stakeholders and will maintain and enhance the biodiversity capacity of its managed estate. The Trust will develop and publish a Biodiversity Management Strategy for its entire estate and will engage with local ecological partners and volunteers in its preparation.

The Trust recognises that its buildings and facilities have a significant impact on the environment, both due to the embedded carbon and resource depletion involved in their construction and in the energy consumed and carbon produced in their operation. The Trust will ensure that any refurbishment, redevelopment or new development seeks to minimise the environmental impact and associated carbon footprint of the construction process, the materials used and the subsequent operation of the facility through the use of appropriate technologies and strategies.

The Trust will ensure that any redevelopment or new development of its facilities appraises the potential changes to the climate, the potential effects of those changes on the facility and seeks to mitigate them at the design stage.

The effects of climate change to the Trust have the potential to be severe, and the organisational risk register will be updated to include the appraisal of the legal, financial, infrastructure and service related risks and action plans will be developed to manage the risks that have been identified. The Trust will use standard risk assessment tools and externally available guidance and support to assist with the risk assessment process.

The Trust recognises that the process of climate change is leading to the normal patterns of weather changing and severe weather events becoming more frequent and prolonged. These include heatwaves, drought and water shortage, extreme cold events and associated snowfall, extreme rainfall and associated fluvial (surface water) flooding, changes to groundwater levels and associated groundwater flooding, severe storms and high winds.

The Trust will prepare plans for the risks identified and will integrate the process of planning with the existing processes for Emergency Planning and Business Continuity.

### **3.4. Sustainable Clinical Care Models**

The Trust is committed to the transformation of its service to deliver improved health outcomes coupled with social and environmental benefits.

The Trust recognises that the way that healthcare services are delivered will need to change to accommodate the changes associated with rising costs, changing population intensities, demographics and locations. Financial and budgetary pressures will continue to challenge the service provision as well as the ever changing and evolving structure of NHS services within the local and regional setting.

The Trust will ensure that environmental and social sustainability assessments are included as a standard within the templates for business case and service redesign templates and will review the models of care and patient pathways to take into account the overhead use of resources and carbon footprint.

The Trust will consider the most appropriate locations of services and facilities to minimise internal travel and will seek to maximise the opportunities presented by technology to facilitate remote and distance meetings.

The Trust will work in partnership with NHS stakeholders to ensure the realisation of the Health and Social Care Sustainability and Transformation Plan (STP) and the integration and redesign of services across Kent and Medway to deliver better standards of care, better health and wellbeing and better use of staff and funds.

### **3.5. Commissioning and Procurement**

The Trust aims to fully assess the environmental, social and financial impacts of its procured goods and services whilst remaining compliant with the systems and procedures established.

The Trust will minimise procurement of new items and will seek to reuse existing equipment where this is operationally viable. The sharing and internal recycling of resources will be promoted and encouraged to all staff and departments

Where procurement is required the Trust will develop tools to assess the lifetime financial and environmental impact of the required item, to include the manufacture, delivery, operational usage, consumable requirement, maintenance, decommissioning and disposal and will seek to use the assessment to influence the outcome of tender review decisions.

The Trust is committed where possible to sourcing all products from certified sustainable and renewable sources and will specify this as a requirement of its supply chain.

The Trust is fully committed to working within the NHS Procurement and Commercial standards and using the standards as a vehicle for improving the efficiency of the systems it operates and the sustainability of the services it provides.

The Trust is committed to fully complying with all relevant aspects of the Public Services (Social Value) Act 2012 and the Modern Slavery (2015) Act and will publish clear statements and guidance for its partners and supply chain.

The Trust is committed to maximising the local economic benefit of its activities through the use of local suppliers and local labour where the skills and experience are available to undertake the required tasks and where the local selection is permissible under procurement guidelines.

### **3.6. Operational Management and Decarbonisation**

The Trust is committed to operating in a manner that eliminates unnecessary energy and water use, utilises equipment and materials effectively, reduces waste production, maximises waste recycling, accurately assesses and mitigates impacts to the environment and causes no environmental damage through accidental discharges or spills.

The Trust will monitor and report upon its energy and water usage and its Scope 1 and Scope 2 emissions on an annual basis and will set internal targets with the aim of reducing the carbon emissions associated with its activities by 28% by 2020 against a 2013 baseline in line with the NHS Carbon Reduction Target of 80% by 2050.

The Trust will create a tangible culture that is intolerant of energy and water wastage, will optimise equipment and systems for efficient operation and will monitor, record and report on the energy and water performance of different geographical areas and departmental zones.

The Trust will identify opportunities for capital replacement and upgrade of equipment and infrastructure that will have an energy and water saving benefit and will prepare relevant business cases and justification.

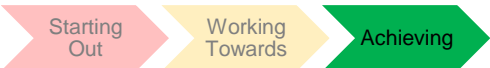
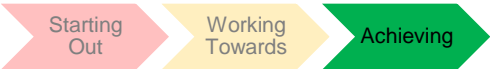
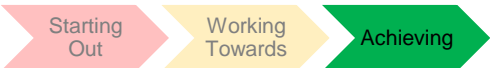

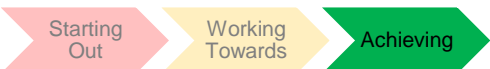

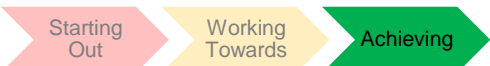
The Trust is committed to reducing the emissions associated with transport and providing efficient low carbon transport services across its operational environment and will document this through the publication of a green travel plan.

The Trust is committed to applying the waste hierarchy in all aspects of its operation, including those of subcontractors, to ensure that none of its waste is sent to landfill and to maximising the recycling of waste that is produced.

The Trust will regularly assess the environmental aspects and impacts of its operation and will have in place suitable procedures and processes to prevent any unplanned or uncontrolled discharge to the environment. The Trust will maintain and practice emergency response procedures to intercept any spillage or environmental incidents that may occur to ensure that any potential impacts are mitigated.

## 4. Objectives and Progress

The Trust has established 20 clear objectives through which the Sustainability vision is achievable. The objectives are listed below along with the current progress as of March 2018.

- 1 The Trust has a clear vision of its Sustainability Goals  

- 2 Responsibility and accountability for sustainable development is clear in the Trust  

- 3 Leadership has engaged widely and developed a narrative for sustainable development that aligns visions, priorities and delivery  

- 4 The Trusts approach to environmental and social responsibility is supported and owned by local people.  

- 5 The Trust has consolidated partnerships and makes use of its leverage within local frameworks.  

- 6 All staff are aware of the benefits of acting sustainably, have the competencies and skills to implement sustainability initiatives and are empowered to challenge unsustainable behaviour  

- 7 The Trust actively supports programmes and schemes to improve the health and fitness of its stakeholders and staff  


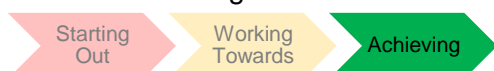
- 8** The Trust has a network of engaged and enthusiastic volunteers from the local community who capitalise on positive experiences and support the operations of the Hospital



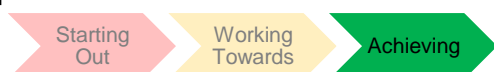
- 9** The entire environment in which the Trust delivers care will promote wellness, will minimise emissions and will be resilient to changes in climate



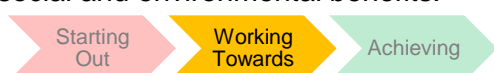
- 10** The trust understands and minimises the current and future risks to the organisation from climate change



- 11** Adaptation plans are in place that link to business continuity and emergency planning processes



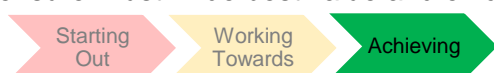
- 12** Transformation of the Trust services deliver improved health outcomes coupled with social and environmental benefits.



- 13** Procurement is undertaken in a compliant manner that takes into account the social, environmental and financial impacts of the service



- 14** The systems and processes for procurement are streamlined and consistent to ensure Trust Wide best value and efficiency



- 15** Materials are controlled, issued, reused and replaced in an efficient manner that minimises loss and the generation of waste



- 16** The Trust operates an environment where non-essential energy use is eliminated



- 17** The Trust delivers efficient low carbon transport services



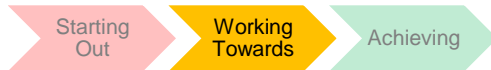
- 18** The Trust is operates an environment where non-essential water use is eliminated



- 19** The trust applies the Waste Hierarchy in all aspects of its operation, diverts 100% of waste from Landfill and maximises recycling



- 20** The Trust operates in a manner that assesses the environmental aspects of its activities and mitigates any impacts associated with them



Specific actions associated to the objectives are tracked through the Sustainable Development Management Plan Action Framework (appendix 1)

## 5. Numerical Scope 1 and 2 Emissions Target

The Trust recognises that there is a concerted effort within the NHS to decarbonise the operational footprint of the wider supply chain and stakeholders, and the Trust is fully supportive of these efforts and is committed to undertaking activities to support them.

The specific numerical target of the SDMP is to reduce scope 1 and 2 carbon emissions by 28% by 2020/21 against a 2013/14 baseline in line with the NHS Carbon Reduction Target of 80% by 2050.

Scope 1 (direct emissions) emissions are those from natural gas and liquid fuels procured by the Trust and consumed in boilers, generators and vehicles.

Scope 2 (energy indirect) emissions are those from electricity procured by the Trust and supplied via the national grid.

Figure 3 shows the Trust annual electrical consumption in 2018/19 versus 2017/18

Figure 4 shows the Trust annual gas consumption in 2018/19 versus 2017/18

Figure 5 shows the Trust annual carbon emissions per site in 2018/19 versus the 2017/18

The graph in figure 6 shows the baseline years scope 1 and 2 emissions in Tonnes of Carbon Dioxide equivalent (TCO2e), the performance of subsequent years and the required emissions to achieve the target of 28% reduction.

Figures 7 and 8 show the total breakdown of fuel consumption in 2018/19 and the corresponding carbon composition for 2018/19



	MSH	TWH	Laundry	Accom	Other	Trust Total
2018/19 (MWh)	10,226	11,794	464	342	77	<b>22,899</b>
2017/18 (MWh)	10,700	12,032	511	340	75	<b>23,662</b>
Variance (%)	-4.43	-1.98	-9.2	-0.57	-2.08	<b>-3.22</b>

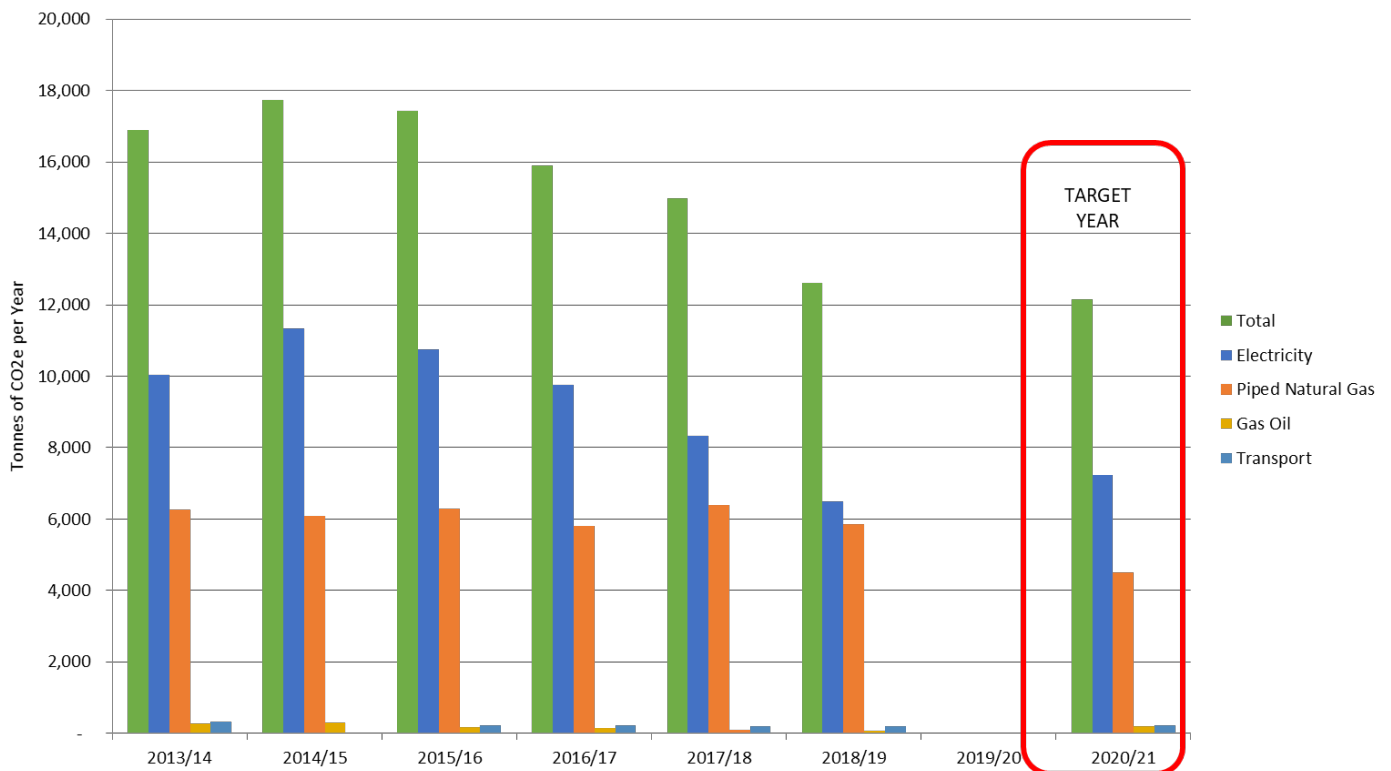
Figure 3: Trust annual electrical consumption in 2018/19 versus 2017/18

	MSH	TWH	Laundry	Accom	Other	Trust Total
2018/19 (MWh)	17,709	8,336	5,568	90	152	<b>31,856</b>
2017/18 (MWh)	19,007	9,463	5,849	135	217	<b>34,671</b>
Variance (%)	-6.83	-11.92	-4.8	-33.2	-29.64	<b>-8.12</b>

Figure 4: Trust annual gas consumption in 2018/19 versus 2017/18

	MSH	TWH	Laundry	Accom	Other	Trust Total
2018/19 (MTCO <sub>2</sub> e)	6,153	4,872	1,156	113	49	<b>12,342</b>
2017/18 (MTCO <sub>2</sub> e)	7,262	5,973	1,257	145	67	<b>14,704</b>
Variance (%)	-15.28	-18.43	-8.05	-22.23	-26.26	<b>-16.06</b>

Figure 5: Trust annual carbon emissions per site in 2018/19 versus the 2017/18



The Trust target is a 28% reduction against a 2013/14 Baseline.  
A further 3.4% reduction is required from the 2018/19 emissions to reach this target.

Figure 6: Trust progress towards target

### Fuel Consumption in 2018/19

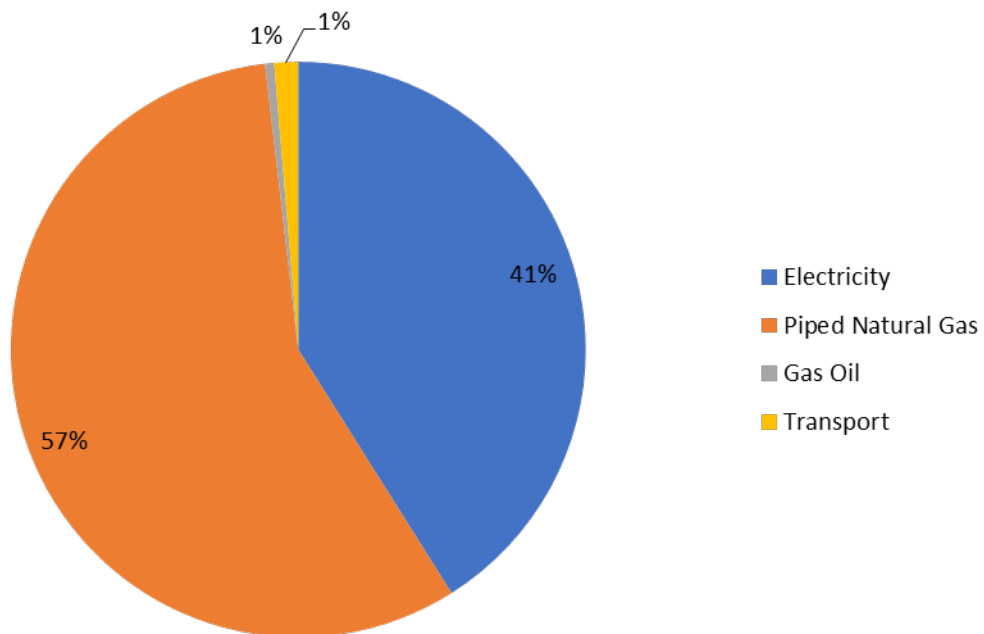


Figure 7: Breakdown of fuel consumption in 2018/19

## Carbon Composition 2018/19

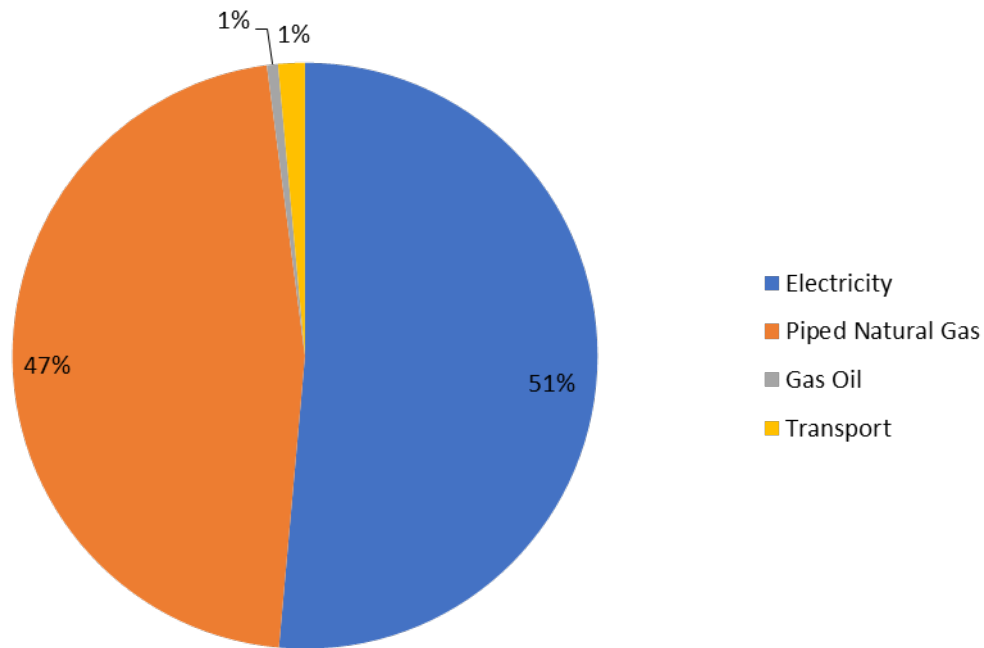


Figure 8: Breakdown of carbon composition for 2018/19

## 6. Sustainable Development Management Plan Action Framework

Specific actions arising from and related to this SDMP will be tracked through the SDMP Action Framework.

All actions within the framework will have a member of the committee assigned as lead for the action and will have timeframes for implementation and review timeframes established and recorded.

Progress against actions contained within the framework will be reviewed by the Sustainable Development and Environmental Committee on a quarterly basis.

## 7. Review

This plan will be reviewed and ratified on an annual basis by the Sustainable Development and Environmental Committee and the Trust Board

## 8. Conclusion

The Trust has made significant investment in low energy technology in the last year and continues to make good progress towards achieving both its specific carbon targets and its wider sustainability objectives, moving closer to realising its sustainability vision.



Sustainable Development Management Plan Action Framework

Theme	Sub Theme	Objective Number	Objective Detail	Ref	Actions Required	Measure of Success	Relevant Specific Targets and Objectives	Reference Documents	Lead	Time frame	Status (RAG)	Comments
Corporate Vision and Governance	Corporate Vision	1	The Trust has a clear vision of its Sustainability Goals	1.1	Sustainability Vision is Documented	Sustainability Vision is ratified and published			Stu Meades	Complete		Vision agreed by SDEC Dec 2016 and included in Policy
				1.2	Sustainability Policy is Documented	Sustainability Policy is ratified and published			Stu Meades	Complete		Policy ready to be ratified, anticipated to be ratified April 2017
	Governance	2	Responsibility and accountability for sustainable development is clear in the Trust	2.1	Sustainable Development and Environment Committee is established	Sustainable Development and Environment Committee meeting minutes			Stu Meades	Complete		
				2.2	Terms of Reference in place for Sustainable Development and Environment Committee	Terms of Reference ratified and published			Stu Meades	Complete		
				2.3	Sustainability data is regularly reviewed	Performance Data is periodically presented to Trust Board for review			Stu Meades	Complete		Trust data is presented monthly
				2.4	Trust reports sustainability performance via the annual report	Annual Report includes Sustainability data			Stu Meades	Complete		Data being Gathered
Leadership, Engagement, Partnership and Development	Leadership	3	Leadership has engaged widely and developed a narrative for sustainable development that aligns visions, priorities and delivery	3.1	Agree a board level executive for sustainability.	Board level executive in place			Stu Meades	Complete		Steve Orpin is the appointed person
				3.2	Chief Executive signed endorsement of Sustainability Vision, Policy and SDMP	Document signed by Chief Exec			Stu Meades	Complete		
				3.3	Trust Management Executive endorsement of Sustainability Vision, Policy and SDMP	Documents endorsed by TME			Stu Meades	Complete		TME endorsed SDMP in April 2018, scheduled for review April 2019
	Engagement	4	The Trusts approach to environmental and social responsibility is supported and owned by local people.	4.1	Ensure local viewpoints and opinions have an avenue to be represented to the Senior Management Team	Local feedback and opinion is recognised within trust decision making			Gemma Craig	Complete		External engagement events held across both regions of the Trust in Maidstone and Tunbridge Wells during October and November 2018 to seek patient, carers and service users feedback on Trusts services and to work collaboratively in co designing and producing an engagement strategy.
				4.2	Understand and harness the assets that exist in local communities to enable a more sustainable delivery of health and care in the future.	Local community assets are embedded within care provision that fosters a feeling of mutual ownership			Gemma Craig	Q4 2019 20		Engagement strategy currently in draft form following patient / public review and now with health watch before final draft agreed through executives. Priorities developed through engagement and will part of Divisions work plan. Ongoing engagement events planned with associated BCP to establish Engagement and Experience lead to fully embed this way of working and deliver actions identified by the local population
				4.3	Outline a communications plan for reporting on sustainability to staff and public.	Communications plan in place			Hannah Alland	Q2 2018 19		Internal and External Comms Strategy being reviewed in 2018/19. AWAITING UPDATE
	Partnerships and Networks	5	The Trust has consolidated partnerships and makes use of its leverage within local frameworks.	5.1	Engage with local non NHS groups to enhance awareness of the Trusts commitments and approaches	MTW Membership / attendance at local groups			Stu Meades	Complete		Kent Climate Change Network
				5.2	Engage with other healthcare partners to further develop cooperative approaches and mutual support	MTW Membership at forums and groups			Stu Meades	Complete		South East NHS Total Waste Management Consortium
				5.3	Engage with Kent NHS Sustainability Forums	MTW Membership at forums			Stu Meades	Complete		Kent NHS Sustainability Forum
				5.4	Engage with National NHS Sustainability Forums	MTW Membership at forums			Stu Meades	Complete		NHS SDU working group and network
	Staff Development	6	All staff are aware of the benefits of acting sustainably, have the competencies and skills to implement sustainability initiatives and are empowered to challenge unsustainable behaviour	6.1	Generic text on sustainability to be developed for inclusion in all job descriptions	Job Descriptions include section on Sustainability			Ruth Bailey	Q2 2019 20		Stu Meades to provide generic text for inclusion
				6.2	Sustainability is included as a component of the staff induction process	New starters have an awareness of Sustainability issues at MTW			Jeanette Barlow	Q2 2019 20		Plan to link this with Generic Trust Sustainability training (see 6.3)
				6.3	Develop staff sustainability awareness program	Increased awareness of Sustainability issues amongst existing MTW staff			Jo Garrity	Q2 2019 20		SM to provide generic NHS sustainability materials for awareness
				6.4	Review workforce policies to ensure they promote sustainable behaviour	Sustainability is engrained in all policies and procedures			Kevin Rowan	Complete		Trust policy has been updated, Associate Director is mandatory consultee.
				6.5	Hold annual sustainability awards to recognise the most environmentally and socially sustainable team/department.	Staff engagement and awareness of sustainability issues			Jo Garrity	Q4 2019 20		Plan to leave this and review at the end of the financial year
Healthy, Sustainable and Resilient Communities	Healthy Staff	7	The Trust actively supports programmes and schemes to improve the health and fitness of its stakeholders and staff	7.1	The Trust offers a range of programs that encourage and support the physical activity of staff members	Physical activity programs are in operation and are being engaged with by staff members	The target is to get the programs started and available to staff. Success of these programs will be measured by a reduction in sickness and absence and an increase in health and wellbeing		Christian Lippiat	Complete		Local gym membership offered, cycle to work scheme in place, "climb the stairs" signs in place
				7.2	The Trust offers a range of programs that encourage and support the Mental Health of staff members	Mental health welfare and support programs are in place and being utilised by staff			Christian Lippiat	Complete		Mindfulness training available, support line available, training on dealing with stressful situations available
				7.3	The Trust offers a range of programs that encourage and support the wellbeing of staff members	Wellbeing programs are available and being used by staff members			Christian Lippiat	Complete		NHS health checks available, flu jab available
	Engaging Communities	8	The Trust has a network of engaged and enthusiastic volunteers form the local community who capitalise on positive experiences and support the operations of the Hospital	8.1	Streamlining of recruitment process to enable easier access for volunteers	Positive feedback on a smooth recruitment process			Anne-Marie Stevens	Q4 2018 19		Currently applicants still find the process frustrating due to the restricted nature of the online application via Trac or NHS jobs. Hand holding through process can help
				8.2	Expand role and nature of volunteers within the hospital	Increase in number of Volunteers			Anne-Marie Stevens	Q4 2018 19		Trust engagement of Volunteering still needs to be improved, buy in from departments is required to ensure volunteers feel supported. The upcoming launch of the #endgiparalysys, has Executive Team commitment therefore should provide a model for future launches. Following the launch of Green Team Volunteering projects in 2017, the community engagement and volunteering interest from individuals and organisations was very high, unfortunately the infrastructure to support the project was limited. The Stroke Garden and the Lung Awareness Charity garden will be opening in May 2018, again this might springboard commitment
				8.3	Ensure that volunteers are motivated and enthusiastic and have a desire to stay within the hospital environment	Increased retention of volunteers			Anne-Marie Stevens	Complete		Regular meet ups are arrange with the VSC and training opportunities, ongoing open door for Volunteers to access VSC and encouragement for Volunteers to be more visible. Currently core, team of Volunteers good and motivated. Approx. 230 Trust Volunteers and 150 League of Volunteers active in the Trust
	Sustainable Communities - Designing the Built Environment	9	The entire environment in which the Trust delivers care will promote wellness, will minimise emissions and will be resilient to changes in climate	9.1	Produce options for improved access and increased green space in the grounds.	Greater green space utilisation and access			Stu Meades	Ongoing		All developments include, where possible, external landscaping enhancements
				9.2	Recognise and Enhance the biodiversity capacity of the estate	Biodiversity enhancements in place			Stu Meades	Ongoing		Helipad has approximately 1000m2 of wildflower meadow planned as a biodiversity enhancement
				9.3	Ensure that any refurbishment, redevelopment or new development seeks to minimise the carbon footprint of the works and the subsequent operation of the building	Low carbon specification included within any tender to works			Kevin Vaughan	Complete		This has been incorporated to the project process. The next projects that this is applicable to are HODU and Theatres
				9.4	Ensure that any refurbishment, redevelopment or new development appraises the potential changes to the climate and environment and mitigates those impacts at the design stage	Climate change resilience appraisal to be included within any design			Kevin Vaughan	Complete		
	Resilient Communities - Risk Assessment	10	The trust understands and minimises the current and future risks to the organisation from climate change	10.1	Create a section in the organisation risk register that addresses the challenges of building resilience to climate change and covers the legal, financial, infrastructure and service risks.	Organisational Risk Register reflects climate change risks			Rob Parsons	Complete		Risk assessments that cover all aspects of climate change associated impacts are reviewed on an annual basis by Emergency Planning Department. The residual risk to the Trust from these impacts is low negating the need for further actions at this time
				10.2	Use the Climate Ready BACLIAT tool to complement the process of assessing risks and opportunities associated with climate change locally.	BACLIAT tool has been used to support the risk assessment process			Rob Parsons	Complete		Risk assessments that cover all aspects of climate change associated impacts are reviewed on an annual basis by Emergency Planning Department. The residual risk to the Trust from these impacts is low negating the need for further actions at this time
				10.3	Draw on existing risk assessments, adaptation tools such as the UKCP09 projections and other local information to assess the risks to continuity and assets (buildings, emergency services, vehicles and the supply chain for fuel, food and key products).	Adaption plans in place if required			Rob Parsons	Complete		Risk assessments that cover all aspects of climate change associated impacts are reviewed on an annual basis by Emergency Planning Department. The residual risk to the Trust from these impacts is low negating the need for further actions at this time

Theme	Sub Theme	Objective Number	Objective Detail	Ref	Actions Required	Measure of Success	Relevant Specific Targets and Objectives	Reference Documents	Lead	Time frame	Status (RAG)	Comments
	Resilient Communities - Adaptation Planning	11	Adaptation plans are in place that link to business continuity and emergency planning processes	11.1	Involve business continuity and emergency planning colleagues in developing an Adaptation Plan as a core component of the SDMP. The adaptation plan should link to heat wave and cold weather plans, flooding, emergency preparedness and business continuity plans.	Adaptation plans in place if required			John Weeks	Complete		Risk assessments that cover all aspects of climate change associated impacts are reviewed on an annual basis by Emergency Planning Department. The residual risk to the Trust from these impacts is low negating the need for further actions at this time
	Sustainable Clinical Care Models	12	Transformation of the Trusts service delivers improved health outcomes coupled with social, environmental and financial benefits.	12.1	Include environmental and social sustainability assessments within business case review process.	Environmental and social sustainability assessments are included within document template and process			Stuart Doyle	Q4 2019/20		Questions are asked of business case submitters of what implications to the environment have been considered. A checklist will be developed in the mid term
Commissioning and Procurement - Triple Bottom Line	Over Threshold Procurement	13	Procurement is undertaken in a compliant manner that takes into account the social, environmental and financial impacts of the service	13.1	Develop sustainability score card that appraises the lifetime environmental impact of all procured equipment and services, including manufacture, delivery, usage, consumables, maintenance, decommissioning and disposal	Score Card in Use	Achieved Level 2 of Standards of Procurement	NHS Standards of Procurement	Bob Murray	Oct-18		AWAITING UPDATE
				13.2	Include sustainability appraisal within procurement tender appraisal	Sustainability Appraisal included	Achieved Level 2 of Standards of Procurement	NHS Standards of Procurement	Bob Murray	Complete		
				13.3	Develop clear procedures on how the organisation complies with the Public Services (Social Value) Act 2012 and the Modern Slavery Act 2015	Policy guidance statements are issued	Achieved Level 2 of Standards of Procurement	NHS Standards of Procurement	Bob Murray	Complete		
				13.4	Engage and collaborate with other Trusts in the procurement of Goods and Services	Collaborative procurement underway	Achieved Level 2 of Standards of Procurement	NHS Standards of Procurement	Bob Murray	Complete		
				13.5	Ongoing contract management of awarded supply agreements required suppliers to demonstrate continual improvement and ongoing efficiencies	Continual efficiencies being delivered through existing contractual agreements	Achieved Level 2 of Standards of Procurement	NHS Standards of Procurement	Bob Murray	Complete		
	Procurement Systems	14	The systems and processes for procurement are streamlined and consistent to ensure Trust Wide best value and efficiency	14.1	Increase transaction volume covered by an electronic purchase order	Electronic Purchase Orders in widescale usage	90% transaction volume covered by electronic purchase orders	NHS Standards of Procurement	Bob Murray	Complete		
				14.2	Increase transaction volume through an electronic catalogue to better capture and influence purchases	Electronic Catalogue in widescale usage	80% of transaction volume through an electronic catalogue	NHS Standards of Procurement	Bob Murray	Complete		
	Stock Control	15	Materials are controlled, issued, reused and replaced in an efficient manner that minimises loss and the generation of waste	15.1	Promote reuse of unwanted or unneeded items within Trust to prevent need for procuring new when existing stocks exist	Reuse system fully in place			Nicola Waters	Complete		
				15.2	Stock Management system reviewed to ensure expiry breaches are prevented	No occurrences of out of date stock disposal			Nicola Waters	Complete		
				15.3	Full implementation of Omnicell Inventory Management System across Trust	Omnicell in place			Nicola Waters	Complete		
				15.4	Streamlining of Deliveries to maximise efficiencies available				Nicola Waters	Complete		
Operational Management and Decarbonisation	Energy	16	The Trust is operates an environment where non essential energy use is eliminated	16.1	Reduce operational energy demand by switching off equipment when not operationally required	Tangible culture of switching off when not required leading to lower energy consumption	Reduce Scope 1 & 2 carbon emissions by 28% by 2020 against a 2013 baseline in line with the NHS Carbon Reduction Target of 80% by 2050		Stu Meades	Ongoing		MSH - Project underway of upgrading from Sauter to Trend BMS and recommissioning all set points, dead bands and hours of operation. Finance dependent this will be completed in March 2021. TWH - IFM have proposed to undertake this activity, unclear who is paying for it, in progress.  1 x flue gas economiser installed, business case being developed for other 2
				16.2	Optimise HVAC Equipment - Operating hours, set points, dead bands	Reduced electrical and gas consumption			Stu Meades	Mar-21		
				16.3	Optimise Boilers and Steam Provision	Reduced electrical and gas consumption			Tim Fletcher	Q4 2019/20		
				16.4	Install / utilise existing a network of sub meters to monitor energy performance in geographical areas and the performance of significant energy using equipment and plant	Energy mapping reports are issued to compare distribution of energy consumption			Stu Meades	Complete		
				16.5	Ensure relevant feedback loops are in place to report on poor energy performance and increase ownership amongst end users	Departmental consumption reports issued to departments / equipment users			Stu Meades	Q4 2019/20		
				16.6	Prioritise the usage of low carbon fuel sources where available (Biomass Boiler)	Biomass boiler is operating to the maximum effectiveness and is meeting planning requirements			Stu Meades	Complete		
				16.7	Upgrade Internal Lighting to LED across estate, install additional controls and dimmers as operationally appropriate	LEDs installed, reduced electrical consumption			Stu Meades	Q4 2019/20		
				16.8	Upgrade External Lighting to LED across Estate	LEDs installed, reduced electrical consumption			Stu Meades	Q4 2019/20		
				16.9	Install double glazing to all windows within Hospitals	Reduced heating and cooling demand, greater user comfort			Kevin Vaughan	2019/20		
	Transport	17	The Trust delivers efficient low carbon transport services	17.1	Develop a Green Travel Plan that promotes the use of public transport, cycling and walking	Green travel plan in place			Alan Hewett	Q1 2018/19		AWAITING UPDATE
				17.2	Review the operation and performance of the trust owned fleet and ensure that all replacements are low emission or electric vehicles	Trust fleet is being used efficiently and plan in place for low carbon replacements			Darren Bulley	Ongoing		
				17.3	Implement Green Driving training across the fleet staff	Increased fuel efficiency of fleet operations			Darren Bulley	Q3 2018/19		
				17.4	Review car lease scheme arrangements to encourage the use of low emitting vehicles.	Only low emission vehicles are available through lease scheme			Darren Bulley	Ongoing		
	Water	18	The Trust operates an environment where non essential water use is eliminated	18.1	Actively monitor water consumption and investigate out of profile usage	Loggers installed, water consumption reports issued to users			Stu Meades	Complete		Contract signed with Aquafund that offers bureau service that includes data analysis and monitoring
				18.2	Install water efficient technology	Equipment installed			Stu Meades	Ongoing		
	Waste	19	The trust is applies the Waste Hierarchy in all aspects of its operation, diverts 100% of waste from Landfill and maximises recycling	19.1	Engage with supply chain to reduce the amount of packaging being delivered to site	Supply chain reduces product packaging and removes waste from site	100% diversion from Landfill: tangible decrease in waste production and increase in recycling		Bob Murray	Q2 2018/19		Warp it to be rolled out 2019/20
				19.2	Maximise the reuse of materials within the individual sites, the wider trust and the regional NHS community to prevent the need for disposal	Re-use / equipment internal recycling system is in place and working			Helen Leith	Q4 2019/20		
				19.3	Allow adequate facilities for segregation and recycling in all collection points	All waste points have the opportunity for recycling			Stu Meades	Complete		
				19.4	Ensure that all waste within the estate is diverted from Landfill	100% diversion from landfill from waste reports and validated by audit			Stu Meades	Complete		
				19.5	Ensure that all waste arising from 3rd party projects is diverted from landfill by making it a condition of tender	Project specification includes waste requirements			Kevin Vaughan	Complete		
	Environmental Management	20	The Trust operates in a manner that assesses the environmental aspects of its activities and mitigates any impacts associated with them	20.1	Environmental impacts and risks are incorporated to standard risk assessment template and process	Template adjusted and being used			Stu Meades	Q4 2019/20		To be discussed with Trust H&S manager
				20.2	Pollution Incident Response Plan developed	PIRP in place			Graham Pennock	Complete		

## Trust Board meeting - May 2019



## 5-13 NHS Provider licence: Self-certification for 2018/19

Trust Secretary

The Health and Social Care Act 2012 introduced a licence for providers of NHS services. The NHS Provider Licence was subsequently introduced in February 2013 as the main tool with which providers of NHS services would be regulated. Foundation Trusts were licensed from April 2013, with other providers being licensed from April 2014. It was later confirmed that the Licence would *not* apply to NHS Trusts, but in April 2017, NHS Improvement (NHSI) confirmed that NHS Trusts must undertake a self-certification against the NHS Provider Licence, on the basis that, despite their exemption from needing to hold the Licence, directions from the Secretary of State required NHSI to ensure that NHS Trusts comply with conditions equivalent to the Licence, as it deemed appropriate. As NHSI's Single Oversight Framework bases its oversight on the Licence, NHS Trusts are legally subject to the equivalent of certain Provider Licence conditions, and must self-certify under these licence provisions.

NHS Trusts were required to undertake self-certification for the first time in May 2017 (covering 2016/17), and are now required to self-certify for 2018/19. Specifically, NHS Trusts are asked to self-certify that they have:

- effective systems to ensure compliance with the conditions of the NHS provider licence, NHS legislation and the duty to have regard to the NHS Constitution (licence condition G6(3));
- Complied with governance arrangements (licence condition FT4(8))

It is up to providers how they undertake their self-certification process, but any process should ensure that the provider's Board understands clearly whether or not the provider can confirm compliance. NHSI provide templates which Trusts can (but are not obliged to) use.

NHS Providers must self-certify against condition G6 by 31<sup>st</sup> May 2019 and against condition FT4(8) by 30<sup>th</sup> June 2019. Providers must then publish their G6 self-certification by 30<sup>th</sup> June (the publication is itself a licence condition). NHS Trusts are not required to submit their self-certification declarations to NHSI unless specifically requested to do so. NHSI does however retain the option each year of contacting a select number of NHS Trusts to ask for evidence that they have self-certified, either by providing the completed or relevant board minutes & papers recording sign-off.

The proposed self-certification, which uses the template provided by NHSI, is enclosed. The Trust Board is asked to review, and approve, the content. The Board has also received the Annual Report for 2018/19, which contains the Annual Governance Statement, under a separate agenda item. The Annual Report and Annual Governance Statement is considered to provide sufficient information and supporting evidence to enable the Board to self-certify that the Trust has been compliant with all relevant Licence conditions. Therefore, rather than provide a brief response to each of the requirements within the template (which would force brevity) Trust Board Members are encouraged to refer to the full Annual Report and Annual Governance Statement for a more comprehensive overview of (and evidence for) compliance. The same approach to self-certification was taken in May 2017 and May 2018, and the Trust Board duly approved the proposed self-certifications, which were then published on the Trust's website by the deadline.

**Which Committees have reviewed the information prior to Board submission?**

- N/A

**Reason for receipt at the Board (decision, discussion, information, assurance etc.)<sup>1</sup>**

Review and approval of the proposed self-certification for 2018/19

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

## Worksheet "FT4 declaration"

Financial Year to which self-certification relates

2018/19

## Corporate Governance Statement (FTs and NHS trusts)

*The Board are required to respond "Confirmed" or "Not confirmed" to the following statements, setting out any risks and mitigating actions planned for each one*

Corporate Governance Statement		Response	Risks and Mitigating actions
1	The Board is satisfied that the Licensee applies those principles, systems and standards of good corporate governance which reasonably would be regarded as appropriate for a supplier of health care services to the NHS.	Confirmed	Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)
2	The Board has regard to such guidance on good corporate governance as may be issued by NHS Improvement from time to time	Confirmed	Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)
3	The Board is satisfied that the Licensee has established and implements: (a) Effective board and committee structures; (b) Clear responsibilities for its Board, for committees reporting to the Board and for staff reporting to the Board and those committees; and (c) Clear reporting lines and accountabilities throughout its organisation.	Confirmed	Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)
4	The Board is satisfied that the Licensee has established and effectively implements systems and/or processes:  (a) To ensure compliance with the Licensee's duty to operate efficiently, economically and effectively; (b) For timely and effective scrutiny and oversight by the Board of the Licensee's operations; (c) To ensure compliance with health care standards binding on the Licensee including but not restricted to standards specified by the Secretary of State, the Care Quality Commission, the NHS Commissioning Board and statutory regulators of health care professions; (d) For effective financial decision-making, management and control (including but not restricted to appropriate systems and/or processes to ensure the Licensee's ability to continue as a going concern); (e) To obtain and disseminate accurate, comprehensive, timely and up to date information for Board and Committee decision-making; (f) To identify and manage (including but not restricted to manage through forward plans) material risks to compliance with the Conditions of its Licence; (g) To generate and monitor delivery of business plans (including any changes to such plans) and to receive internal and where appropriate external assurance on such plans and their delivery; and (h) To ensure compliance with all applicable legal requirements.	Confirmed	Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)

- 5 The Board is satisfied that the systems and/or processes referred to in paragraph 4 (above) should include but not be restricted to systems and/or processes to ensure:

(a) That there is sufficient capability at Board level to provide effective organisational leadership on the quality of care provided;  
 (b) That the Board's planning and decision-making processes take timely and appropriate account of quality of care considerations;  
 (c) The collection of accurate, comprehensive, timely and up to date information on quality of care;  
 (d) That the Board receives and takes into account accurate, comprehensive, timely and up to date information on quality of care;  
 (e) That the Licensee, including its Board, actively engages on quality of care with patients, staff and other relevant stakeholders and takes into account as appropriate views and information from these sources; and  
 (f) That there is clear accountability for quality of care throughout the Licensee including but not restricted to systems and/or processes for escalating and resolving quality issues including escalating them to the Board where appropriate.

Confirmed

Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)

- 6 The Board is satisfied that there are systems to ensure that the Licensee has in place personnel on the Board, reporting to the Board and within the rest of the organisation who are sufficient in number and appropriately qualified to ensure compliance with the conditions of its NHS provider licence.

Confirmed

Refer to the content of the 2018/19 Annual Report (incl. the Annual Governance Statement) for full details (item 5-17 / Attachment 16 at the Trust Board meeting on 23/05/19)

Signed on behalf of the Board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

Signature

Signature

Name Miles Scott

Name David Highton

Further explanatory information should be provided below where the Board has been unable to confirm declarations under FT4.

A N/A



## Worksheet "G6 &amp; CoS7"

Financial Year to which self-certification relates

2018/19

## Declarations required by General condition 6 and Continuity of Service condition 7 of the NHS provider licence

The board are required to respond "Confirmed" or "Not confirmed" to the following statements (please select 'not confirmed' if confirming another option). Explanatory information should be provided where required.

**1 & 2 General condition 6 - Systems for compliance with licence conditions (FTs and NHS trusts)**

- 1 Following a review for the purpose of paragraph 2(b) of licence condition G6, the Directors of the Licensee are satisfied that, in the Financial Year most recently ended, the Licensee took all such precautions as were necessary in order to comply with the conditions of the licence, any requirements imposed on it under the NHS Acts and have had regard to the NHS Constitution.

Confirmed

OK

**3 Continuity of services condition 7 - Availability of Resources (FTs designated CRS only)**

EITHER:

- 3a After making enquiries the Directors of the Licensee have a reasonable expectation that the Licensee will have the Required Resources available to it after taking account distributions which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate

N/A

OR

- 3b After making enquiries the Directors of the Licensee have a reasonable expectation, subject to what is explained below, that the Licensee will have the Required Resources available to it after taking into account particular (but without limitation) any distribution which might reasonably be expected to be declared or paid for the period of 12 months referred to in this certificate. However, they would like to draw attention to the following factors (as described in the text box below) which may cast doubt on the ability of the Licensee to provide Commissioner Requested Services.

N/A

OR

- 3c In the opinion of the Directors of the Licensee, the Licensee will not have the Required Resources available to it for the period of 12 months referred to in this certificate.

N/A

**Statement of main factors taken into account in making the above declaration**

In making the above declaration, the main factors which have been taken into account by the Board of Directors are as follows:

N/A

Signed on behalf of the board of directors, and, in the case of Foundation Trusts, having regard to the views of the governors

Signature

Signature

Name: Miles Scott

Name: David Highton

Capacity: Chief Executive

Capacity: Chair of the Trust Board

Date: 23 May 2019

Date: 23 May 2019

Further explanatory information should be provided below where the Board has been unable to confirm declarations under G6.

N/A

**Trust Board meeting – May 2019**

<b>Audit and Governance Committee (AGC), 09/05/19 and 5-14 23/05/19 (incl. Audit &amp; Governance Committee Annual Report for 2018/19)</b>	<b>Committee Chair (Non- Executive Director)</b>
<p>The Audit and Governance Committee met on 9<sup>th</sup> May 2019, and is scheduled to meet immediately before the Trust Board meeting on 23<sup>rd</sup> May (to review the draft final Annual Report and Accounts for 2018/19). This written report covers the meeting held on 9<sup>th</sup> May; the outcome of the meeting on 23<sup>rd</sup> May will be reported verbally to the Trust Board.</p>	
<p><b>1. The key matters considered at the meeting on 9<sup>th</sup> May were as follows:</b></p> <ul style="list-style-type: none"> <li>▪ The status of actions from previous meetings was noted</li> <li>▪ Under the Safety Moment, the Trust Secretary highlighted the first written safety moment to the committee, which focussed on VTE (venous thromboembolism)</li> <li>▪ The Trust Secretary presented the year-end review of the 2018/19 Board Assurance Framework (noted as the same report considered by the Trust Board on 25/04/19). It was noted that a more graphical representation of the year-end outcome would be circulated to the Trust Board &amp; included within the relevant section of the Trust's Annual Report, 2018/19</li> <li>▪ The Internal Audit Annual Report for 2018/19 (including the draft Head of Internal Audit Opinion) was received, along with an update on progress with actions from previous Internal Audit reviews and a response to the findings of the review/survey of the Internal Audit service that had been considered by the Committee in March 2019</li> <li>▪ The Facilities General Manager and Trust Security Manager attended the meeting to report progress on high priority audit recommendations relating to parking concessions from the Non Patient Related Income audit. It was subsequently agreed to invite both individuals to the AGC meeting on 07/08/19 to provide an update on the outstanding recommendation, but to withdraw the invitation if advised by Internal Audit that sufficient progress had been made that attendance was not necessary</li> <li>▪ The General Manager, Emergency Medicine, attended the meeting to report progress on the high priority audit recommendation related to review of A&amp;E cases completed in just under 4 hours, arising from the Data Quality of KPIs audit. As a result of the assurances received at the meeting, it was agreed to remove the outstanding audit recommendation &amp; to arrange for an Internal Audit review of A&amp;E 4 hours reporting to be included as part of the annual Data Quality of KPIs audit scheduled for Quarter 4. It was further agreed that the Senior Audit Manager (TIAA) would liaise with the General Manager, Emergency Medicine, to confirm if any of the Trusts selected to pilot the proposed new A&amp;E standards was a TIAA client</li> <li>▪ As part of the discussions arising from how to effectively track progress with audit recommendations within the Trust, it was agreed that the Chief Finance Officer would liaise with the Senior Audit Manager (TIAA) to consider how the performance management framework might be used to monitor any outstanding Divisional Internal Audit recommendations</li> <li>▪ The Committee approved an updated Internal Audit Charter and agreed that the forward programme should be amended to include annual review and approval of the Charter concurrently with the Annual Internal Audit plan</li> <li>▪ The Counter Fraud Specialist Manager presented the Counter Fraud Annual Report for 2018/19, alongside the routine update on Counter Fraud issues. There was discussion about a case currently under investigation for the Trust, and it was agreed that it should be checked with the Head of Employee Relations that the recommendations from the disciplinary process relating to the case had been appropriately followed up, &amp; that the Counter Fraud Specialist Manager should clarify the use of certain terminology in the investigation summary</li> <li>▪ The External Auditors (Grant Thornton LLP) presented the usual 'progress and emerging issues report', which included the management responses relating to the understanding of how the AGC gains assurance from management (which is requested each year as part of the External Audit of the Accounts)</li> </ul>	

- The draft Trust Annual Report for 2018/19 (incl. the Annual Governance Statement) and Annual Accounts for 2018/19 were reviewed, noting that the final versions would be reviewed at the Committee meeting on 23<sup>rd</sup> May 2019
- The Audit and Governance Committee Annual Report for 2018/19 was reviewed, and approved. It was additionally agreed that the Trust Secretary would liaise with the Senior Audit Manager (TIAA), to update the entries in respect of Internal Audit reviews conducted in 2018/19, where the assurance assessment was not available at the time of reporting (liaison occurred but it was subsequently confirmed that the version considered by the AGC on 09/05/19 should be submitted to the Trust Board), and that the errors identified in the AGC Annual Report relating to the date of the meeting on 14/03/19 would be amended prior to its circulation to the Trust Board. The Committee's Annual Report has been enclosed in full in Appendix 1, as this forms part of the assurances the Board receives when considering the approval of the Trust Annual Report and Accounts
- The latest single tender waivers data was reviewed, alongside the latest details of payments for compensation under legal obligation
- A report on gifts, hospitality and sponsorship declarations received since the last meeting was noted
- Members were invited to evaluate the meeting for its effectiveness and there was a discussion about what had worked well/not so well. It was noted this would be a standing item for all future AGC meetings.

**2. The Committee received details of the following Internal Audit reviews:**

- Salary Overpayments (which received a "Limited Assurance" conclusion)
- Assurance Framework and Risk Management (which received a "Reasonable Assurance" conclusion)
- Critical Financial Assurance – Financial Accounting and Non Pay (which received a "Reasonable Assurance" conclusion)
- Consultant Job Plans (which received a "Reasonable Assurance" conclusion)
- Data Security and Protection Toolkit Part 2 (which received a "Substantial Assurance" conclusion)

**3. The Committee was also notified of the following "Urgent" priority outstanding actions from Internal Audit reviews:**

- Activity and Income recording (1 outstanding action)
- Non Patient Related Income (1 outstanding action – see above for more detail)

**4. The Committee agreed that (in addition to any actions noted above):**

N/A

**5. The issues that need to be drawn to the attention of the Board are as follows:**

- The Audit and Governance Committee Annual Report for 2018/19 is enclosed (Appendix 1)
- The Committee will meet on 23<sup>rd</sup> May, before the Trust Board, to review the final Annual Report and Accounts, and consider the findings from the External Audit. A verbal update on the outcome will be reported to the Trust Board on 23<sup>rd</sup> May 2019

**Which Committees have reviewed the information prior to Board submission?**

- N/A

**Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>1</sup>**

Information and assurance

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

**AUDIT AND GOVERNANCE COMMITTEE – 9<sup>TH</sup> MAY 2019****5-15****APPROVAL OF THE AUDIT AND GOVERNANCE COMMITTEE ANNUAL REPORT FOR 2018/19****CHAIR OF AUDIT AND GOVERNANCE COMMITTEE / TRUST SECRETARY**

- The NHS Executive published an Audit Committee Handbook in 1995. The Department of Health (DH) then published revised versions in 2001 and 2005. The Healthcare Financial Management Association (HFMA) published further revisions in 2011, 2014 and 2018.
- The 1995 and 2001 versions of the Handbook regarded the production of an Annual Report of the activities of NHS Audit Committees as best practice. The 2005 version made this into a requirement, and set out the minimum content for such an Annual Report.
- The 2018 version emphasises this requirement (“...the audit committee should prepare an annual report to the governing body that sets out how the committee has discharged its responsibilities and met its terms of reference), and stated that the Report should summarise the committee's work during the year and (as a minimum), confirm that:
  - “The organisation's system of risk management is adequate in identifying risks and allowing the governing body to understand the appropriate management of those risks”
  - “The committee has reviewed and used the assurance framework and believes that it is fit for purpose and that the ‘comprehensiveness’ of the assurances and the reliability and integrity of the sources of assurance are sufficient to support the governing body's decisions and declarations”
  - “There are no outstanding areas of significant duplication or omission in the organisation's systems of governance that have come to the committee's attention”.
- The Handbook states that the Report should also highlight the main areas that the Committee has reviewed and any particular concerns or issues that it has addressed. These could include:
  - “The reliability and quality of the organisation's financial reporting systems that ‘sit’ behind the financial position reported to the governing body”
  - “Any significant issues that the committee has considered in relation to the financial statements”
  - “Any major break-down in internal control that has led to a significant loss in one form or another”
  - “Any major weakness in the governance systems that has exposed, or continues to expose the organisation to an unacceptable risk”
  - “The reliability and quality of clinical information systems and clinical auditing processes and the extent to which the governing body can take assurance from these”
  - “An assessment of the performance of the external auditor”
  - “The value (financial and non-financial) of any non-audit services provided by the external auditors”
- The Handbook expects the Report to be presented to the Board promptly after the financial year-end and before it considers the main Trust Annual Report and statutory declarations. As a result, the Committee's Annual Report should make a general reference to the Committee's role in these matters
- The Handbook also lists the following as best practice for Audit Committee Annual Reports:
  - “The report should not be long (three or four pages should be sufficient) and may be drafted by the committee's secretary under the direction of the committee's chair”
  - “The committee chair should take overall responsibility for the report's preparation and share drafts of the report with committee members”
  - “The final draft report should be shared with the internal and external auditors, to ensure that it is consistent with their understanding, and with any other regular attendees to the committee, such as the CFO. However, the report must be owned by the committee itself”
  - “The report should go to all members of the governing body in advance of the meeting to agree the annual report and accounts”
  - “If the report includes any significant issues, these should be discussed by the audit committee chair with the chair of the governing body prior to the report being presented to the full governing body”
  - “Rather than just focus on process and the number/type of assurances considered during the year, the report should seek to identify the outcome of the committee's work, its conclusions and actions taken”.
- The draft Annual Report from the Audit and Governance Committee for 2018/19 is therefore enclosed, for approval. The draft covers the minimum content outlined above.
- Once approved, the Report will be submitted to the Trust Board meeting scheduled for 23/05/19, at which the Board will be asked to approve the Trust's Annual Report and Accounts for 2018/19

**Reason for submission to the Audit and Governance Committee**

Review, comment and approval

## Audit and Governance Committee Annual Report 2018/19



### 1. Introduction

This report summarises the key work areas of the Audit and Governance Committee during the period from April 2018 to March 2019. The report supports the primary role of the Committee in ensuring the adequacy and effective operation of the organisation's overall internal control system. The format of the report is informed by the guidance contained with the NHS Audit Committee Handbook (2018), and highlights work and outcomes in the following areas: Meetings and administration; Governance, Risk Management and Internal Control; Internal Audit; External Audit, Audit and Governance Committee assessment; Auditor Panel; Adding value/'making a difference'; and Audit and Governance Committee statement/declaration.

### 2. Meetings and administration

During 2018/19, the Audit and Governance Committee met 5 times, on: 02/05/18, 24/05/18 (to recommend the approval of the Annual Accounts for 2017/18), 08/08/18, 10/12/18 and 14/03/19. The Committee was not required to meet as the Trust's 'Auditor Panel'<sup>1</sup> during 2018/19.

All of the Trust's Non-Executive Directors (apart from the Chair of the Trust Board) are members of the Committee. The membership of the Committee during 2018/19 was as follows:

- Steve Phoenix, Non-Executive Director (Chair, until he left the Trust Board on 31/12/18)
- Maureen Choong, Non-Executive Director (Acting Chair from 01/01/19)
- Sarah Dunnett, Non-Executive Director
- Neil Griffiths, Non-Executive Director (from 13/02/19)
- Nazeya Hussain, Non-Executive Director
- Tim Livett, Non-Executive Director (until he left the Trust Board on 28/02/19)

Attendance at each Audit and Governance Committee meeting in 2018/19 is shown below:

Member	Meetings in 2018/19				
	02/05/18	24/05/18	08/08/18	10/12/18	14/03/19
Steve Phoenix, Non-Executive Director	✓	✓	✓	✓	
Sarah Dunnett, Non-Executive Director	Apologies	✓	✓	Apologies	Apologies
Maureen Choong, Non-Executive Director	✓	✓	✓	✓	✓
Tim Livett, Non-Executive Director	Apologies	✓	✓	Apologies	
Nazeya Hussain, Non-Executive Director	-	Apologies	Apologies	-	✓ <sup>2</sup>
Neil Griffiths, Non-Executive Director					✓

The Committee's Terms of Reference were reviewed and agreed at the Committee meeting on 10/12/18, and approved by the Trust Board on 20/12/18. The Terms of Reference will next be reviewed at the November 2019 Audit and Governance Committee meeting (and then be submitted for approval to the Trust Board in the same month).

The Terms of Reference deliberately do not incorporate clinical audit processes, as this is left to the oversight of the Quality Committee and Trust Clinical Governance Committee.

<sup>1</sup> The Trust Board has appointed the Audit and Governance Committee as the Trust's Auditor Panel in accordance with Schedule 4, Paragraph 1 of the Local Audit and Accountability Act 2014.

<sup>2</sup> Joined the meeting by telephone for certain items

### **3. Governance, Risk Management and Internal Control**

#### **a. Board Assurance Framework (BAF) and Risk management**

The BAF is the document through which the Trust Board is apprised of the principal risks to the Trust meeting its objectives, and to the controls in place to manage those risks. The 2018/19 BAF was reviewed at the Committee meetings on 08/08/18, 10/12/18 and 14/03/19, whilst a year-end review report for the 2017/18 objectives was received at the meeting on 02/05/18. The Committee also received a summary of the status of the Trust's Risk Register at its meetings on 08/08/19, 10/12/18 and 14/03/19. The annual Internal Audit review of "Assurance Framework and Risk Management", undertaken at the end of 2018/19, gave an overall assessment of "Reasonable Assurance", and the report's "overall conclusion" included the statements that "The Trust has an appropriately approved and up to date Risk Management Policy and Procedure..."; "It was confirmed that there is an effective committee structure in place and that the BAF has been regularly presented to the Trust Board after review by the Audit and Governance Committee."; and "The Trust has clear risk management processes in place to support the identification and management of risks with red rated risks within the Trust Risk Register being reviewed by the Trust Management Team on a quarterly basis".

#### **b. Counter fraud**

The Committee has reviewed activity relating to counter fraud measures in 2018/19, via reports from the Local Counter Fraud Specialist (LCFS). The 2018/19 Counter Fraud Work Plan was approved at the meeting held on 26/02/18, whilst the Annual Report of Counter Fraud Activity for 2017/18 was received at the meeting on 02/05/18.

#### **c. Relationship with the Trust Board**

The reporting from the Committee to the Trust Board takes place via a written summary report of each meeting, presented by the Committee Chair. The report is based on a template, and covers the key matters considered at the meeting; details of the Internal Audit reviews that were discussed; any "high" priority outstanding actions from Internal Audit reviews; the actions agreed at the Committee; and any issues that need to be drawn to the attention of the Board.

#### **d. Head of Internal Audit Opinion (HoIA)**

The Head of Internal Audit Opinion for 2018/19 states that "My overall opinion is that reasonable 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 last sentence of the Opinion reflects the fact that two of the reviews undertaken by Internal Audit during 2018/19 (those relating to "Server Management" and "Salary Overpayments") resulted in a "limited assurance" conclusion. As is the case with all reviews with such a conclusion, the details have been considered at the Audit and Governance Committee and actions to address the weaknesses identified in controls are monitored as part of the routine reports that Internal Audit submit to the Committee.

#### **e. Governance Statement**

The Governance Statement for 2018/19 was reviewed at the Audit and Governance Committee on 09/05/19, as part of the draft Annual Report and Accounts for 2018/19.

Based on this, the detailed work of the Audit and Governance Committee summarised above, and its Internal and External Auditor work programme, the Governance Statement is consistent with the view of the Audit and Governance Committee on the Trust's system of Internal Control, and the Committee supports the Trust Board's approval of the Statement, which is scheduled to take place on 23/05/19.

#### 4. Internal Audit

The 2018/19 Internal Audit plan was agreed by the Audit and Governance Committee at its meeting on 26/02/18. The output from the plan is listed below.

<b>System reviewed</b>	<b>Type</b>	<b>Assurance assessment</b> (substantial, reasonable or limited?)
Readiness Assessment EU General Data Protection Regulations	Assurance	Reasonable Assurance.
Follow Up of Discharge Processes and Delayed Transfers of Care	Assurance	Reasonable Assurance.
Server Management	Assurance	Limited Assurance.
Aligned Incentives Contract (carried forward from 2017/18)	Advice and Assistance	-
Critical Financial Assurance - Payroll	Assurance	Reasonable Assurance.
Critical Financial Assurance - Salary Overpayments	Assurance	Limited Assurance.
Critical Financial Assurance - Financial Accounting and Non Pay Expenditure	Assurance	Reasonable Assurance
A&E Temporary Staffing Follow Up	Assurance	Reasonable Assurance.
Data Security and Protection Toolkit Part 1	N/A	-
Data Security and Protection Toolkit Part 2	Assurance	Substantial Assurance
Clinical Governance	Assurance	Reasonable Assurance.
Consultant Job Planning	Assurance	Reasonable Assurance.
Data Quality of Key Performance Indicators	Assurance	Reasonable Assurance.
Assurance Framework and Risk Management	Assurance	Reasonable Assurance
Recruitment Processes including Pre-Employment Checks	Assurance	Not yet available (draft report currently being produced)
Safeguarding Adults and Children	Assurance	Not yet available (draft report awaiting management agreement to finalise)
Learning from Never Events, Incidents and Complaints	Assurance	N/A - This review is being carried forward to the 2019/20 plan

In 2018/19, the Committee undertook a formal assessment of the performance of the Trust's Internal Auditors (Tiaa Ltd), and a report of the findings was considered at the Committee meeting held on 14/03/19. No significant issues or concerns were identified, but a response to the review/survey will be considered at the meeting on 09/05/19.

The Committee reviews the reliability and quality of clinical information systems via the Internal Audit process. In particular, as can be seen from the above table, the review of "Data Quality of Key Performance Indicators" resulted in a "Reasonable assurance" conclusion.

#### 5. External Audit

The Committee received the Annual Audit Letter for 2017/18 on 08/08/19. The key issues reported were as follows:

- An unqualified opinion on the Trust's financial statements was given on 25/05/18
- The accounts consolidation template provided to NHS England was concluded to be consistent with the audited financial statements
- The Auditors referred a matter to the Secretary of State, as required by section 30 of the Local Audit and Accountability Act 2014, on 25/05/18 because the Trust did not achieve its statutory duty to achieve a cumulative breakeven financial position over a three-year period

- The Auditors were satisfied that the Trust put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources except for the matter identified in respect of the Trust's financial position. This matter related to the fact that the Trust delivered an in-year deficit of £10.9 million, which brought the Trust's cumulative deficit to £58.27 million. This was in breach of the Trust's responsibility to deliver a cumulative breakeven over a three-year period. The Auditors therefore qualified their value for money conclusion in their audit report to the Trust on 25/05/18
- The Auditors certified that they completed the audit of the accounts of the Trust in accordance with the requirements of the Code of Audit Practice

The 'overall value for money conclusion' within the Letter was that "We are satisfied that, in all significant respects, except for the matter we identified in respect of the Trust's Financial Position, the Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2018."

The Auditors completed a review of the Trust's Quality Accounts and issued their report on 29/06/18, which confirmed an unqualified opinion on the Quality Accounts (and specifically that the Quality Accounts had been prepared, in all material respects, in line with the requirements of the Regulations; that the Quality Accounts were not materially inconsistent with the sources specified in the Guidance; that the commentary on indicators in the Quality Accounts was not inconsistent with the reported outcomes; and that testing of two indicators included in the Quality Account found no evidence that the two indicators were not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance)

The External Audit plan and fee for 2018/19 was approved by the Committee on 14/03/19.

In 2018/19, the Committee undertook a formal assessment of the performance of the Trust's External Auditors (Grant Thornton LLP), and a report of the findings was considered at the Committee meeting held on 14/03/19. No significant issues or concerns were identified, but a response to the review/survey will be considered at the meeting on 09/05/19.

## **6. Audit and Governance Committee assessment**

At the Audit and Governance Committee meeting on 10/12/18, the process for the Committee's self-evaluation was reconfirmed, which, as in 2017, would consist of:

1. Initial assessment, through the completion of a checklist of fact-based questions by the Trust Secretary and
2. Individual, evaluative feedback through completion of a self-assessment form by Committee members and routine attendees

A report of the findings of the evaluation was then considered at the Committee meeting on 14/03/19, and it was agreed that the Committee should review and approve an updated Internal Audit Charter in May 2019). It was also agreed in respect of statement 20 of the evaluation ("At the end of each meeting we discuss the outcomes and reflect on decisions made and what worked well, not so well etc.") that it would be beneficial to include an additional item at the end of each meeting agenda to evaluate the meeting. This will commence from May 2019.

It was further agreed to amend the next Committee evaluation to address instances where it was identified that a question in the self-assessment to be completed by Committee members (where a judgement was required) would be better placed in the checklist for completion by the Trust Secretary (where a factual answer was required).

## **7. Audit and Governance Committee statement / declaration**

The Audit and Governance Committee can confirm that:



- The Trust's Governance Statement for 2018/19 is consistent with the view of the Audit and Governance Committee on the Trust's system of internal control, and the Committee supports the Trust Board's approval of the Statement
- The Committee has reviewed and used the Board Assurance Framework and believes that it is fit for purpose and that the 'comprehensiveness' of the assurances and the reliability and integrity of the sources of assurance are sufficient to support the Trust Board's decisions and declarations
- The system of risk management in the Trust is adequate in identifying risks and allowing the Trust Board to understand the appropriate management of those risks
- There are no areas of significant duplication or omission in the systems of governance in the Trust that have come to the Committee's attention and not been adequately resolved
- There has been no major breakdown in internal control that has led to a significant loss in one form or another for 2018/19; and that
- There have been no major weakness in the governance systems that has exposed, or continues to expose, the Trust to an unacceptable risk

Maureen Choong,  
Acting Chair, Audit and Governance Committee  
Maidstone and Tunbridge Wells NHS Trust  
May 2019

## Trust Board meeting – May 2019

5-15	<b>Quality Committee 08/05/19: Approval of revised Terms of Reference (and ratification of proposed amendments to the Trust's committee structure)</b>	<b>Chair of Quality Committee</b>
	<p>Following discussions between the Chair and Vice-Chair of the Quality Committee, Deputy Medical Director, Trust Secretary and Executive Team Meeting (which includes the Chiefs of Service), it was agreed to take the opportunity to strengthen the consistency of governance by proposing to disestablish the Trust Clinical Governance Committee &amp; expand the role of the Quality Committee.</p> <p>The main intention of the expanded role is to enable the five clinical Divisions to report directly to the Quality Committee on quality-related matters (and have each Divisional Clinical Governance Committee be a sub-committee of the Quality Committee). However, as the Trust Clinical Governance Committee had a large number of sub-committees, its disestablishment also means that several forums are proposed to become sub-committees of the Quality Committee.</p> <p>The proposed arrangements will move the Quality Committee further away from having a pure assurance role (such as, for example, the Audit and Governance Committee has). However, the benefit arising (which include reducing duplication of reporting by Clinical Directorates and the increased devolution of responsibility for quality issues to the clinical Divisions) are considered to warrant the proposed changes.</p> <p>Whilst the proposed changes would affect the functioning of the 'main' Quality Committee significantly (as a report from each clinical Division would be submitted to each meeting, and many current Trust-wide reports – such as those on complaints and SIs – would likely no longer be received, as such information would be reported by each Division), no changes are proposed to the functioning of the Quality Committee 'deep dive' meeting.</p> <p>The proposals will also have significant implications for the Clinical Divisions, as each Divisional Clinical Governance Committee will need to ensure it provides adequate oversight of clinical governance in its own Division as well as of the Trust-wide forums that have been allocated as its sub-committees. The reports from Divisions to the 'main' Quality Committee will therefore need to provide the appropriate level of assurance (including confirmation that no issues requiring escalation have emerged from those Trust-wide forums).</p> <p>The Quality Committees revised Terms of Reference, which reflect the changes, are enclosed (with the proposed changes shown as 'tracked'). A structure chart showing the proposed new committee arrangements is at Appendix 1, whilst the current committee structure is at Appendix 2.</p> <p>The Quality Committee considered the proposals at its meeting on 08/05/19 and agreed to the changes as submitted. The Trust Board is therefore asked to approve the amendments to the Terms of Reference, and ratify the resulting amendments to the Trust's committee structure (which is an appendix to the Standing Orders, which the Trust Board reviews and ratifies each year). If approved, the changes to the Quality Committee will be enacted immediately (and the 'main' Quality Committee in July 2019 will be the first 'main' meeting held under the new format).</p> <p>If the changes are approved, the Terms of Reference for the Trust Management Executive/TME (the current parent committee of the Trust Clinical Governance Committee) will also need to be amended (as would the Terms of Reference of the Divisional Clinical Governance Committees).</p>	
	<b>Which Committees have reviewed the information prior to Board submission?</b> <ul style="list-style-type: none"> <li>Quality Committee, 08/05/19</li> </ul>	
	<b>Reason for submission to the Board (decision, discussion, information, assurance etc.)<sup>1</sup></b> <p>Approval of the revised Terms of Reference for the Quality Committee, and ratification of the proposed amendments to the Trust's committee structure</p>	

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

## QUALITY COMMITTEE - TERMS OF REFERENCE

### 1. Purpose

The Quality Committee is constituted at the request of the Trust Board to:

- a) seek and obtain assurance on the effectiveness of the Trust's structures, systems and processes to enable delivery of the Trust's objectives relating to quality of care;
- a)b) Oversee quality within the clinical divisions

### 2. Membership

- Non-Executive Director or Associate Non-Executive Director (Chair)\*
- Non-Executive Director or Associate Non-Executive Director (Vice Chair)\*
- 1 other Non-Executive Director or Associate Non-Executive Director\*
- Chief Operating Officer\*
- Chief Nurse\*
- Medical Director\*
- Deputy Medical Director\*
- Director of Infection Prevention & Control (if not represented via a ~~Clinical Director~~ other role within the membership)
- Associate Director, Quality Governance\*
- ~~Clinical Directorate representation – Clinical Director (CD) or designated deputy (General Manager (GM) or Matron)~~ The Chiefs of Service for the five clinical divisions
- The Divisional Directors of Nursing & Quality (DDNQs) for the five clinical divisions

\* Denotes those who constitute the membership of the 'deep dive' meeting (see below)

Members are expected to attend all relevant meetings, but will be required to attend at least ~~four~~<sup>4</sup> of the 'main' Quality Committee meetings (those who are also members of the 'deep dive' meeting will be required to attend at least ~~three~~<sup>3</sup> such meetings). Failure of a committee member to meet this obligation will be referred to the Chair of the Quality Committee for action.

### 3. Quorum

The 'main' meeting of the Committee will be quorate when the following members are present:

- ~~The Chair or Vice Chair of the Quality Committee~~ or one other Non-Executive Director or Associate Non-Executive Director<sup>2</sup>
- ~~1 other Non-Executive Director or Associate Non-Executive Director<sup>3</sup>~~
- ~~Two~~<sup>2</sup> members of the Executive Team
- ~~Three 7-cClinical dDivisional Directorate rRepresentatives (i.e. CD, Matron or GM either the Chief of Service, DDNQ or an appropriate deputy for either)~~

The 'deep dive' meeting (see below) will be quorate when the following members are present:

- The Chair or Vice Chair of the Quality Committee or one other Non-Executive Director or Associate Non-Executive Director<sup>1</sup>
- ~~1 other Non-Executive Director or Associate Non-Executive Director<sup>4</sup>~~
- ~~Two~~<sup>2</sup> members of the Executive Team

### 4. Attendance

The following are invited to attend each 'main' meeting

- Representatives from Internal Audit
- ~~The Complaints & PALS Manager~~
- ~~The Risk and Compliance Manager~~

<sup>2</sup> For the purposes of quorum, the Chair of the Trust Board will be regarded as a Non-Executive Director

<sup>3</sup> For the purposes of quorum, the Chair of the Trust Board will be regarded as a Non-Executive Director

- The Chief Nurse from West Kent Clinical Commissioning Group (CCG) (or an appropriate Deputy ~~Chief Nurse~~ in their absence)

Other staff may be invited to attend, as required, to meet the Committee's purpose and duties.

All other Non-Executive Directors (including the Chair of the Trust Board), Associate Non-Executive Directors, and members of the Executive Team (i.e. apart from those listed in the "Membership") will be ~~are~~ invited to attend all meetings of the Committee.

## 5. Frequency of Meetings

Meeting will be generally held every month, but will operate under two different formats. The meeting held on alternate months will be a 'deep dive' meeting, which will enable detailed scrutiny of a small number of issues/subjects. For clarity, the other meeting will be referred to as the 'main' Quality Committee.

Additional meetings will be scheduled as necessary at the request of the Chair.

## 6. Duties

- 6.1 To seek and obtain assurance on all aspects of the quality of care across the Trust, and if not assured, to oversee the appropriate action or escalate relevant issues to the Trust Board, for consideration
- ~~6.2 To oversee all aspects of quality within the clinical divisions, and to obtain assurance that an appropriate response is given~~
- ~~6.26.3~~ To seek and obtain assurance on the mitigations for significant risks relating to quality
- ~~6.3 To monitor the effectiveness of quality systems at a Corporate and Directorate level, and to seek and obtain assurance that appropriate actions are taken~~
- ~~6.4 To seek and obtain assurance that Directorates are identifying and managing their own quality issues effectively~~
- ~~6.56.4~~ To seek and obtain assurance that the Trust Risk Management Policy is implemented consistently across the Trust, in relation to quality issues
- ~~6.66.5~~ To seek and obtain assurance on compliance with the implementation of relevant policies, procedures and clinical guidance
- ~~6.76.6~~ To receive details of the learning arising from ~~about~~ complaints, claims, ~~and~~ inquests, and Serious Incidents (SIs) and the Trust's response
- ~~6.8 To receive details of Serious Incidents (SIs), and the Trust's response~~
- ~~6.96.7~~ To seek and obtain assurance on the Trust's compliance with the Fundamental Standards (as defined by the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, and reflected in the Care Quality Commission's 5 domains)
- ~~6.10 To seek and obtain assurance on the appropriateness of action taken in response to specific adverse circumstances (e.g. outbreaks of infection)~~

## 7. Parent committees and reporting procedure

The Quality Committee is a sub-committee of the Trust Board. The Committee Chair will report activities to the next Trust Board meeting following each Quality Committee meeting.

Any relevant feedback and/or information from the Trust Board will be reported by Executive and Non-Executive (including or Associate Non-Executive Directors) members to each meeting of the Committee, as deemed required by the Committee Chair ~~by exception~~.

The Committee's relationship with the Trust Clinical Governance and Patient Experience Committees is covered separately, below.

## 8. Sub-committees and reporting procedure

The Committee has ~~the following~~ sub-committees.

1. The Cancer Services Divisional Clinical Governance Committee
2. The Diagnostics & Clinical Support Divisional Clinical Governance Committee
3. The Medicine & Emergency Care Divisional Clinical Governance Committee
4. The Surgery Divisional Clinical Governance Committee
5. The Women's, Children's & Sexual Health Divisional Clinical Governance Committee
6. The Complaints, Legal, Incidents, PALS, Audit (CLIPA) group
7. The Infection Prevention and Control Committee
8. The Learning and Improvement (SI) Panel
9. The Safeguarding Adults Committee
10. The Safeguarding Children Committee

A report from the Clinical Governance Committees of the five clinical divisions will be submitted to each 'main' Quality Committee meeting, using a format approved by the Chair of the Quality Committee.

Unless specifically requested by the Quality Committee, the Chair of the Learning and Improvement (SI) Panel will only report SI-related issues to the 'main' Quality Committee by exception (as such issues would be included within the reports the Clinical Governance Committees of the five clinical divisions.

The minutes of each Infection Prevention and Control Committee meeting will be submitted to the next 'main' Quality Committee meeting.

The Quality Committee may ~~however~~ establish fixed-term 'Task & Finish' Groups to assist it in meeting its duties as it, or the Trust Board, sees fit.

## ~~9. Trust Clinical Governance Committee~~

~~The Trust Clinical Governance Committee will provide regular reports to the Quality Committee, which will include details of the activities of the Trust Clinical Governance Committee, and the status of any issues related to the Quality Committee's duties.~~

~~The Quality Committee may also commission the Trust Clinical Governance Committee to review a particular subject, and provide a report.~~

## 10. Patient Experience Committee

The Quality Committee may commission the Patient Experience Committee to review a particular subject, and provide a report. Similarly, the Patient Experience Committee may request that the Quality Committee undertake a review of a particular subject, and provide a report.

The Patient Experience Committee should also receive a summary report of the work undertaken by the Quality Committee, for information/assurance (and to help prevent any unnecessary duplication of work). The summary report submitted from the Quality Committee to the Trust Board should be used for the purpose. Similarly, a summary report of the Patient Experience Committee will be submitted to the Quality Committee (the summary report submitted from the Patient Experience Committee to the Trust Board should be used for the purpose).

## 11. Administration

The minutes of the Committee will be formally recorded and presented to the following meeting for agreement and the review of actions

The Trust Secretary will ensure that each committee is given appropriate administrative support and will liaise with the Committee Chair on:

- The Committee's ~~f~~Forward ~~p~~Programme, setting out the dates of key meetings & agenda items
- The meeting agenda
- The meeting minutes and the action log

## 12. Emergency powers and urgent decisions

The powers and authority of the Quality Committee may, when an urgent decision is required between meetings, be exercised by the Chair of the Committee, after having consulted at least ~~two 2 members~~ of the ~~Committee's members~~Executive Team. The exercise of such powers by the Committee Chair shall be reported to the next meeting of the Quality Committee, for formal ratification.

## 13. Review of Terms of Reference

These Terms of Reference will be agreed by the Quality Committee and approved by the Trust Board. They will be reviewed annually or sooner if there is a significant change in the arrangements.

- 
- Agreed by Quality and Safety Committee: 13 March 2013
  - Approved by the Board: March 2013
  - Agreed by the Quality & Safety Committee 'deep dive' meeting: 25<sup>th</sup> April 2014
  - Terms of Reference (amended) agreed by the Quality & Safety Committee: 9<sup>th</sup> May 2014
  - Approved by the Board: May 2014
  - Terms of Reference (amended) agreed by the Quality & Safety Committee: 21<sup>st</sup> January 2015 (to remove reference to the Health & Safety Committee, which is a sub-committee of the Trust Management Executive)
  - Revised Terms of Reference agreed by the Quality & Safety Committee, 13<sup>th</sup> May 2015
  - Revised Terms of Reference approved by the Trust Board, 27<sup>th</sup> May 2015
  - Revised Terms of Reference agreed by the Quality Committee, 6<sup>th</sup> January 2016
  - Revised Terms of Reference approved by the Trust Board, 27<sup>th</sup> January 2016
  - Revised Terms of Reference agreed by the Quality Committee, 11<sup>th</sup> January 2017
  - Revised Terms of Reference approved by the Trust Board, 25<sup>th</sup> January 2017
  - Terms of Reference approved by Trust Board, 18<sup>th</sup> October 2017 (to add Associate Non-Executive Directors to the membership)
  - Revised Terms of Reference agreed by the Quality Committee, 10<sup>th</sup> January 2018
  - Revised Terms of Reference approved by Trust Board, 25<sup>th</sup> January 2018
  - Revised Terms of Reference agreed by the Quality Committee, 8<sup>th</sup> May 2019
  - Revised Terms of Reference approved by Trust Board, 23<sup>rd</sup> May 2019



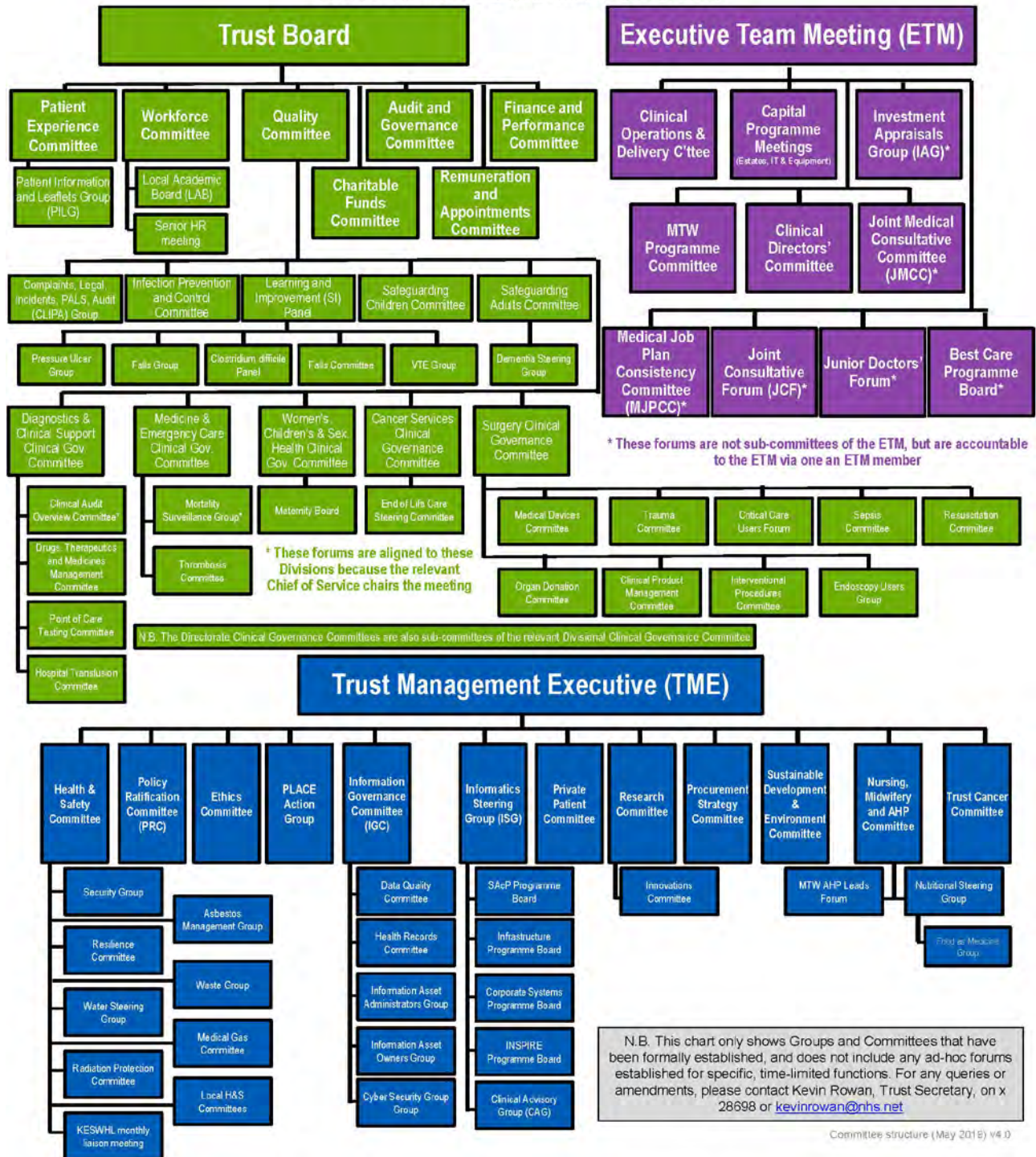
Appendix 1: Trust Committee Structure chart if the proposed changes are approved



# Trust Committee structure

The Trust conducts its formal business through a central 'spine' of three forums:

1. The **Trust Board**
  2. The **Executive Team Meeting (ETM)** and
  3. The **Trust Management Executive (TME)**
- All other forums are accountable to one of these





## Appendix 2: Current Trust Committee Structure chart

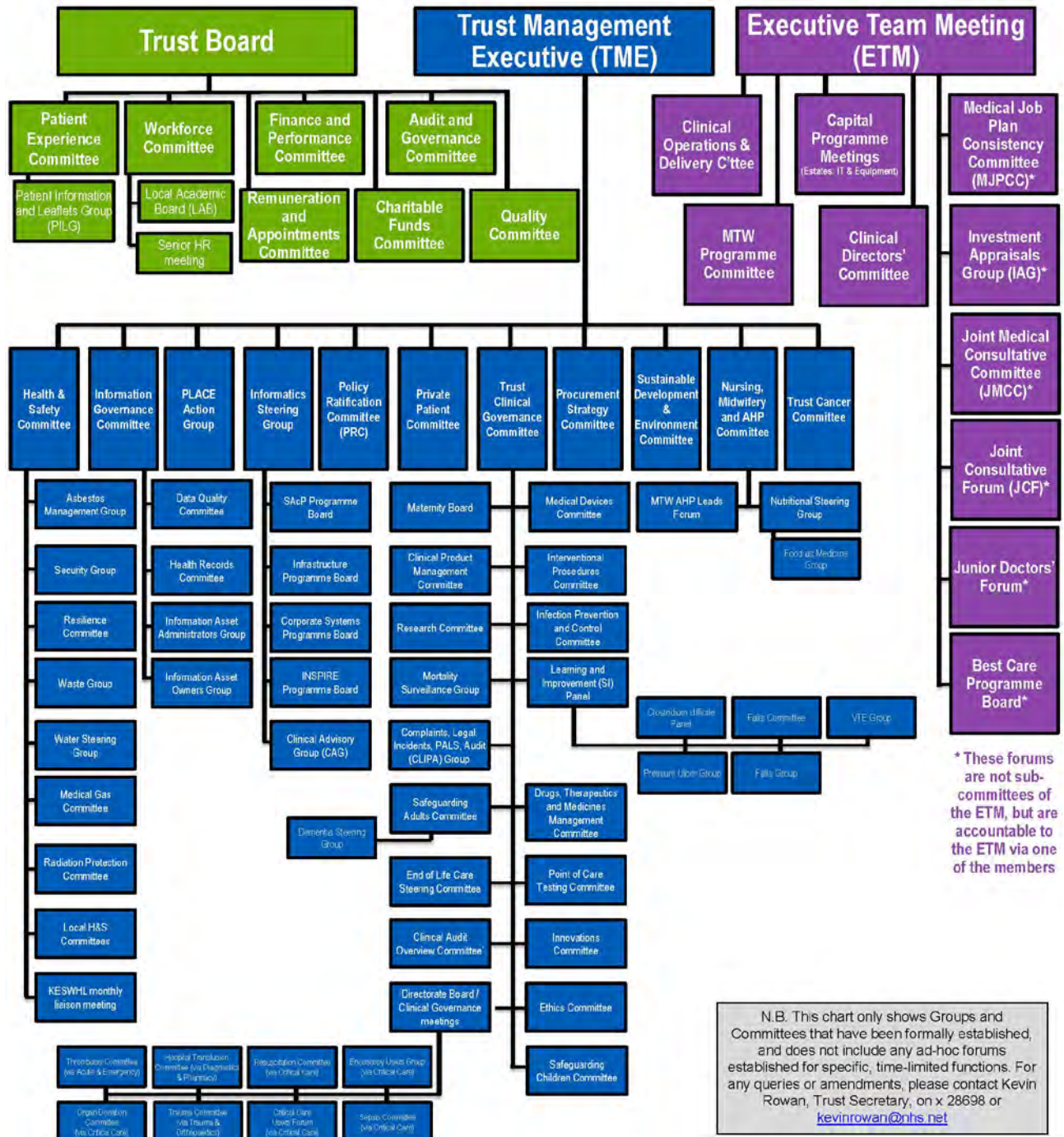


# Trust Committee structure

The Trust conducts its formal business through a central 'spine' of three forums:

1. The **Trust Board**
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3. The **Executive Team Meeting (ETM)**

All other forums are accountable to one of these



Committee structure (November 2018) v3.1



## Trust Board meeting – May 2019



5-16	Finance and Performance Committee, 21/05/19: Quarterly progress update on Procurement Transformation Plan	Chief Finance Officer
<p>The Procurement Transformation Plan (PTP) was originally approved by the Trust Board on the 19<sup>th</sup> October 2016 and then submitted to NHSI by the 31<sup>st</sup> October, which was the deadline for Board approved submissions. It was a requirement that every trust should have a PTP. The PTP is a document which outlines the procurement function within the trust and the key actions and activity within the trust to deliver the Lord Carter targets set within the document.</p> <p>Each PTP must have an action plan at the end of the report and it is the expectation that PTPs are agreed, and signed off, by the Trust Board. PTP guidance from NHS Improvement states that “Trusts will be asked to provide regular progress updates on their PTPs to their Trust’s Board and NHS Improvement. These will take place quarterly and a template will be produced and shared this autumn to support with this process.</p> <p>The enclosed quarterly report sets out the latest performance against the updated Maidstone and Tunbridge Wells NHS Trust PTP including the revised Carter metrics. NHSI have indicated these metrics are likely to change within the year but this will be in consultation with NHS Heads of Procurement.</p>		
<p><b>Which Committees have reviewed the information prior to Board submission?</b></p> <ul style="list-style-type: none"> <li>Finance and Performance Committee, 21/05/19</li> </ul>		
<p><b>Reason for submission to the Board (decision, discussion, information, assurance etc.) <sup>1</sup></b></p> <p>Assurance</p>		

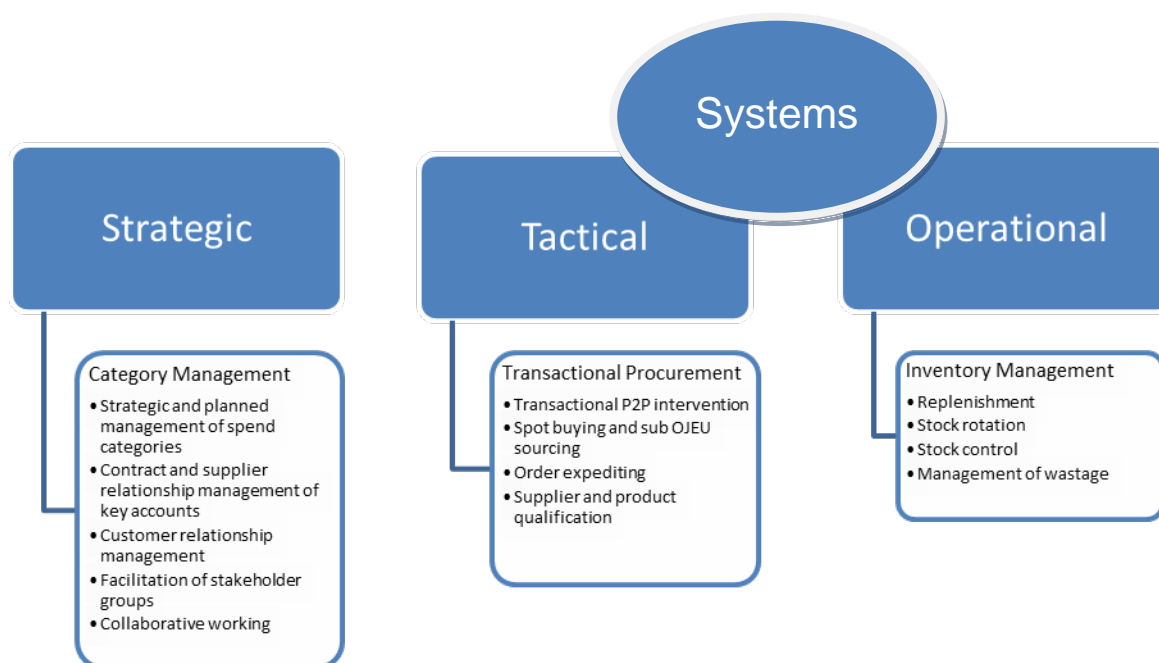
<sup>1</sup> All information received by the Board should pass at least one of the tests from ‘The Intelligent Board’ & ‘Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients’: the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors’ understanding of the Trust & its performance

## 1. INTRODUCTION

- 1.1 The Procurement Transformation Plan (PTP) was originally approved by the Trust Board on the 19<sup>th</sup> October 2016. A refreshed PTP was submitted to NHSI on 11<sup>th</sup> May 2018 in line with the most current requirements.
- 1.2 The PTP guidance from NHSI states that “Trusts will be asked to provide regular progress updates on their PTPs to their Trust’s board and NHS Improvement. These will take place quarterly.”
- 1.3 In January 2018, NHSI issued an amended set of procurement model hospital metrics. The model hospital has been updated with some of the new procurement metrics. This report reviews the latest quarterly performance against these metrics.

## 2. SUMMARY

- 2.1 Maidstone and Tunbridge Wells NHS Trust procurement team has been through a three year transformation programme. This programme was implemented as the Trust recognised the importance of the procurement function and the need to invest in this area. The business case for the transformation identified savings of £5million to be delivered in 3 years. The team delivered over £7million in the first three years thereby indicating the success of the transformation programme. The procurement team is now an integral part of every divisional CIP programme and expects to attend all CIP meetings and be involved in any new initiatives to ensure procurement are part of the planning to take forward new activity.
- 2.2 Maidstone and Tunbridge Wells NHS Trust (MTW) procurement team covers three key areas of procurement.



### Strategic

- 2.3 Strategic procurement is a category management procurement function. The team covers all non-pay expenditure except for Pharmacy & Agency.

This team is focused on internal stakeholder relationship management; ensuring active and positive engagement throughout the procurement cycle all the way through to contract management stage. The team also covers external supplier management through the splitting of spend into discrete portfolios of categories. This allows a specialist focus on categories to

focus on value and total cost of ownership rather than exclusively price down savings initiatives.

### **Tactical**

- 2.4 This is the more recognisable “purchasing” function managing purchase transactions with suppliers, unplanned sourcing activity and sub-OJEU or “tail” spend not managed through the strategic category management function. The team is also focused on catalogue management to ensure compliance with the Trust policy of No PO No Pay.

### **Operational**

- 2.5 This function is more recognisable as the inventory management function responsible for the replenishment and distribution of goods throughout the organisation. This team is currently responsible for the Trust Omnicell inventory management system. They link with supplier change to identify product switches which support the Trust position on quality cost effective products.

### **Systems**

- 2.6 This sits across the Tactical & Operational teams and covers the technology and manpower resource required to run and maintain the systems needed to drive efficient work practices which include Integra, Omnicell and GHX.

## **3. NEXT STEPS**

- 3.1 **Strategic** – The Trust 2018/19 CIP target was £4.2million. The team identified the areas where these savings could be delivered by the end of March 2019, including £2.2million of roll-over savings that commenced in 2017/18. There was also a Kent & Medway STP work programme under the Productivity work-stream which was targeted to deliver £1m full year savings. This programme has been slow to get up to speed and has now been disbanded. The service has been re-branded as a support function to the other STP workstreams. Therefore the onus for delivering this number has fallen back on the internal team and is no longer expected to be delivered through the STP work stream. A full procurement work programme is monitored by the MTW Best Use of Resources Board, chaired by the Finance Director, on a monthly basis.

At year end we delivered £3.9m of in year savings. These delivered projects also represent a carry-over of £0.87m into 2019/20. As stated the STP savings have not materialised as expected and so the £1m projection has been added to the internal plan. Therefore the internal team has delivered £700k above the original target.

We have submitted a plan for 2019/20 which represents £2.9m of in-year savings which, with the additional £0.87m of carry-over gives a total plan of £3.77m.

- 3.2 **Tactical** – The team have implemented a full P2P system integrated with the finance system Integra2. This has the capacity to provide a full pathway from orders placed on the system, to the receipting of goods, invoicing and payment of the goods. This supports the work within the Trust on electronic purchase orders and catalogue management and we are working with our Catalogue Management provider to establish better catalogue pricing control and e-invoicing where possible with the ultimate aim of implementing a fully electronic PTP process. The system is now embedded so we will be looking at maximising its additional functionality and controls to drive quality data and opportunities.
- 3.3 **Operational** – The Trust has implemented an inventory management system, Omnicell within the high cost product areas such as Cardiac Cath Labs, Elective Theatres, Ophthalmology and Short Stay Theatres. This is currently a mixed model of an open system (bar-code scanning) and closed system (automated cabinets).
- 3.4 **Systems** - The Omnicell system has enabled the Trust to monitor stock levels and identify the maximum and minimum stock levels to be held in each area. It also allows tracking of stock issued to patient level. A high level review of the way we use this system has been undertaken.

This has identified that we are not realising the full benefits of an automated inventory management system. Discussions are underway with the service provider to undertake an audit of how we are utilising the system. This will identify any existing functionality that we are not currently using, and make a recommendation of additional options (such as RFID tagging) which would improve the functionality and control. We currently have circa £60k of credit with Omnicell so it is hoped that we will be able to cover any improvements from this fund. We have already undertaken a small restructure of roles in the department and have therefore been able to employ a dedicated Omnicell manager with effect from March 2019. A review of how Omnicell was being utilised in Theatres at MGH has been undertaken in conjunction with the Theatre Manager. This project had the effect of reducing theatres' spend against budget by more than £100k. We will now be looking to replicate this work in all Omnicell areas (with the caveat that it does require the full support of the Theatre team to be effective).

#### 4. TRUST PROCUREMENT PERFORMANCE (RAG rating against updated Carter targets)

MEASURES		PERFORMANCE		COMMENTARY (INCLUDING WHAT HAS BEEN IMPLEMENTED SINCE SUBMISSION OF ORIGINAL PTP AND CONSIDERATION AS TO WHAT SUPPORT IS REQUIRED)
		CARTER TARGET	CURRENT	
1	Monthly cost of clinical and general supplier per 'WAU'	<b>WAU (£350)</b>	<b>£304</b>	The Trust has seen continual increase in activity year on year. Fixed costs have been stretched to minimise the increase of costs and sustain a low WAU.
2	Total % purchase order lines through a catalogue	<b>80%</b>	<b>95.4%</b>	The Trust has fully implemented an electronic P2P system integrated with finance. This includes a catalogue which enables end user ordering. Focus will now be given to how we can convert non PO spend and bring areas outside of Integra on board (such as Estates)
3a	% of invoice value matched to an electronic purchase order	<b>90%</b>	<b>97.9%</b>	The Trust has a strict no PO no Pay policy. There is also a PO exemption list that is authorised within the Trust SFIs. This includes some services from other NHS organisations.
3b	% by count of invoices matched to an electronically generated purchase order	<b>90%</b>	<b>92.9%</b>	
4	% of spend on a contract	<b>90%</b>	<b>Not yet reported</b>	A review of how we record Contracted and Quoted spend through Integra will allow us to start measuring and reporting on this metric.

MEASURES		PERFORMANCE		COMMENTARY (INCLUDING WHAT HAS BEEN IMPLEMENTED SINCE SUBMISSION OF ORIGINAL PTP AND CONSIDERATION AS TO WHAT SUPPORT IS REQUIRED)
		CARTER TARGET	CURRENT	
5	Inventory Stock Turns	NA	71 Days	This number is in line with the previous quarter, but is still too high (our aim is to get down to 45 days). The expectation is that the new Omnicell Manager role will now create the time to focus on reducing this number.
6	NHS Standards Self-Assessment Score (average total score out of max 3)			Level 1 standard assessment was completed in December 2017. MTW have now received formal ratification of the assessment.
7	Purchase Price Benchmarking Tool Performance - % variance to median	2.2%	2.1%	This metric was previously reported as a £ figure, but is now reported as a % variance to median price within Model Hospital so this has been amended to align with the national metric.

## 5. Procurement Transformation Plan - Summary

### 1) People & Organisation :

#### People & Organisation

The team have undergone a transformation programme which structured the teams based on the three areas outlined within the executive summary. One post within the team has now been transformed into a development role and recruited to. The Apprenticeship scheme was not appropriate for this. A further operational role has been converted into an inventory systems manager role to support the improvement of Omnicell.

MTW has approached the local Christchurch Canterbury University and is now part of their graduate scheme where purchasing and supplies is one of the areas of study within the university. This is all part of the team succession planning and development as historically the team have struggled to fill posts within category management. We have received a work placement student through this scheme in the summer holiday period for the past 2 years, but in 2019/20 we will have 1 member of the Operational team off long term sick for at least 2 months and another on maternity leave for the year. Therefore the funding for this placement will unfortunately have to go towards Bank cover for the year. We do however intend to continue with the placement scheme when these pressures have subsided.

Continued development of the team is important and a training matrix has been developed identifying training for each member of the team and how this links to their procurement role. There is also a link to the procurement skills network and sharing learning through peers across the region. All members of the team have been offered the opportunity to study for their Level 4 CIPS through the Apprenticeship scheme. Three members of the team are currently studying for it. We will continue to offer this opportunity and will actively encourage staff members to develop via this route.

The Head of Category Management role has now been appointed to and the successful candidate started in the role on 1<sup>st</sup> February 2019. This has already seen an improvement in structured working and a skills assessment of the current Category Management team.

**Next steps** – There have been a number of internal changes to the team which is being driven

by a clear desire to learn & develop better procurement skills. Whilst attendance on free-to-access procurement day-courses and the availability of the CIPS Level 4 qualification through the Apprenticeship scheme is useful, we have now started internal team development sessions to provide practical & bespoke support in areas such as strategy, specification development, key performance indicators, contract writing & contract management.

Following a year of staffing issues, the Inventory Management team now has a full complement of staff and is running smoothly which should allow us to improve the focus on resolving the Omnicell process issues.

With the National Category Towers going fully live on 1<sup>st</sup> April 2019, the need to repurpose some of the Category Management team may arise to avoid duplication. The team will need to put greater focus on developing alternative strategies for more efficient delivery of healthcare and better Contract Management. A skills assessment is being undertaken and we may require a further review of the department structure to meet the Trusts needs going forward.

<b>Measures Implemented (200 words max)</b>	<p>All staff appraisals identify training needs and KPIs monitored on numbers of staff qualified. Three members of staff undertaking current CIPS training.</p> <p>Category management monitors the savings against monthly targets which have been built into the team's appraisals as objectives.</p> <p>A development role has been created for 2018/19. This post will be trained in Systems, Operations and Category Management for succession planning.</p> <p>Bespoke internal training has started.</p> <p>The Operational &amp; Tactical team have commenced a project to improve automation of catalogue management and pave the way for true P2P invoicing.</p>
<b>Impediments and support (200 words max)</b>	<p>The Category Management team require upskilling, or modernising their knowledge base, particularly around commercial awareness &amp; contract management, in order to meet the current challenges. Internal training run by ADoP &amp; HoCM has now started.</p> <p>The Procurement team does not have an extensive training budget so identifying ways to access the Apprenticeship funding is key. We will continue to access free of charge PSD training when appropriate and introduce regular bespoke in-house training to support specific development needs.</p> <p>Temporary resource maybe required to undertake reviews of all Omnicell areas in order to maximise the benefits.</p>

## 2) Processes, Policies & Systems :

The Procurement Strategy has been reviewed in November 2018. The strategy had been amended to take into consideration the impact of the significant changes to national policy and approach since it was agreed, and the effect on the regional STP and aligning the Trust objectives to support the changes in the national landscape.

### Processes & Policies

Work is underway to improve the way we manage contracts and pricing through the catalogue which will have a direct impact on our ability to police the Trust's no PO no Pay policy. These improvements are focused on ensuring that any request for goods and services has followed the full trust processes and there is a clear audit trail of activity. It also ensures we have more complete usage data which in turn enables us to make better purchasing decisions.



MTW are key members of the Kent STP (along with Medway FT, Darenth Valley & East Kent FT, and the Community and Mental Health Trusts). The Productivity workstream for the STP has now been revised to a support function of the other workstreams rather than a workstream in itself. The Medway FT Head of Procurement has stepped down from leading on this and as yet no replacement has been appointed. The STP HOP's are therefore taking it in turns to chair monthly meetings. The collaboration has had a number of challenges around resource and skill set, whilst East Kent's transition to a wholly owned subsidiary company has seen them become more distant from the group. The £1m savings target originally attributed to the STP workstreams for MTW has had to be brought back in-house for this financial year and there are no plans to include a STP specific savings number in our 2019/20 plans.

NHSSC have been approached to undertake the analysis on behalf of the STP to identify quick wins through commonality of product that could generate better pricing in the short term when our volumes are aggregated, or changes in supply route. However, East Kent have failed to provide written authorisation for their data to be analysed and shared and as such NHSSC are not prepared to undertake the work.

The national "Future Operating Model" goes fully live with its 'Buy Price = Sell Price' model on 1<sup>st</sup> April 2019. The Impact Statement from SCCL has identified £1.2m of Revenue savings for the Trust, but we will have our income top-sliced by £1.3m. They also project a Capital saving (based on our historical purchases) of a further £300k, so a net benefit to the Trust of £200k

## Systems

The implementation of the Inventory management system (Omnicell) and the integrated procurement and finance system (Integra) has given the Trust the facility to get real time stock usage information. Work is being developed on how to utilise Omnicell more effectively to provide procedure level data to understand the cost of each patient and procedure variance. This also introduces disciplines that will be essential when Scan4Safety is implemented in the Trust.

Omnicell also allows us to report on our stock rotation efficiency by recording how many days of stock we hold on the shelves at any one time. This is a key metric of the model hospital that identifies areas in which we can remove waste. It is also a strong indicator of how effective our inventory management system is. Real time stock levels allow more accurate management of stock and comparison of usage across the departments.

The three-way match process flow built into Integra [Requisition, Authorise, Receipt] gives us the ability to auto-match our invoices against the orders to ensure we are paying the correct price and for the correct goods. However, this process is not currently functioning to its full capability and is requiring manual intervention and review to resolve invoice mismatches. A review of the whole Purchase to Pay process with Accounts Payable has therefore been established which will include the inputs from purchasing (price control), finance (invoice processing) & estates (receipting).

A review of how we can automate the management of our catalogues utilising GHX which in turn will facilitate true P2P e-invoicing has now commenced.

The Purchase Price Index and Benchmarking (PPIB) report is run each month which identifies the opportunities for the Trust. This is reviewed against the Trusts who are performing well in those areas. This validation process allows the buyers to focus on "quick win" opportunities and also opportunities for the category managers to include within their tenders. This work also identifies potential STP opportunities to be taken forward. Whilst this is a useful tool for like for like benchmarking of catalogue items, the Trust has also recently invested in an 'intelligent' analytical tool called Procurement Dashboard. This takes all of our spend data (not just that on PO) and reports opportunities for product switches. It also benchmarks the cost of services against our peers.

<b>Measures Implemented (200 words max)</b>	<p>A Finance Improvement Project on the P2P process has started which will incorporate improvements in the use of Integra2.</p> <p>A review of how we manage catalogues and invoices has been undertaken with GHX. We believe there is an opportunity to re-configure the way we utilise this service which will remove significant manual input for both Procurement &amp; Finance.</p> <p>A high level review of the Inventory Management system has been undertaken which has identified a number of historical set-up issues which need resolving and some work required on the governance of its use.</p> <p>The Procurement Dashboard tool has been purchased and a project is underway to undertake Contract Management discussions with our top 50 suppliers.</p>
<b>Impediments and support (200 words max)</b>	<p>A full review of the P2P process spans 3 departments. It should be possible to identify the points of the process that require improvement, but it may not be so easy to agree responsibility for resolving the issues. This has been recorded as a project with the Finance Improvement Plan but as yet we have not been able to fully engage with AP.</p>

### 3) Partnerships :

#### Partnerships - Collaboration

Maidstone and Tunbridge wells NHS Trust is part of the Kent and Medway Sustainability transformation programme (STP) footprint. Part of the STP identifies the need for procurement across the region to work closer together and where possible identify resources that can be shared to achieve best value in the market.

The STP has explored and tested an outsourced and in-house solution for a shared service transactional procurement team, but this has now been rejected.

The SE regionals Heads of Procurement from Medway Foundation Trust, Dartford and Gravesham NHS Trust, East Kent Hospitals University NHS Foundation Trust, Kent Community Foundation Trust and Medway Community Healthcare, and Kent & Medway Social Care Partnership Trust have sought to work together as a region. East Kent have had to step back from engaging with the STP as it has focussed on setting up its arms-length wholly owned subsidiary which includes the Procurement service. The other Heads of Procurement meet every month to discuss opportunities for collaboration and have shared their procurement work plans.

The Heads of Procurement have shared the contacts across the region as well as identifying the skills of each of their staff, to outline what skills are available within the region. This has been instrumental for longer term discussions on how we work more closely together as there is significant skill shortage in procurement and specifically in the South East (SE) there is difficulty in attracting staff out of London.

Projects have failed to get off the ground due to lack of resource and the internal pressures that have impacted East Kent and at different times each of the Trusts. The drive towards national pricing predominantly on clinical products now means that the focus of the STP will need to switch towards the benefits of shared services rather than leveraging aggregated volume on common products.



<p><b>Next Steps</b></p> <p>MFT, MTW, DGT, KMPT &amp; MCH have committed to move projects forward without EKHUHT if they are unable to commit, whilst SCCL will identify quick wins across the whole STP in the short term and any areas where aggregated volume can still drive better pricing (such as Orthopaedics and Cardiology).</p> <p>A number of areas that may benefit from a shared services model have been drawn up and these will be scoped further in the forthcoming HOP's meetings.</p> <p>The Future Operating Model is now live and we are taking steps to collaborate with the new towers on all new projects.</p>	
<p><b>Measures Implemented (200 words max)</b></p>	<p>The Trust led an STP tender for Orthopaedics. This was a key success for two of the Trusts and achieved savings in excess of £1million across the two Trusts. This tender has supported joint working and joint contract management meetings with the supplier. The model of this tender will support the STP going forward on how best to work together. The contract is due to renewal in 2020 and discussions are underway to see if there will be any benefits in East Kent joining us for a re-tender.</p> <p>The Trust is leading on STP projects for IT Hardware and Pathology Send Away Tests.</p> <p>The Trust led on the procurement for the Kent-wide HSCN network which delivered a 60% saving of circa £4m over 5 years across the patch.</p>
<p><b>Impediments and support (200 words max)</b></p>	<p>The creation of the East Kent wholly owned subsidiary is diluting the impact of STP collaborative projects, but the other members are committed to delivering what they can.</p> <p>The category towers will implement the national pricing (buy price = sell price) model with effect from 1<sup>st</sup> April 2019, so opportunities for benefitting from aggregated volumes will be limited.</p> <p>Whilst the focus changes towards shared services, these will typically be large and complex projects. The number of procurement staff who have the skills to run these is limited.</p>

## 6. Risks and issues

The main risk to the procurement department is the shortage of key procurement skills within the team and the region. To deliver the CIP saving and ensure that the leads identified to support the Trust and the whole STP region, requires staff with good procurement knowledge and the ability to negotiate in the market. With the introduction of the 'Buy-Price=Sell-Price' model from the Category Towers, Procurement will need to adapt its focus to maintain its value to the Trust. Maidstone and Tunbridge Wells is very fortunate to have a Category Management team who are all MCIPS qualified but this does not necessarily mean that they all have the skills to think in a more innovative way about Procurement. There is also always the risk of losing staff to London where salaries and development opportunities are more attractive.

**Appendix 1 – Procurement action plan**

<b>Procurement objective</b>	<b>Action</b>
Procurement strategy	<p>Staff qualifications. An internal target has been set for 50% of procurement team qualified to an appropriate level of CIPS accreditation. Training matrix has been pulled together to identify the training requirements of all staff and link this to their role. This will support the Trust in achieving the level 2 procurement standard. There are currently three members of the team training for the CIPS level 4 and this development opportunity remains open to all staff.</p> <p>Bespoke internal training sessions have been developed to provide focused development of the Category Management team.</p>
Procurement workplan	<p>Delivery of 2018/19 procurement workplan. This workplan covers tail spend and improvement of the trust position on contract spend.</p> <p>The 2019/20 plan has been submitted.</p>
Procurement Savings	Achievement of agreed 2018/19 £4.2million – Delivered £300k behind target
Communication strategy	<p>Communication to internal and external stakeholders. Focus on Trust policy to ensure adherence to spend restrictions as well as improved compliance. This is a key objective within the procurement strategy.</p> <p>Increase number of quarterly contract review meetings with key suppliers.</p> <p>Re-introduce the Procurement Strategy Committee to drive the strategy with the new Chiefs of Service</p>
Policies, processes and systems	Policies are reviewed and updated annually or at times of significant change.
Spend controls	<p>Percentage of invoiced expenditure captured electronically through Purchase orders (P2P systems ). This is monitored at the Trust finance committee and audit committee to ensure compliance.</p> <p>Improved processes to increase non-clinical spend covered by PO are planned.</p> <p>Improved processes to develop true electronic P2P.</p>
People and Organisation	<p>Achievement of the procurement standard level 1 and training programme to support level 2.</p> <p>This has been achieved and now officially signed-off.</p> <p>Now we have received this we have 12 months to work towards level 2. We will therefore now start working towards this accreditation.</p>
<b>Collaboration</b>	Alignment of procurement work plans across the region
	Pre-market engagement with suppliers now the norm.
	Discussions with private sector on ways in which we can work in partnership

**5. RECOMMENDATION**

- 5.1 It is recommended that the Finance and Performance Committee note and review the information in the report.

## Trust Board meeting - May 2019



5-17	<b>Approval of Annual Report 2018/19 (including Annual Governance Statement)</b>	<b>Chair of the Audit &amp; Governance Committee</b>
	<p>NHS Trusts are required by statute<sup>1</sup> to produce an Annual Report for each accounting year, in such form as may be determined by the Secretary of State for Health. The minimum content for such Annual Reports is prescribed by the Department of Health (DH), through its 'Group Accounting Manual' (GAM). The GAM also states that "Beyond this [minimum context] however, the entity must take ownership of the document and ensure that additional information is included where necessary to reflect the position of the body within the community and give sufficient information to meet the requirements of public accountability". The Annual Governance Statement is covered by the GAM, but is also subject to separate guidance, issued by NHS Improvement (NHSI) in February 2019.</p> <p>The Annual Report (including Annual Governance Statement) for 2018/19 was duly written to ensure compliance with the aforementioned guidance, and using a similar template/format used for the 2017/18 Annual Report. The draft Annual Report is required to be reviewed by the Trust's External Auditors, as part of their Audit of the Financial Accounts. Certain information contained in the "Remuneration and Staff Report" section is subject to audit and will be referred to in the Audit Opinion. Other aspects of the Annual Report are reviewed by the Auditors to ensure consistency with the Financial Accounts. The draft Annual Report was duly provided to the Trust's External Auditors on 29<sup>th</sup> April 2019.</p> <p>The Trust Management Executive (TME) is required "To review and endorse the Trust's Annual Governance Statement, prior to it being considered at the Audit &amp; Governance Committee and Trust Board". As the Statement was not ready for consideration at the TME meeting in April, it was subsequently circulated to TME members by email for review &amp; comment using the "Emergency powers and urgent decisions" provisions (as stated in the TME Terms of Reference). Members were asked to reply with comments/proposed amendments by 07/05/19. No objections to the Statement were received. The Governance Statement has been separately endorsed by the Chair of the AGC and the draft Annual Report (incl Annual Governance Statement) was then reviewed by the Audit and Governance Committee on 9<sup>th</sup> May 2019 and no amendments were requested.</p> <p>The enclosed Annual Report therefore represents the final version, and has been submitted for final review by the Audit and Governance Committee, which meets on 23<sup>rd</sup> May, before the Trust Board meeting. The Audit and Governance Committee will be asked to review the Report in detail, and recommend that the Trust Board approves the document. The outcome of the Audit and Governance Committee's review will be provided verbally at the Trust Board on 23<sup>rd</sup> May.</p> <p>There are no separate submission arrangements for Annual Governance Statements specifically. However, all NHS providers are required to submit their final full Annual Report including full statutory accounts to NHS Improvement. This should be a single PDF document containing both the annual report and full statutory accounts including audit report (opinion) by 31<sup>st</sup> July 2019.</p> <p>It should however be noted that there may be further minor layout/design changes between now and 31<sup>st</sup> July 2019. However, such changes will be cosmetic, and the text will not be materially changed from that approved by the Board. Printed versions will be produced for the Trust's Annual General Meeting, 4th and 5th September 2019.</p>	
	<p><b>Which Committees have reviewed the information prior to Board submission?</b></p> <ul style="list-style-type: none"> <li>Trust Management Executive (TME) (by email) (Governance Statement)</li> <li>Audit and Governance Committee, 09/05/19 (earlier draft)</li> <li>Audit and Governance Committee, 23/05/19 (the enclosed draft)</li> </ul>	
	<p><b>Reason for receipt at the Board (decision, discussion, information, assurance etc.) <sup>2</sup></b></p> <p>To review and approve the Annual Report (including Annual Governance Statement) for 2018/19</p>	

<sup>1</sup> The National Health Service and Community Care Act 1990

<sup>2</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance



## Annual Report and Accounts 2018/19



Patient First - Respect - Innovation - Delivery - Excellence



## About this Annual Report

The National Health Service and Community Care Act 1990 requires NHS Trusts to produce an Annual Report. Its content and format must follow the guidance issued by the Department of Health and Social Care (in the form of a 'Group Accounting Manual'). The specific requirements for Annual Reports for 2018/19 are that NHS bodies must publish a single Annual Report and Accounts (ARA) document, comprising the following:

- ▶ A Performance Report (which must include an overview, and a performance analysis)
- ▶ An Accountability Report (which must include: a Corporate Governance Report and a Remuneration and Staff Report<sup>1</sup>)
- ▶ The Financial Statements

Beyond the minimum content required by the Department of Health and Social Care (DHSC), the Trust is expected to include additional information to reflect the position of the Trust within the community and meet the requirements of public accountability. The Report is divided into the following sections:

- ▶ "Performance Report for 2018/19", which is split into:
  - An overview. This includes an overview summary; the purpose and activities of the Trust; the Chair and Chief Executive's report; a 'snapshot of the year'; key developments; the key issues and risks affecting delivery of the Trust's objectives; an explanation of the adoption of the going concern basis; and a Performance summary
  - A Performance analysis, which includes details of how the Trust measures performance; the Trust's development and performance in 2018/19; and a review of financial performance for 2018/19
  - A summary of the Trust's Quality Accounts for 2018/19
  - A Sustainability Report. This follows the standard reporting format from the NHS Sustainable Development Unit.
- ▶ "Accountability Report for 2018/19", which is divided into the following sections:
  - "Corporate Governance Report for 2018/19", which includes:
    - A Directors' report (providing details about the Trust Board; a Statement as to disclosure to Auditors; attendance at Trust Board meetings; Directors' interests; the Trust's Management Structure; complaints performance and the Trust's application of the 'Principles for Remedy' guidance; disclosure of "incidents involving data loss or confidentiality breaches"; & details of Emergency Preparedness arrangements)
    - The "Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust"
    - The "Annual Governance Statement for 2018/19"
  - "Remuneration and Staff Report for 2018/19" (including details of 'off-payroll' engagements)
- ▶ "Financial Statements for 2018/19", including details of Pension Liabilities, exit packages and severance payments; and staff sickness absence data
- ▶ Independent Auditor's report to the Directors of Maidstone and Tunbridge Wells NHS Trust.

The Annual Report and Accounts were approved by the Trust Board of Maidstone and Tunbridge Wells NHS Trust on 23<sup>rd</sup> May 2019.

<sup>1</sup> The Trust is not required to produce a Parliamentary Accountability and Audit Report, and therefore the required disclosures on remote contingent liabilities, losses and special payments, gifts, and fees and charges are included within the Financial Statements and Notes to the Accounts

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## Performance Report for 2018/19: Overview





## Summary

This overview aims to equip the reader with a broad understanding of the Trust, its purpose, the key risks to the achievement of its objectives, and an outline of its performance during 2018/19. For those wishing to read in more detail about the Trust's achievements, the issues it faced and its financial situation, further detail is provided in the rest of the Annual Report and Accounts.

## The purpose and activities of Maidstone and Tunbridge Wells NHS Trust

Maidstone and Tunbridge Wells NHS Trust (the Trust) is a large acute hospital Trust in the south east of England. The Trust was legally established on 14<sup>th</sup> February 2000<sup>2</sup>, and provides a full range of general hospital services and some areas of specialist complex care to around 560,000 people living in West Kent and East Sussex. The Trust also provides some aspects of specialist care to a wider population.

The Trust's core catchment areas are Maidstone and Tunbridge Wells and their surrounding boroughs. It employs approximately 5000 full and part-time staff, and operates from three main sites (Maidstone Hospital, Tunbridge Wells Hospital and the Crowborough Birth Centre), but also manages services at Kent and Canterbury Hospital and outpatient services at several community locations. The Trust has over 800,000 patient visits a year, 182,000 of these through its Emergency Departments (EDs) which are accessible at both main hospital sites.

Tunbridge Wells Hospital is a Private Finance Initiative (PFI) hospital<sup>3</sup> and the majority of the site provides single bedded ensuite accommodation for inpatients in a modern, state of the art environment. It is a designated Trauma Unit, undertakes the Trust's emergency surgery and is the main site for Women's and Children's, and Orthopaedic services.

Maidstone Hospital benefits from its central county location. It hosts the Kent Oncology Centre, providing specialist Cancer services to around 2 million people across Kent and East Sussex, the fourth largest oncology service in the country. The Trust offers PET/CT (Positron Emission Tomography – Computed Tomography) services in a dedicated building and has a rolling programme to upgrade its Linear Accelerator radiotherapy machines. The Maidstone site also has a state of the art Birth Centre, a dedicated ward for respiratory services and an Academic Centre with a 200 seat auditorium. With the Education Centre at Tunbridge Wells Hospital, and its full resuscitation simulation suite, the Trust offers excellent clinical training. The Trust has strong clinical, academic and research links with London hospitals, including joint appointments. Many staff are also nationally recognised for excellence in their fields.

The Trust is registered with the Care Quality Commission (CQC) to provide the following Regulated Activities:

- ▶ Assessment or medical treatment for persons detained under the Mental Health Act 1983 (at Maidstone and Tunbridge Wells Hospitals)
- ▶ Diagnostic and screening procedures (at Maidstone and Tunbridge Wells Hospitals)
- ▶ Family planning services (at Maidstone and Tunbridge Wells Hospitals)
- ▶ Maternity and midwifery services (at Maidstone and Tunbridge Wells Hospitals and Crowborough Birthing Centre)

<sup>2</sup> See [The Maidstone and Tunbridge Wells National Health Service Trust \(Establishment\) Order 2000](#)

<sup>3</sup> The PFI Project Company is "Kent and East Sussex Weald Hospital Ltd" (KESWHL)

- 
- ▶ Surgical procedures (at Maidstone and Tunbridge Wells Hospitals)
  - ▶ Termination of pregnancies (at Tunbridge Wells Hospital)
  - ▶ Treatment of disease, disorder or injury (at Maidstone and Tunbridge Wells Hospitals)

For further details of the Trust's CQC Registration, see [www.cqc.org.uk/provider/RWF/registration-info](http://www.cqc.org.uk/provider/RWF/registration-info).

## Partnerships

The Trust's Strategy, updated in October 2017, reflects the NHS Five Year Forward View and is aligned to local plans in the wider health & social care economy and the NHS Long Term Plan published in early 2019. The Trust works closely with the Kent and Medway Sustainability and Transformation Partnership (STP) and currently hosts the majority of STP financial transactions. The continued terms of this hosting were formally approved by the Trust Board in June 2018. The key risks to both parties in the relationship have been assessed and the arrangement is subject to 6-monthly reviews. The Trust's Chief Executive sits on the STP Programme Board & the Trust's Chair is a member of the Non-Executive Director Oversight Group for the STP.

The Trust continued into the second year of the Aligned Incentives Contract with West Kent Clinical Commissioning Group (CCG) for the 2018/19 financial year. The contract marks a departure from the traditional 'Payment by Results' contract approach, instead seeking to incentivise both contracted parties to work together to deliver common aims, in particular, the removal of costs from the system.

The Trust is part of the West Kent Alliance, a collaborative partnership that commissions or delivers care and support services in West Kent. The Alliance aims to ensure that patients are being seen by the right person, in the right setting, at the right time, thereby reducing unwarranted variation, duplication, gaps and system wide costs and ensuring provision of a safe, clinically and financially sustainable service for patients/users and further strengthening of a high quality workforce.

The West Kent Alliance consists of:

- West Kent CCG
- Maidstone and Tunbridge Wells NHS Trust
- Kent Community Health NHS Foundation Trust
- Kent and Medway NHS and Social Care Partnership Trust
- West Kent Health Ltd
- Sussex and East Surrey CCG.

The launch of the Hospital@Home initiative in 2018, in partnership with Kent Community Health NHS Foundation Trust, and continued roll out of Home First which relies on close working between the Trust, Kent Community Health NHS Foundation Trust and Kent County Council are examples of how the Trust worked together during the year with primary care, community health & mental health partners for the future.

The Trust's objectives and organisational structure are detailed elsewhere within this Annual Report. Details of the Trust's business model and environment, organisational structure, objectives and strategies can be found within the Performance Report Overview and Performance Analysis.

# A message from the Chair and Chief Executive

The twelve month period during which the NHS celebrated its 70<sup>th</sup> anniversary presented another challenging year for the Trust and the NHS alike. This in itself makes the significant successes delivered by the Trust in 2018/19 all the more meaningful.

The most notable of these successes saw: implementation of a range of quality, patient-centred improvements that resulted in substantial progress in how we care for and treat our patients; meeting of the national standard for Emergency Department performance for March 2019 (the first time we've achieved this for a whole month in five years); and achievement of our financial plan and delivery of our control total for the year, realising a surplus of £20.3m, post Provider Sustainability Funding (PSF), which was £8.6m better than plan.

As a result of patient-focussed improvements delivered during the year:

- ▶ Patients are being seen quicker when they attend our Emergency Departments (EDs)
- ▶ If a patient needs to be admitted, a bed in the right place is available
- ▶ Patients being referred into the Cancer pathway are now better able to access testing and diagnosis as a result of increased capacity.
- ▶ More patients waiting for planned care are being seen and treated more quickly
- ▶ Patient safety and experience indicators, such as patient falls and complaints, are improving across the Trust.

The role of our staff in delivering these advances cannot be overemphasized. In 2018/19, staff across the Trust consistently demonstrated their willingness to go over and above to ensure that good quality patient care is at the heart of all that we do. The depth and breadth of the quality improvement schemes and financial efficiencies identified by our staff have been pivotal to realisation of our plan - whether it's been a large scale project to improve the care we give our patients, or small tweaks by a department to reduce wastage, everything has added up to put us into financial surplus. This demonstrates that, through our transition to becoming a more clinically-led organisation and our commitment to the principles of "Best Care", staff are being empowered to make the changes they want to see and are in turn, reaping rewards for the Trust. In the year ahead development of our 'Exceptional People, Outstanding Care' programme will help to reinforce and sustain a culture of continuous improvement across the Trust.

The significance to the Trust and our wider community of the announcement by NHS Improvement (NHSI) in October that the Trust was no longer in Financial Special Measures is difficult to overestimate. Achieving this landmark is another essential step in our plans to respond to the findings of the CQC inspection in 2017/18 and become an Outstanding NHS Trust. We continue to work closely with national improvement teams, and some of the most outstanding NHS trusts in the country, to emulate their successes and build on our own achievements to improve our patient experience. Our position going into the year ahead gives us a real opportunity to grow some of our services and build on our good work and continue to identify patient-centred, quality improvements as well as invest in the areas that matter most to patients. Achievement of our financial plan will afford the Trust more flexibility and freedom, and enable investment in frontline care, infrastructure, medical and IT equipment, and upgrades to our estate.

In February, the Trust participated in a Kent-wide event exploring Integrated Care Systems and Integrated Care Partnerships, and the potential benefits this could bring to healthcare in the area. These new systems

and partnerships aim to join up the services offered by GPs, acute and community care, ensuring the healthcare system can respond rapidly and effectively to patients' needs. As an organisation, we've achieved so much over the past year with significant improvements to our ED performance and better patient flow through our hospitals. We're admitting fewer patients as a result of using our Frailty and Ambulatory units as well as making more use of our partnerships with community teams via Hospital@Home. Plus we've made advances in delivering improved performance in our Cancer and Surgery services, whilst recognising that we have further work to do to ensure delivery of Cancer and Referral to Treatment on a sustainable basis in the year ahead.

However, what the year has demonstrated is that, even for a Trust such as ours that is performing well, the unprecedented - and growing - level of demand for our services is not sustainable. When there is a spike in demand this can undermine all the good work we've put in place. We know we need to tackle this demand better - our healthcare system needs to work differently to deal with it, with a particular focus on health prevention and providing patients with care and treatment in a setting that is appropriate to their needs. We also know that workforce and funding pressures need to be challenged with long-term thinking to ensure that quality of care is not compromised. Trust Board approval during the year of plans involving implementation of an Electronic Patient Record from Autumn 2020 should aid the realisation of efficiency and productivity gains necessary to face the challenges ahead.

Moving into 2019/20, the Trust looks forward to working closely with the STP in Kent and Medway, alongside councils and other partners, to turn the ambitions of the recently published NHS Long Term Plan into local action, through development of a strategy for the area for the next five years.

There have been several changes in Trust Board Members over the past year, most notably the retirement of Chief Operating Officer, Angela Gallagher, who joined the Board in 2011 and placed delivery of quality improvements and high standards of patient care at the heart of her role. The Board also welcomed a number of new Non-Executive Directors, and Associate Non-Executive Directors, as well a new Chief Operating Officer and Director of Strategy, Planning and Partnerships. We would like to thank all staff, volunteers and non-executives for their hard work and ongoing dedication during the year.



Miles Scott, Chief Executive

23<sup>rd</sup> May 2019

David Highton, Chair of the Trust Board

23<sup>rd</sup> May 2019

## Snapshot of 2018/19



### April

The Trust joined the 'End PJ Paralysis' campaign which aimed to get patients up, dressed and moving whilst in hospital to avoid problems caused by staying in bed too long. The trial achieved 984 patients Dressed and 1255 Moving during the 70 day challenge period.

### May

Crowborough Birth Centre Midwifery volunteer, Kay Sutherland, was nominated for an NHS Lifetime Achievement Award and appeared on BBC's One Show as part of a special programme to celebrate 70 years of the NHS.

### June

A new Frailty Unit opened at Tunbridge Wells Hospital, as part of the Trust's commitment to providing high standards of care for older patients. The Unit provides for 10 patients, & brings together experts from a range of clinical teams in a specially designed environment.

### October

The Trust welcomed the announcement by NHSI that it was no longer in Financial Special Measures and recognises it as "the result of so much hard work to develop sustainable, high quality services for our patients".

### November

The Trust was awarded the Skills for Health Quality Mark in recognition of meeting the nationally recognised benchmark for its Clinical Support Worker induction programme & delivery of the Care certificate. The programme helps build confidence, self-esteem, aspirations and improved patient care.

### December

The Trust's new clinical management structure was launched. As a key step to becoming a Clinically Led Organisation, the new structure comprises 5 Divisions and 18 Directorates, retaining the best features of the organisation, whilst enhancing its ability to improve patient & staff experience.





## July

Trust staff attended celebratory events to mark the 70th anniversary of the NHS at Westminster Abbey & 10 Downing Street. At home, a personalised birthday card was delivered by Kent Fire and Rescue Service. Guests enjoyed a slice of birthday cake made by students from Mid Kent College.

## August

Staff consultation commenced on plans to develop a Clinically Led Organisation as part of the Trust's ambition to become Outstanding. Proposals included development of clinical leadership through an enhanced system of Divisions & Clinical Directorates, adopted by Outstanding trusts

## September

Official recommendation was made that one of three new Hyper Acute Stroke Units planned for Kent & Medway was based at Maidstone Hospital. The preferred option was for HASU units, alongside acute stroke units, at Darent Valley Hospital (Dartford), Maidstone Hospital & William Harvey Hospital (Ashford).

## January

Colourful blankets were given to elderly patients in a new trial on Edith Cavell Ward at Maidstone Hospital, to see if it helped minimise falls on the ward. The bright blankets help older patients, particularly those with Dementia, find their way back to bed more easily & provide a more homely feel to the ward

## February

Kent Oncology Centre at Maidstone Hospital, in partnership with Kent and Medway Cancer Information Project, hosted a Here2Help event in support of World Cancer Day bringing together a number of Cancer charities, to give advice and information about the services available in the local area.

## March

The Trust supported National Apprenticeship Week by encouraging jobseekers to look into apprenticeship opportunities and help kick-start their careers. Former Trust apprentice, Hannah Morris, answered questions from the public about her experiences across the Trust's social media channels.

# Key developments

## Patient Experience

### Patient and Carer engagement strategy

Improving quality and experience of care is at the core of the Trust's organisational transformation and improvement journey and is recognised as something that successful organisations do well. In 2018/19 the Trust engaged with patients, carers and a wide range of other stakeholders as equal partners across its geographical scope in helping draft a new strategy to improve the experience of its patients and their carers. Some of the common issues identified by those participating were:

- ▶ People felt processed in a system rather than cared for and respected as individuals
- ▶ Staff were not always kind and empathetic and did not always look beyond the illness at the whole person
- ▶ Hospital routines and habits sometimes frustrated individuals' preferences to maintain independence and control over their lives
- ▶ People did not always feel involved in discussions about their care or able to ask important questions
- ▶ Individuals felt valued and at ease when staff chatted with them - but not all clinical staff chatted
- ▶ Information was not always provided to allow individuals to feel in control and equipped to make plans/good decisions.

These and other findings of engagement events in Maidstone and Tunbridge Wells have been used alongside existing patient experience data & engagement feedback, including complaints, surveys and Healthwatch insight to shape priorities for improvement. The resulting strategy will be launched in 2019. Embedding this strategy will require a major cultural shift over the next 3- 5 years with the goal being to embed patient and carer experience and engagement at the heart of the Trust's planning, decision making and business processes. To enable this, the Trust will support the spread and adoption of existing good practice and seek to learn from the experience of other patient and customer driven organisations.



Details of staff engagement initiatives during the year are provided on page 70.

### Accessible Information Standard

The Accessible Information Standard (AIS), set out by NHS England in July 2016, aims to ensure that people who have a disability, impairment or sensory loss get information that they can access and understand. Action taken during the year in support of these aims, includes:

- Establishment of an AIS steering group to support the implementation of the AIS and monitor performance within the Trust
- Appointment of AIS champions to support departments in identifying where improvements can be made, development of better communications tools & awareness of support groups and charities to whom the Trust can signpost service users
- A Baseline Audit of key areas in the Trust completed by AIS steering group members
- A visit by Healthwatch Kent to Maidstone Hospital in partnership with Kent Association for the Blind to review the support available to partially sighted patients.

The Trust has appointed a Learning Disability Liaison Nurse who, as well as supporting the initiatives above, works with adult patients with learning disabilities who have complex needs and a requirement to access emergency, inpatient and outpatient hospital services.

## Complaints

Information about complaints is available on pages 50-51

## Fundraising and Community engagement

This year, the Trust has continued to welcome generous donors and supporters with their own fundraising ideas. A dedicated Fundraising Manager has been appointed and is actively working with local businesses and partners in the community to encourage corporate donations. In February, the Charity hosted the first regional Association of NHS Charities members meeting attended by NHS Charities including Dartford & Gravesham NHS Trust and East Kent Hospitals.

## Becoming a more Clinically led organisation

Equipping employees in every staff group with more autonomy to act, has been proven to enhance the quality and efficiency of health services. In 2018/19, the Trust took a key step in its plans to encourage such empowerment and towards its ambition to establishing itself as an Outstanding provider of NHS care through becoming even more of a clinically-led organisation.

New clinical management arrangements launched during the year, are based on two tiers: Divisions and Directorates. Each Division and Directorate is led by a clinical management team, comprising an overall clinical lead, a senior operational manager and a head of Nursing, Quality and other Clinical professions. The new structure was developed in collaboration and consultation with the Trust's healthcare professionals. More details of the new clinically led structure are provided on page 50. Alongside this new structure, the Trust has also created a vision with its staff to make the Trust a place that they feel part of and, have a genuine stake in. The shared aims to achieve this vision are:

- ▶ To create more inclusive clinical leadership and share good leadership behaviours
- ▶ To empower and support clinical and healthcare professionals to act
- ▶ To champion excellent communication and staff engagement
- ▶ To support colleagues to see and lead the whole of their services including Quality, Finance & Workforce
- ▶ To make the Trust's clinically-led services even more patient-centred and committed to excellence
- ▶ To support clinical teams to take ownership of challenges and solutions
- ▶ To secure the time, capability, development and resources to help clinical colleagues get the job done
- ▶ To ensure clinical leadership teams take a responsibility for the health of the Trust as well as its patients.

To cultivate the desired leadership behaviours, the Trust invested during the year in leadership development and talent management, and has implemented a Quality, Service Improvement and Redesign (QSIR) faculty to support staff in making the changes they want to see. 5 specific leadership behaviours (see left) have also been identified from



Step in

**Stepping in...** is about stepping in and acting when we can see it's the right thing to do.



Encourage

**Encouraging...** is about helping colleagues and patients develop and grow in a supportive way.



Be open minded

**Being open minded...** is about 'asking one more question' – and then listening fully, being prepared to change



See it through

**See it through...** is about doing what we say we will do.



See the person

**Seeing the person...** is about demonstrating respect, care and compassion for both our colleagues and patients.



stories that staff have shared about teammates who made a difference to them and to their patients. Leaders have been tasked to agree 'shop floor commitment' with their line manager - an appropriate and realistic commitment to engage with individuals on the frontline – this might be spending time doing a clinical shift, holding regular team meetings or visiting another service area. The five Chiefs of Service have also joined the membership of the Trust's weekly Executive Team Meeting and are therefore now engaged in key decisions about all aspects of the Trust's management.

### Improvement - The journey to "Good" and "Outstanding"

Following inspections in 2017, the CQC rated the Trust's overall position unchanged as "Requires Improvement", whilst recognising 'significant and sustained improvement' throughout the Trust since the previous inspection report in 2015. The 17 'should do' actions identified in the CQC's inspection report in 2018 have been incorporated into an Action Plan "Tracker" which is monitored through the Trust's Quality Improvements Committee. In 2018/19, all "should do" recommendations were actioned with management plans in place and alignment to the Trust's Best Care programme (see page 23).

The Quality Improvement Committee leads the development of an improvement plan to support the Trust in moving to "Good" and "Outstanding". Clinical Divisions will take ownership of the key focus areas in the plan and embed quality improvements through the Clinically Led structure launched during the year.

The Trust hosted quarterly engagement visits with the CQC in 2018/19 – which focussed on those services not inspected as part of the last inspection. Staff within the services that supported these days appreciated the opportunity to share their work with the CQC. The CQC also responded positively, describing the process as helping to get a much better understanding of a wider range of services.

### Stroke services

In February 2019, following a five-year review of urgent stroke services, led by local stroke specialists, a Hyper Acute Stroke Unit (HASU) at Maidstone Hospital, alongside others at William Harvey Hospital (Ashford) and Darent Valley Hospital (Dartford) were given the go-ahead by a unanimous decision of the Joint Committee of Clinical Commissioning Groups for the Kent and Medway Review of Urgent Stroke Services. Once the new units are up and running, anyone having a stroke in Kent and Medway will be taken to their nearest HASU, which will offer specialist stroke care round the clock every day of the year.

Towards the end of 2018/19, work moved into the implementation phase and it is anticipated that the new Stroke service will begin at Maidstone Hospital and Darent Valley Hospital in Spring 2020, and at William Harvey Hospital in Spring of 2021. Plans for remodelled Stroke services at Maidstone Hospital provide for 38 ring fenced Stroke beds (11 HASU and 27 ASU) and 22 rehabilitation beds, a number identified as the optimum amount of beds to ensure flow for the recognised Stroke activity. Implementation will include transitional ward moves, the development of the new Acute Medical Unit adjacent to the Emergency Department (ED) at Maidstone Hospital during 2019/20. All inpatient Stroke service provision at Tunbridge Wells Hospital will cease, centralising all acute services at Maidstone Hospital.

The Trust will work collaboratively with other providers in Kent and Medway to develop a strategy to recruit the necessary expertise for the facilities. Attracting staff to the local area, especially in lower grade positions, is recognised as a challenge for the year ahead.

### Patient flow and Winter planning

In 2018 the Trust made a series of investments to improve patient flow and manage winter pressures:

- ▶ A range of innovative measures were introduced in the Trust's EDs, including working with community providers to reduce ED attendances by enhancing services to treat more patients at home, & increasing the time that assessment units were open to support older frail patients. GP hours within the Trust's EDs were also increased, freeing up time for senior clinicians to see urgent cases more quickly
- ▶ Changes were made to better stream patients on arrival at ED to ensure they got the right care, in the right place, at the right time
- ▶ Proactive action was taken to address performance against the Referral to Treatment (RTT) standard to shorten planned care waiting times and improve patient experience
- ▶ A number of new roles were introduced, including Physician's Associates, Doctor's Assistants and Nurse Endoscopists to ensure patients were seen and treated in a timely manner
- ▶ There was a focus on improving theatre and outpatient efficiency as well as adding theatre sessions and outpatient clinics at weekends
- ▶ For Cancer services, the number of outpatient clinics was increased, Endoscopy sessions and Radiology, CT and MRI slots and the recruitment process for specialist doctors and clinical staff was improved. As a result, over 100 more patients a week were seen and were able to complete their main diagnostic test
- ▶ From December Hospital@Home helped suitable patients return home sooner to recover faster, with the right support. The service offers medical & nursing support at home for a short time and includes senior registered nurses, doctors & healthcare support workers who keep in touch with the patient's GP and hospital staff
- ▶ Elderly patients were given frailty scores on admission to enable them to receive the most appropriate care. A new frailty unit was opened at Tunbridge Wells Hospital during the year, in addition to the existing unit at Maidstone Hospital
- ▶ Greater focus was applied by external partners on exit routes from hospital. During the year, Pathways 1, 2 & 3 of the Home First initiative were rolled out and the capacity of this service was rolled out for winter.



### The Trust and the NHS Long Term Plan

In January 2019, the NHS published its vision for the next 10 years in its Long Term Plan (LTP), setting out a blueprint to tackle major health conditions and investment in the latest technology to provide cutting edge treatment. The LTP focuses on health prevention and early detection of serious health conditions, as well as improved care and integrated support for patients. It sets out guarantees for investment in healthcare, funding a £4.5 billion new service model to provide better, joined up care. The Trust will work closely with the STP in Kent and Medway, alongside councils and other partners, to turn the ambitions of the LTP into local action, and develop a strategy for the area for the next five years.

The Trust's clinically-led restructure in 2018/19 – and plans for the year ahead – is aligned to many of the aims set out in the LTP. Work undertaken with each of the five Divisions to develop clinical service plans for the year will influence what the Trust provides and how it provides it. Backing the workforce and training more professionals to work in the NHS is a key ambition of the LTP and an aim the Trust fully supports. Recruitment is a priority and a strong plan is in place to attract new staff to the Trust. A programme to develop aspiring and existing leaders is being rolled out, with a strong focus on cultivating a culture of quality improvement, communication, engagement and transparency. A particularly exciting development, which will have a hugely positive impact on the Trust's workforce, is the new Kent and Medway Medical School (KMMS), opening in 2020. This will directly increase the doctor population in the county, currently amongst the lowest in the UK.

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The Trust's Education team is working closely with the KMMS to welcome this expansion, with a potential of up to 120 new medical students expected.

# Key issues and risks affecting delivery of the Trust's key objectives

The Trust Board agreed the following key objectives for 2018/19:

- ▶ To deliver the trajectory agreed with NHS Improvement (NHSI) for the A&E 4 hour waiting time target
- ▶ To deliver the trajectory agreed with NHSI for the 62-day Cancer waiting time target
- ▶ To deliver the Referral to Treatment (RTT) trajectory agreed with NHSI for patients on an 'incomplete' pathway
- ▶ To deliver the financial plan for 2018/19
- ▶ To ensure a falls rate of no more than 6.0 per 1000 occupied bed days
- ▶ To ensure a pressure ulcer rate of no more than 3.0 per 1000 admissions
- ▶ To deliver the agreed 'lessons learned' plan for 2018/19
- ▶ To deliver the agreed medical productivity plan for 2018/19
- ▶ To deliver a vacancy rate of no more than 9%
- ▶ To deliver a staff turnover rate of less than 10%

The key issues and risks affecting delivery of these (as described in the Trust's Board Assurance Framework – see the "Annual Governance Statement for 2018/19" (pages 55-66)) are outlined below. Details of how the Trust actually performed against these objectives are provided in the "Performance analysis" section (pages 21-25).

## To deliver the trajectory agreed with NHSI for the A&E 4 hour waiting time target

The key recognised risks to delivery of this objective were: Insufficient capacity to deliver the 'new norm' for non-elective activity; continued higher than planned ED attendances; bed occupancy remaining above 92%; the level of Delayed Transfers of Care (DTOCs) remaining higher than the expected standard; failure to follow best practice in response; and lack of ownership by Clinical Directorates.

## To deliver the trajectory agreed with NHSI for the 62-day Cancer waiting time target

The key recognised risks to delivery of this objective were: Insufficient engagement in delivery by clinical staff outside of the Cancer and Haematology Directorate; Pathways not being optimal in relation to achieving the required performance; insufficient capacity to meet the increased demand for 2-week wait clinics and diagnostics (Endoscopy and Radiology); and inability to recruit sufficient staff.

## To deliver the Referral to Treatment (RTT) trajectory agreed with NHSI for patients on an 'incomplete' pathway

The key recognised risks to delivery of this objective were: An insufficient level of elective and outpatient activity being undertaken; non-elective activity increasing beyond current levels (including ED attendances); and additional data quality issues and/or technical 'glitches' following the implementation of the Allscripts Patient Administration System (PAS).

## To deliver the financial plan for 2018/19

The key recognised risks to delivery of this objective were: Lack of senior leadership and commitment; poor financial controls (or poor application of good controls); lack of commitment by managers; non-delivery of Cost Improvement Programme (CIP) schemes; lack of consideration of best practice elsewhere in

development of the Trust's plans for the year; insufficient engagement with external stakeholders; and any change in the financial circumstances of commissioners, requiring them to take further action to manage demand.

### To ensure a falls rate of no more than 6.0 per 1000 occupied bed days

The key recognised risks to delivery of this objective were: Failure/inability to meet national best practice standards; lack of a full Multi-disciplinary team approach to falls prevention; and lack of flexibility and suitability of clinical support systems.

### To ensure a pressure ulcer rate of no more than 3.0 per 1000 admissions

The key recognised risks to delivery of this objective were: Failure to deliver personalised care (i.e. care planning & delivery not being tailored to individual patient need); prolonged 'trolley time' in ED, Radiology, Theatres; unscheduled absence/gaps in the Tissue Viability Nurse service; failure to implement the new NHSI guidance on reporting Deep Tissue Injury (issued in June 2018).

### To deliver the agreed 'lessons learned' plan for 2018/19

The key recognised risks to delivery of this objective were: The Trust's incident reporting (Datix) IT system not having the required functionality; availability of IT resource to complete a Datix upgrade(s); Clinical Directorates not being able to release key staff to attend clinical governance meetings; identification of meaningful/measurable metrics to assure that learning is shared and embedded; lack of agreement/support/resource to implement new clinical governance processes proposed (agenda, learning levels, action planning processes); learning input and output from Datix not offering consistency of quality and clarity for lessons to be learned.

### To deliver the agreed medical productivity plan for 2018/19

The key recognised risks to delivery of this objective were: Availability of resource at Directorate level to complete all job planning requirements in line with the project timeline; availability of resource to deliver the project in the proposed timescales; lack of enforcement of local standards at Directorate level for job planning; resistance or lack of support from the Joint Medical Consultative Committee (JMCC); the need for significant cultural change to obtain buy-in to undertake and implement Best Value Direct Clinical Care (DCC) and Personalised Metrics; the risk that seasonal Job Plans were not well received by the Consultant body and unenforceable; and Directorate leadership teams' ability to deliver significant cultural change and a challenging work programme.

### To deliver a vacancy rate of no more than 9%

The key recognised risks to delivery of this objective were: A national shortage of certain staff groups; any lack of clarity/focus on the key actions required; any lack of clarity over the performance required by each Directorate, and the monitoring of such performance; any inefficiency in recruitment processes; any lack of urgency/commitment by recruiting managers; any uncertainty over the status of vacancies; and uncertainty regarding Brexit i.e. the impact on the availability of European recruits.

### To deliver a staff turnover rate of less than 10%

The key recognised risks to delivery of this objective were: A national shortage of certain staff groups creating a more mobile workforce; higher than planned vacancy rates (resulting in more temporary staffing use) typically reducing staff morale; & uncertainty arising from Brexit that might impact on the retention of EU staff.

## Adoption of the 'going concern' basis

The DHSC Group Accounting Manual requires the management of the Trust to consider the following public sector interpretation of IAS 1 in respect of applying the going concern assumption when preparing its accounts. In para 4.12 it states:

*"For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant body or DHSC sponsor of the intention for dissolution without transfer of services of function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up"*

The Trust Management have assessed the Trust's ability to continue for the foreseeable future in the light of the GAM guidance. The Trust has compiled the 2018/19 accounts on a "going concern" basis following consideration of the following:-

- ▶ There has been no expectation raised in the public arena that healthcare services will not continue to be provided from the two hospital sites.
- ▶ The Trust has submitted its final business plan to NHSI in April 2019 setting out its operational plans for the following financial year (2019/20) and its capital plans for five years.
- ▶ The Trust exited from Financial Special Measures in October 2018, has met its 2018/19 control total, and is planning to fully achieve its 2019/20 control total, including PSF and MRET (Marginal Rate Emergency Tariff) requirements, and therefore to deliver a planned surplus of £6.9m.
- ▶ The Trust continues to fully participate in the STP planning process including the submission of the forward 5 year financial and operating plans on a going concern basis. The Trust is leading some of the significant Work-stream areas and is a key player in consideration of the shape of services in the STP for the future e.g. it is one of the selected sites for a Hyper Acute Stroke Unit as part of the STP-wide Stroke services consultation.
- ▶ The Trust will have contracts in place for provision of healthcare services for 2019/20. This includes the "aligned incentives" contract with West Kent CCG (the Trust's main commissioner) and Sussex and East Surrey CCG. The aligned incentives contract represents c.73% of the total clinical income which provides certainty for income and cash flows in 2019/20.
- ▶ The Trust has prepared and submitted cash-flow plans for 2019/20 which include the repayment of £16.9m of working capital loans which is planned to be financed from internal resources.
- ▶ There are no plans to dissolve the Trust or to cease services without transfer to any other NHS body.
- ▶ The Trust does not consider that there are any material uncertainties to the going concern basis. However it has assessed and will disclose within its 2018/19 accounts challenges to its financial plans for 2019/20 around its cost improvement programme and risks to achieving its control total. The main risks are:
  - The Trust has fully identified CIP schemes totalling £16.6m of which £4.9m is currently risk-rated as red. Divisions have been set a target of £19.4m to seek to mitigate any slippage or non-delivery. The Trust has commissioned additional external support to work with Divisions to develop and implement plans with regular monitoring of performance.
  - The Trust's plan assumes that current Stroke services will continue until April 2020 prior to the planned reconfiguration of services. Therefore no additional income assumptions have been made for any additional Stroke activity at Maidstone Hospital. The risk is around one of the current units planned for

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closure being subject to operational pressures e.g. loss of staff that causes it to close or reduce activity earlier than planned.

For these reasons, the Trust has prepared its Accounts using the going concern basis in line with the GAM guidance.

## Performance summary for 2018/19

Performance for the year was varied. Performance against the Trust's agreed objectives, including the delivery of the financial plan, is described in detail in the "Development and performance in 2018/19" section on the following pages (pages 23-25). The Trust's performance activities can be found in full within the monthly Trust Board reports, which are available for review at <https://tinyurl.com/MTWTBReports>

The Trust achieved successes in the following areas:

- ▶ Prevention of blood clots or venous thromboembolism (VTE) - The Trust ensured that 96.7% of patients were given a VTE Risk Assessment in 2018-19 against a target of 95%%
- ▶ Stroke – 91.6% of Stroke patients spent 90% of their time on a dedicated Stroke ward (2017/18, 91.08%) against a target of 80%
- ▶ Complaints management – the rate of new complaints at 2.3 per 1000 episodes (2017/18, 1.93), was well within the expected range of between 1.318 and 3.92
- ▶ Less than 5% of patients left the Trust's Emergency departments before being seen and the standard of 95% of patients arriving in the ED being assessed within 15 minutes of arrival was achieved.
- ▶ 55.9% of patients arriving in ED were treated within 60 minutes of arrival against a target of 50% (58.4% in 2017/18)
- ▶ 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
- ▶ Cancelled operations – The Trust achieved this standard with 0.69% of operations cancelled at the last minute against the national maximum limit of 0.8%

Elsewhere, the Trust underperformed on several targets, including those relating to Cancer waiting times (62 day first definitive treatment and 2 week wait), Access to treatment, Delayed Transfers of Care and Clostridium Difficile cases. More details are provided in the "Annual Governance Statement for 2018/19" section later (page 55-67).

Further details on the performance standards for quality of care can be found in the Trust's Quality Accounts for 2018/19, which are available in full on the Trust website ([www.mtw.nhs.uk](http://www.mtw.nhs.uk)).





## Performance Report for 2018/19: Performance analysis





## How the Trust measures performance

The Trust's Performance Management framework was reviewed and refreshed during 2018/19. The Framework is based upon the national Single Oversight Framework and recognises that a high performance culture will only be achieved when performance is managed in a positive and non-punitive way. The Framework aims to ensure that striving for excellence is an integral part of organisational culture.

Based on the strategic objectives of the Trust, the key focus areas for performance management are:

- Quality – Service safety and quality requirements;
- Performance - National and local standards and performance targets;
- Financial – financial, efficiency and business objectives.

A 'Ward to Board' approach is applied & monitored through a sign-off process at Directorate-, then Divisional-level before presentation at monthly Divisional Performance Review meetings and ultimately, the Trust Board.

A whole day each month is devoted to Trust-wide performance management, attended by members of the Executive Team. The Clinical Divisions and Corporate services are accountable for the delivery of their key indicators for Quality, Performance, Finance and Workforce, together with their strategic and Trust-wide programme responsibilities. Each Directorate hosts a twice yearly Strategic Review meeting to provide an update on its Business Plans as part of the Trust's Business Planning and to present any relevant service or business developments. These meetings also provide a forum to discuss any key risks and issues affecting the delivery of key targets, with the Executive Team.

The monthly Trust Board performance dashboard encapsulates the result of these processes and provides the Board with a rich source of information that has been reviewed and substantiated at all levels of the Trust. The dashboard contains details of all key aspects of performance, under the CQC domains of "Safety", "Effectiveness", "Caring", "Responsiveness" and "Well-Led". A traditional 'Red, Amber, Green' (RAG) rating system is used to highlight variances against Trust plans for the year and/or the required national target. "Green" means "Delivering or exceeding target", "Amber" means "Underachieving target" and "Red" means "Failing target". Additional performance information is provided on financial matters and clinical quality. These reports are available on the Trust's website, as part of the information provided for Trust Board meetings (see [www.mtw.nhs.uk/about-us/trust-board/](http://www.mtw.nhs.uk/about-us/trust-board/)). In 2018/19 a programme of weekly RTT and Cancer performance meetings was established to ensure progress against patient tracking lists.

The content of the Performance Dashboard is discussed at meetings of the Trust Management Executive (TME) and Trust Board. The Director responsible for each domain is asked to highlight key issues of note, and explain areas of under / failing performance. At each Trust Board meeting, the previous month's performance is summarised within a "story of the month". Performance against the Trust's agreed objectives is measured and monitored via the Board Assurance Framework, described in more details in the "Annual Governance Statement for 2018/19" (page 55 onwards). In addition to this, the Trust continues to use nationally-published information (where available), to compare performance. This includes national staff and patient surveys (which are described elsewhere in this Annual Report); and national clinical audits.

The Trust monitors its progress against the recommendations from its most recent CQC report (March 2018) through an Action Plan "Tracker" which is monitored through the Trust's Quality Improvements Committee (see page 14 for more detail).

## Best Care

The Best Care programme is the Trust's clinically-led improvement programme that brings together its quality, safety and financial sustainability aims. The programme has five workstreams (outlined below), each with an Executive Sponsor. Monthly workstream programme board meetings receive detailed reports on progress and monitor delivery. A monthly Best Care Programme Board is chaired by the Chief Executive.

- ▶ Best Safety (learning lessons and making our services even safer)
- ▶ Best Quality (working together to provide great quality care for everyone we see)
- ▶ Best Patient Flow (developing the best ways to see our patients)
- ▶ Best Workforce (having the best staff available to treat our patients)
- ▶ Best Use of Resources (reducing waste and improving value for money)

## The link between Key Performance Indicators (KPIs), risk and uncertainty

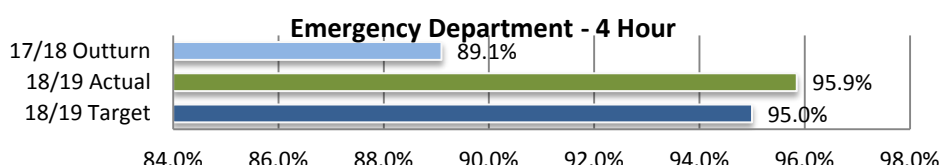
The Trust uses a wide range of KPIs to identify areas of risk and uncertainty. Where these risks and uncertainties can be controlled, these are aimed to be included within the Trust's plans. However, if monitoring of KPIs reveals that performance is at variance from the Trust's plans, mitigating actions may be implemented. The wide range of information collated means that the relationship between different pieces of information is very complex & the Trust engages the specialist analytical skills of staff within the Finance, Human Resources and Business Intelligence departments to identify themes, variance from plans etc., and to advise on potential actions to address variances, or recommend enacting of mitigations.

# Development and performance in 2018/19

The 'key issues and risks affecting delivery of the Trust's objectives' were described earlier in the Report (pages 17-18). The Trust's actual performance against each of its 2018/19 objectives is described below.

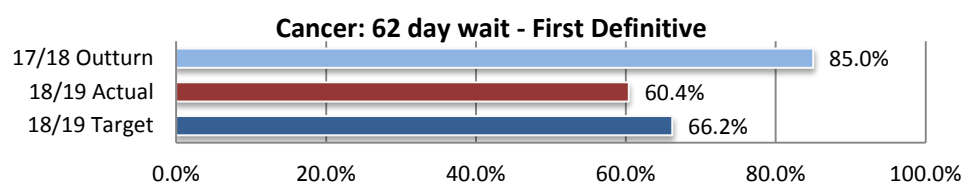
## To deliver the trajectory agreed with NHSI for the A&E 4 hour waiting time target

■ This objective was fully achieved (rated green within the Board Assurance Framework). Although the trajectory for Quarter 3 (90.77%) was not achieved (90.45% performance), the year-end position was 91.86% (which exceeded the trajectory of 90.82%), and the trajectory for March 2019 (95.03%) was achieved.



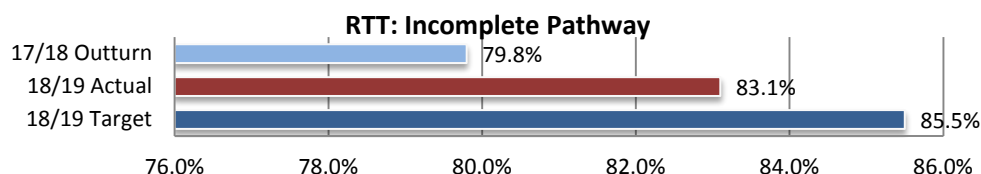
## To deliver the trajectory agreed with NHSI for the 62-day Cancer waiting time target

■ This objective was not achieved (rated red within the Board Assurance Framework) and the Trust has made a commitment to achieve the 85% target by the end of May 2019.



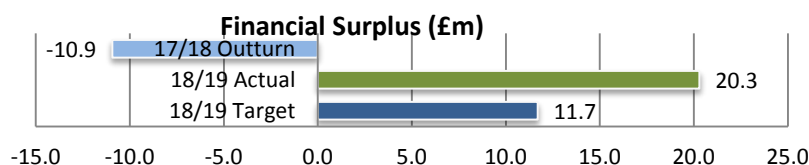
### To deliver the Referral to Treatment (RTT) trajectory agreed with NHSI for patients on an 'incomplete' pathway

● The trajectory for March 2019 (85.46%) was not achieved (rated red within the Board Assurance Framework) as the performance was 82.88%.



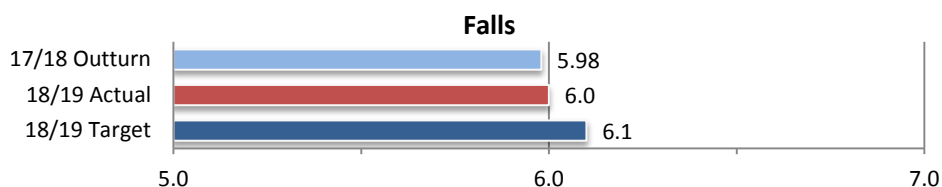
### To deliver the financial plan for 2018/19

● This objective was fully achieved (rated green within the Board Assurance Framework). The Trust ended 2018/19 with a post-Provider Sustainability Fund (PSF) surplus of £20.324m.



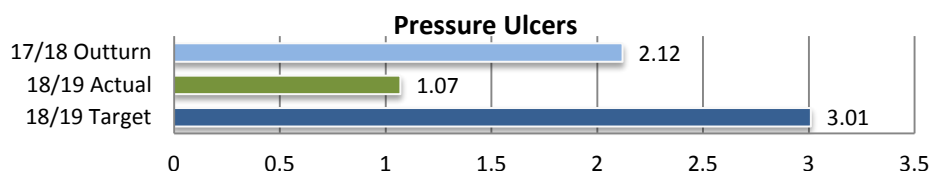
### To ensure a falls rate of no more than 6.0 per 1000 occupied bed days

● This objective was not achieved (rated red within the Board Assurance Framework). Although the total number of falls was lower in 2018/19 (1500) than in 2017/18 (1581), the Trust ended 2018/19 with a falls rate of 6.1 per 1000 occupied bed days.



### To ensure a pressure ulcer rate of no more than 3.0 per 1000 admissions

● This objective was fully achieved (rated green within the Board Assurance Framework). The Trust ended 2018/19 with a hospital acquired pressure ulcer rate of 1.07 per 1000 admissions.




### To deliver the agreed 'lessons learned' plan for 2018/19

● This objective was fully achieved (rated green within the Board Assurance Framework). The Lessons Learned plan spans more than one year and the lessons in respect of 2018/19 were delivered. These include:

- Completed review of Datix system functionality issues & implementation of a new system from April 2019
- Identification of a system and process for cascading learning enabling the Patient Safety Team to cascade relevant learning to each Directorate/Clinical Governance Lead

- A full review of the existing Directorate/Divisional Clinical Governance process (meetings, membership, agenda content, feeder mechanisms, outputs and cascade arrangements) and outputs agreed
- A simple three stage process agreed for Evidencing and Embedding Learning
- A detailed project plan for 2019/20 produced to deliver the remaining work required.


### To deliver the agreed medical productivity plan for 2018/19

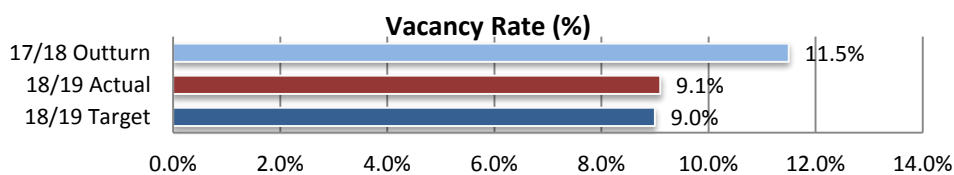
 This objective was partially achieved (i.e. rated amber within the Board Assurance Framework). The Medical Productivity plan spans more than one year. The objectives set for the "Job Planning System & Cycle" aspects of the work for 2018/19 have been delivered, but the objectives set for the "Demand & Capacity Planning" and "Best Value" aspects were not delivered as planned.

Details of the aspects delivered are:


- ▶ Job Planning System & Cycle:
  - Policy, Standards Document and Professional Activities (PA) Allocation Table (PAAT) negotiated and agreed with the Joint Medical Consultative Committee (JMCC) & subsequently ratified. Bespoke, local PAATs and standards are in place for all Directorates.
  - The Medical Job Planning Consistency Committee (MJPCC) was established & Terms of Reference agreed. Desk top reviews for all Directorates have been completed and a cycle of meetings is in place for 2019/20.
  - Implementation of an E-job planning system. The Trust was noted as an exemplar by the NHSI Wave 2 Workforce Productivity Programme for progress in the first year.
- ▶ Demand and Capacity: Ongoing work to review outpatient and theatre demand & capacity with reconciliation back to job plans
- ▶ Best Value: Reconciliation of pay against existing job plans. Work has commenced with Directorates to facilitate personalised metrics & Annualised Team job planning in the next round.

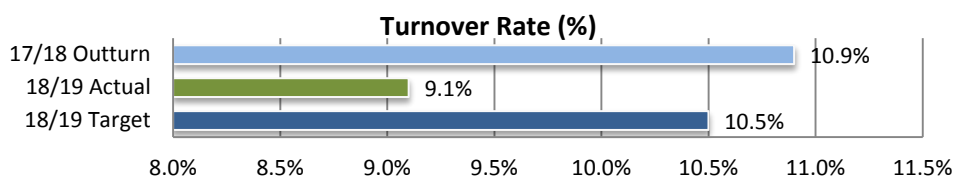
### To deliver a vacancy rate of no more than 9%

 This objective was not achieved (rated red within the Board Assurance Framework). The Trust ended 2018/19 with a vacancy rate of 9.1%. More information on the Trust's plans for recruitment and engagement initiatives is given on page 68 onwards.



### To deliver a staff turnover rate of less than 10%

 This objective was fully achieved (rated green within the Board Assurance Framework). The Trust ended 2018/19 with a staff turnover rate of 9.12%.



## Financial performance in 2018/19

The Trust started the year in Financial Special Measures (FSM) needing to demonstrate sufficient progress in financial improvement and sustainability. In October 2018 this was achieved when NHSI announced that the Trust was no longer under FSM.

For the financial year 2018/19 the Trust met its control total and reported a surplus of £20.3m, post Provider Sustainability Funding (PSF), which was £8.6m better than plan. The PSF was achieved in full and the Trust received additional PSF of £8.3m. There were some aspects of the plan which were not met. The key drivers of this variance are:

- ▶ The Cost Improvement Programme (CIP) delivery was £13.8m compared to a plan of £24.1m, a shortfall of £10.3m
- ▶ Additional benefit derived from asset sales of £10.2m.

The Trust incurred additional expenditure of £1.8m to improve RTT and Cancer performance which was funded by West Kent Clinical Commissioning Group (CCG).

### Income and Expenditure (Financial Performance)

The table below compares the Trust's income and expenditure plan to the year-end financial position.

Statement of Comprehensive Income	2018/19 (Plan) £m	2018/19 (Actual) £m	Variance £m
Income	466.4	473.2	6.8
Operating expenses	(442.0)	(450.5)	(8.5)
<b>Operating Surplus / (Deficit):</b>	<b>24.4</b>	<b>22.7</b>	<b>(1.7)</b>
Finance income	0.0	0.2	0.2
Finance expense	(15.8)	(15.8)	(0.0)
PDC dividend charge	(1.3)	(0.7)	0.6
<b>Net finance costs</b>	<b>(17.1)</b>	<b>(16.3)</b>	<b>0.7</b>
Other gains / (losses)	3.3	13.5	10.2
<b>Surplus / (deficit) for the year before technical adjustments</b>	<b>10.7</b>	<b>19.9</b>	<b>9.2</b>
Technical adjustments	1.1	0.5	(0.6)
<b>Surplus / (deficit) for the year after technical adjustments</b>	<b>11.7</b>	<b>20.3</b>	<b>8.6</b>

### Income

The Trust's income was £473.2m which was above plan by £6.8m by the end of the financial year. This was mainly due to CIP Slippage of £10.2m in Prime Provider and private patient income and a reduction in income for pass through costs of £1.4m. This was offset by £8.3m additional PSF, £1.8m Cancer and RTT funding, £1.6m benefit from 2017/18 adjustments, £1.7m non Aligned Incentives Contract over-performance and £1.4m additional non-recurrent income support.

The majority (85%) of the Trust's income is from Clinical Commissioning Groups (CCGs) or NHS England.

### Operating Expenses

The Trust's expenditure was £450.5m which was £8.5m adverse to plan. There were pay overspends of £4.7m as a result of additional bank and agency spending to cover vacancies and non-pay was £5m overspent in clinical supplies. Both pay and non-pay included additional expenditure for RTT and Cancer performance

improvements. The impact of the 2018/19 pay award was an additional £4m. These were offset by release of reserves of £3.8m and underspends in pass through costs of £1.4m.

### Finance Costs

Public Dividend Capital (PDC) charge was lower than expected by £0.5m.

### Other Gains

The Trust had planned to have a financial benefit relating to an asset sale. This was higher than expected and in addition a second asset was sold sooner than planned. This resulted in an additional benefit from asset sales of £10.2m.

### Cost Improvement Programme (CIP)

The Trust delivered £13.8m of cost improvement plans against a target of £24.1m. The main shortfalls were Prime Provider start delay (£5.5m), Private Patient Income (£1m), STP Medical Rates (£1.7m) and Medicines Management (£1.1m). These are shown by Division below:

CIP programme by Division	2018/19 Plan £'000	2018/19 Actual £'000	Variance £'000
Surgery	11,292	3,224	(8,072)
Cancer Services	1,251	827	(424)
Medical and Emergency Care	3,627	1,223	(2,404)
Women's, Children's and Sexual Health	2,110	1,556	(554)
Diagnostics and Clinical Support	858	767	(91)
Estates and Facilities	2,912	1,780	(1,132)
Corporate	2,007	4,465	2,458
<b>Total</b>	<b>24,061</b>	<b>13,842</b>	<b>-10,219</b>

### Capital Expenditure plan

During the year the Trust made capital investments of £13.6m including £0.7m of assets funded from donated or charitable fund sources. Significant elements of the programme were improvements to energy infrastructure/LED lighting (£1.4m) funded from Salix loans, £1.5m on backlog maintenance and estates renewals at Maidstone Hospital, and £0.7m planned lifecycle at the Tunbridge Wells Hospital. In addition there was £0.7m associated with the enabling works for new linear accelerators.

Equipment spend in the year included two replacement linear accelerators funded by national PDC at the Cancer Centre at Maidstone Hospital (£3.4m) and £2.4m for Trust-wide medical equipment replacement. £2.5m of investment was made in ICT infrastructure and equipment including implementation costs for the new electronic patient record system.

### The Trust's statutory (i.e. legal) duties

As an NHS Trust, the organisation has a number of statutory financial duties, which are explained below.

### External Finance Limit (EFL)

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 it can borrow and spend. In 2018/19 the Trust met its target by managing the year-end position to underspend the EFL by £9.4m with the actual closing cash balance being £10.4m. The Trust agreed with NHSI to carry forward additional cash at year end (including £8.4m from asset sale proceeds) and is seeking agreement from the Department of Health and Social Care to utilise this in 2019/20 as capital resource.

### Capital Resource Limit

The Trust is expected to manage its capital expenditure within its agreed Capital Resource Limit (CRL). For 2018/19 the Trust's CRL was £12.1m which was underspent by £3.2m relating mostly to the disposal of property close to the end of the financial year (net book value £2.4m) and an agreed deferral of £0.3m of central PDC for ICT projects; and partly due to less depreciation spend than planned (£0.5m) which reduced available capital cash. The £2.4m net book value resource and the £0.3m PDC funding is part of the cash balance that the Trust has carried forward into 2019/20.

### Break-even duty

Each NHS Trust has a statutory duty to break-even taking one year with another, measured as the Income and Expenditure position adjusted for specific technical exclusions. This duty is formally measured over a 3 year period or a 5 year period if agreed with the DHSC.

The Trust's latest 3 year break-even cycle commenced in 2013/14 and was not met by the end of the period in 2015/16. The Trust has achieved an in year surplus in 2018/19 of £20.3m, including PSF income, reducing the cumulative deficit accordingly. The Trust's break-even period has been extended with the plans submitted for 2019/20 aimed at further reducing the accumulated deficit towards the target of formal cumulative break-even by 2023/24.

### Accounting Issues

The Accounts have been prepared in accordance with guidance issued by the DHSC and in line with International Financial Reporting Standards (IFRS) as applied in the DHSC Group Accounting Manual. This included for 2018/19 the application of the new accounting standards, IFRS 9 on Financial Instruments, and IFRS 15 on Revenue from Contracts with Customers. The Trust also sold two sets of staff accommodation during the year and entered into leaseback arrangements. Both sets of leases have been assessed as operating leases. The accounts were prepared under the "Going Concern" concept in line with the DHSC Group Accounting Manual requirements for management consideration. This has been set out in the "Overview" section above.

### External Auditors

The Trust's External Auditors are Grant Thornton UK LLP. Their charge for the year was £68,500 excluding VAT (in 2017/18 this was £68,500 excluding VAT) which includes £7,500 relating to the audit of the Quality Accounts. Grant Thornton UK LLP did not undertake any non-audit work for the Trust in 2018/19.

### Looking forward to 2019/20

The Trust has set a planned surplus of £6.9m which includes receipt of £7.7m PSF during 2019/20. To deliver this surplus the Trust will need to deliver a £16.6m CIP target. The overall plan shows that 2019/20 will continue to be financially challenging but the underlying position is improving. The table below sets out the Trust's 2019/20 financial plan submitted to NHSI.



Statement of Comprehensive Income	2019/20 (Plan) £m
Income	503.2
Expenditure	(465.4)
EBITDA (surplus):	37.8
EBITDA %	7.5%
Depreciation & other	(29.5)
Net interest	0.1
PDC dividend	(1.6)
Impairments	(1.0)
Total financing and impairments	(32.0)
Surplus/(Deficit) (before technical adjustments)	5.8
Technical adjustments	1.1
Surplus/(Deficit) (after technical adjustments)	6.9

The key movements from 2018/19 outturn to 2019/20 plan are:

The main non recurrent items in the 2018/19 outturn were the benefit on sale of assets £14m, non-recurrent income support £5.2m and PSF funding £12.7m. The non-recurrent items are removed from the plan for 2019/20, which is then increased for activity growth and pay and non-pay inflation. The plan includes an additional £15m of activity as a result of its new Prime Provider status. This means all elective referrals are made directly to the Trust and will outsource patients to the Independent Sector either because of patient choice or where internal capacity is full. There is a cost improvement plan requirement of £16.6m.

The Trust is planning a rolling five year capital programme of total value £56m (excluding donated assets) which includes the following areas of investment:

- Essential improvements in Maidstone Hospital estates (£10.5m) and Tunbridge Wells Hospital lifecycle (£5.4m). £5.6m of this is proposed to be funded from resource that the Trust is requesting to carry forward from the disposal of property assets in 2018/19 into 2019/20 and 2020/21. £2m of the resource is planned to address key property backlog issues. This is subject to approval from DHSC in terms of the allowing the cash carried forward to be spent as capital resource.
- The financial plan does not yet include the Hyper Acute Stroke Unit planned for Maidstone Hospital as part of the recent Kent & Medway STP Business Case, as it has not yet reached final approval through the governance process.
- The Trust's plan has assumed that the NHS England capially funded national programme of updating linear accelerators will continue and has planned for a replacement linac on an annual basis.
- The Trust's plan includes essential replacement equipment provision of c. £8.4m over the 5 year period from internal resources. This includes the remaining resource being requested to carry forward from the asset sale (£0.8m).
- The Trust's plans for ICT of £7m include its major Electronic Patient Record (EPR) project and an Electronic Prescribing and Medicines Administration (EPMA) prescribing system for which national PDC funding is being sought (£1.5m).
- In addition the Trust needs to urgently replace some critical Imaging equipment (e.g. CT scanners) and will be looking to apply for an emergency capital loan to enable this to take place (£3.2m).

The primary source of capital funding is internally generated cash through depreciation and capital receipts received on the planned sale of assets, net of repayments of principal on the existing capital loans, PFI lease repayments and PFI lifecycle repayments. In addition the Trust plans to seek loan and PDC financing for specific investments as set out above.



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## Countering fraud, bribery and corruption

The Trust has a range of policies and procedures in place to identify and respond to risks of fraud, bribery and corruption, including an "Anti-Fraud, Bribery and Corruption Policy and Procedure"; "Gifts, Hospitality, Sponsorship and Interests Policy and Procedure"; "Standing Financial Instructions", "Risk Management Policy and Procedure", "Serious Incidents (SI) Policy and Procedure", and the "Speak Out Safely (SOS) Policy and Procedure (formerly Whistle Blowing)" as well as policies relating to, for example, employee verification checks etc. Such Policies are available to all staff via the Trust's Intranet system. The Trust's Local Counter Fraud Specialist is a mandated consultee for such Policies. A specialised training event was held with Trust Staff Side representatives in 2018/19, helping them to better understand the role of the NHS Counter Fraud Service (LCFS) and how they can best assist members under investigation. Training to all Staff Side representatives included raising awareness of Bribery legislation. In addition, as noted above, the LCFS undertakes a programme of work for the Trust which aims to prevent, deter and detect fraudulent activity. The outcomes of the work are reported to the Audit and Governance Committee, which in turn provides a summary report on its own activity to the Trust Board.

## Equality, Diversity and Human Rights

The Trust's activity and policies in this area are explained in the Accountability Report.



## Performance Report for 2018/19: Summary of Quality Accounts



Quality Accounts are intended to aid the public's understanding of what the Trust does well; identify where improvements in service quality are required; and to list the improvement priorities for the coming year.

This section contains a summary of the Quality Accounts for 2018/19; the full Quality Accounts can be found on the Trust's website ([www.mtw.nhs.uk](http://www.mtw.nhs.uk)), or the Trust's pages on the NHS Choices website ([www.nhs.uk/Services/Trusts/Overview/DefaultView.aspx?id=1178](http://www.nhs.uk/Services/Trusts/Overview/DefaultView.aspx?id=1178)).

### Performance against selected key priorities for 2018/19

Performance against selected 2018/19 priorities, as stated in the 2017/18 Quality Accounts, is outlined below.

#### Patient Safety: To create reliable processes that will build a supportive environment to reduce avoidable harm

Examples of the goals set, and the action taken in response is described below:

- ▶ "Embedding an open & transparent culture that embraces 'lessons learned'" - During the year there was some limited success with improving rates of incident reporting, with an initial rise, then subsequent return to static; Improvement was achieved in the investigation and closure of incidents, ensuring that staff received timely feedback when they reported an incident; the agenda for the Trust's Clinical Governance meetings was revised to promote the 'lessons learned' agenda; 5 courses of Root Cause Analysis training was delivered; dates for Duty of Candour training were confirmed; Schwarz rounds are due to commence within the Trust in April 2019
- ▶ "Achievement of consistent recognition and rapid treatment of Sepsis in both ED and inpatient departments and ultimate reduction in the number of avoidable deaths" - No Serious Incidents (SI) were declared in Quarters 1, 2 and 3 as a result of a delayed diagnosis of Sepsis; 1 SI was reported in Quarter 4 for delayed diagnosis of Sepsis; full compliance with the standard for screening and treatment was met during Quarters 2, 3 and 4 (and was narrowly missed in Q1); Sepsis was the focus of the Trust's safety moment during the month of September; a Sepsis Study day was held and a Sepsis scenario is now used in Simulation training.
- ▶ "Improvement in outcomes for expectant mothers and their babies in line with 'Better Births' and the National Maternity Transformation work" – Significant work was undertaken with the NHSI Maternal & Neonatal Safety Collaborative (MatNeo), which aims to provide "support for front line staff to create the conditions for continuous improvement, a safety culture and a national maternal and neonatal learning system". Through this work a project was identified and is moving forward to: reduce smoking in pregnancy (specifically increasing the number of women who stop smoking between booking and delivery); increase the administration of Magnesium Sulphate to women for whom imminent premature birth is anticipated.

#### Patient Experience: To improve the use of current feedback mechanisms and provide more innovative ways to receive and act upon feedback

Examples of the goals set, and the action taken in response is described below:

- ▶ "Development of a patient engagement strategy to ensure views are sought and triangulated with themes and trends from patient surveys, complaints etc. to inform strategic direction" - Patient Public and Engagement events took place in October 2018, with follow-up workshops in November to group themed feedback from



the first session. A Patient and Carer Engagement Strategy has been drafted and will be finalised for implementation in 2019/20

- ▶ "Continued work with external partners such as Healthwatch, NHSI, CQC and West Kent CCG to help inform the Board of areas for concern including the Internal Assurance inspection programme" – The Trust engaged throughout the year with external partners and received feedback to help improve patient pathways. Specific examples include ED site visits by Healthwatch, and Healthwatch representation at the Trust's Patient Public and engagement events. Healthwatch attended the Trust Board meeting in December 2018 following its earlier review against the Accessible Information Standard. Four successful CQC engagement days took place throughout the year with core service presentations given by staff from Maternity, Outpatient Services, End of Life Care, Radiology and Pathology Services; Work with the CCG continued through the Quality Review Group and the Internal Assurance programme; the Quality Lead from NHSI attended a review of the Trust's Never Events Working Group and was instrumental in supporting ongoing work to improve the complaints standard.
- ▶ "To recognise and respond to the specific needs of patients with complex needs" – A scoping exercise with carers of people with dementia was undertaken to identify the potential need for a drop in /nurse-led clinic; this is now being explored further under the Aligned Incentive Contract. The Trust's Learning Disability Liaison Nurse provided training sessions to 353 members of Trust staff and to patients with learning disabilities in the community, & supported several patients in attending appointments and surgery.

### Clinical Effectiveness: To improve the management of patient flow through the delivery of safe and effective care for patients by whichever pathway of care best meets those needs

Examples of the goals set, and the action taken in response is described below:

- ▶ "Sustaining previous work undertaken to avoid unnecessary admissions to hospital through the development of alternative care models/pathways" – There was an increase during the year in zero length of stay pathways (no overnight stay); There has been development of direct GP admissions and direct ambulance conveyance to the appropriate unit within the hospital, i.e. Ambulatory Emergence care (AEC) or Frailty Unit, was developed; further ambulatory pathways were created to increase zero length of stay; additional hours for GP's within ED were approved
- ▶ "Working with mental health partners to reduce the number of frequent attendances of patients in crisis attending our emergency departments" - Following the previous year's success in reducing the number of attendances for 25 patients by 43%, a further cohort was identified & the plans of care for these patients reviewed by the Multi-disciplinary and professional team that includes SECamb and KMPT to ensure that a consistent and cohesive approach is applied to support the individuals' ongoing care needs
- ▶ "Working in collaboration with community and local authority colleagues to further develop pathways to support the timely discharge of patients" – The Trust continued its work with partners to promote the timely discharge of patients, notably including implementation of the Virtual ward/ Hospital@Home service in Winter 2018/19.

### Quality Improvement priorities for 2019/20

The Trust's Quality Improvement priorities are a small sample of the range of Quality Improvement work undertaken within the Trust in any 12 month period. The initiatives selected in previous years invariably continue into subsequent years, although the focus may change according to need. The Trust's priorities for 2018/19 were developed through engagement of a wide cross-section of its staff.

The Trust's 3 quality priorities for 2019/20 are:

## 1. Patient Safety: To create reliable processes that will build a supportive environment to reduce avoidable harm

The key objectives involve:

- ▶ Creating a safety culture that embraces 'lessons learned'. This will include:
  - Increasing the number of incidents that are reported to identify themes to support change
  - Continued focus on reducing mortality figures in line with the national average (HSMR/SHMI) through learning from mortality reviews
  - Supporting staff to share their experiences and to encourage their development
- ▶ Reducing healthcare associated infections, in particular:
  - Clostridium Difficile
  - Gram negative bloodstream infections
  - MRSA/MSSA bloodstream infections
- ▶ Improvement in outcomes for expectant mothers and their babies in line with 'Better Births' and the National Maternity Transformation work
- ▶ Improvement in the care of the deteriorating patient through the promotion of early recognition, response and appropriate escalation

## 2. Patient Experience: To improve the use of current feedback mechanisms and provide more innovative ways to receive and act upon feedback

The key objectives involve:

- ▶ Embedding and delivery of the Quality Improvement Plan
- ▶ Improving recognition and timely decision making for the provision of End of Life Care
- ▶ To recognise and respond to the specific needs of patients with complex needs including:
  - Working with partner organisations to deliver all aspects of the Accessible Information Standard
  - Development of training strategies to support staff in delivering care appropriate to their patients' needs

## 3. Clinical Effectiveness: To improve the management of patient flow

The key objectives involve:

- ▶ Improving the delivery of access standards and thereby timely treatment for patients accessing care through both Emergency and Planned pathways of care.
  - To ensure that an increasing number of patients are seen and treated within 4hrs through the EDs
  - To reduce the number of patients waiting for procedures on the elective waiting list whilst ensuring that they do not come to harm
  - Improvements in timeliness of diagnosis, decision making and treatment for Cancer patients
- ▶ Improving patient flow through the development of alternative care models/pathways.
- ▶ Reduction in cancelled operations
- ▶ Development of new and enhanced roles to improve pathways of care and raise staff morale.

Progress against these objectives will be monitored as part of the Directorate and Trust-level governance structures. Assurance of progress against the above objectives will be presented at monthly Trust Management Executive meetings; Quality Committee and Patient Experience Committee meetings.



## Performance Report for 2018/19: Sustainability Report





As an NHS organisation and spender of public funds, the Trust has an obligation to work in a way that has a positive effect on the communities it serves. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets the Trust can improve health both in the immediate and long term even in the context of rising cost of natural resources. The commitment to this agenda was reaffirmed in the NHS Long Term Plan with clear targets on carbon and air pollution. Demonstrating that it considers the social, economic and environmental impacts, ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met by the Trust.

In order to fulfil its responsibilities for the role it plays, the Trust has the following sustainability mission statement embodied in its Sustainable Development Management plan (SDMP):

"The provision of Sustainable and Resilient Healthcare and Buildings to ensure Healthy People and Places in Maidstone and Tunbridge Wells NHS Trust".

As a part of the NHS, public health and social care system, the Trust has a duty to contribute equally towards the UK government carbon budgets to at least reduce emissions by 34% (from a 2007 baseline) equivalent to a 28% reduction from a 2013 baseline by 2020. The aim is to have a local target by reducing carbon emissions 28% by 2020/21 using 2013/14 as the baseline year. The ambition of the NHS Long Term Plan is to continue to contribute to the next milestone of a 51% reduction by 2025.

## Policies

In order to embed sustainability within the Trust's business it is important to explain where sustainability features in its process and procedures. One of the ways in which an organisation can embed sustainability is through the use of an SDMP. The Trust Board approved the Trust's SDMP in the last 12 months and the plans for a sustainable future are clearly laid out and well known within the organisation.

The Trust undertakes a sustainability impact assessment during the development of a business case for products and services. The Trust does not currently use the Sustainable Development Assessment Tool (SDAT). The Trust's suppliers are required to confirm they comply with the Modern Slavery Act as part of their contractual obligations.

## Adaptation

Climate change brings new challenges to the Trust's business both in direct effects to its healthcare estates, but also to patient health. Examples of such challenges in recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. The Trust's Board approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events. Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that services continue to meet the needs of the local population during such events a number of policies and protocols have been developed and implemented in partnership with other local agencies.

## Partnerships

The NHS policy framework already sets the scene for Providers to operate in a sustainable manner. As a provider, the Trust will need to provide evidence of this commitment in part through contracting mechanisms. The Trust has not currently established any strategic partnerships.

## Green Space and Biodiversity

The Trust recognises its grounds & green spaces as assets, both through the natural capital they represent as a habitat and ecosystem & as a resource for local communities to utilise and enjoy. It is improving access to its green spaces and natural environments for stakeholders and is committed to maintaining & enhancing the biodiversity capacity of its managed estate. In the last year a complete refurbishment of the Lung garden has been undertaken in association with the Lung Awareness charity, as well as completion of a Stroke garden.



## Performance

### Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process, which is still ongoing. In order to provide some organisational context, the following table explains how both the organisation and its performance on sustainability has changed over time.

Context info	2007/08	2015/16	2016/17	2017/18	2018/19
Floor space (m <sup>2</sup> )	109,896	138,533	138,533	138,533	138,533
Number of staff (WTE)	3,969	4,678	5,130	5,022	5,153

In 2014 the Sustainable Development Strategy outlined an ambition to reduce the carbon footprint of the NHS as a system by 28% (from a 2013 baseline) by 2020. The NHS Long Term Plan reaffirms the commitment for the health and care system to provide at least an equal contribution to the UK government carbon budgets. The Trust has supported this ambition as detailed below:

### Energy

Managing energy is one aspect of reducing carbon emissions. The Trust spent £4,912,381 on energy in 2018/19, an 8.3% increase on energy spend from the previous year. Significant progress has been made in the reduction of both electrical & gas consumption in the last year through the completion of a Trust-wide LED lighting upgrade & the installation of a flue gas economiser to one of the boilers at Maidstone.

Resource <sup>4</sup>		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Gas	Use (kWh)	34,135,656	32,905,482	34,139,781	31,546,328	33,930,120	31,855,591
	tCO <sub>2</sub> e	7,242	6,904	7,145	6,593	7,194	6,766
Oil	Use (kWh)	955,973	1,110,958	635,113	532,926	313,362	280,800
	tCO <sub>2</sub> e	305	356	203	147	102	90
Coal	Use (kWh)	0	0	0	0	0	0
	tCO <sub>2</sub> e	0	0	0	0	0	0
Electricity	Use (kWh)	224,551	1,331,564	18,564,756	23,801,508	23,652,117	22,899,149
	tCO <sub>2</sub> e	126	825	10,673	12,301	10,542	8,078
Green Electricity	Use (kWh)	22,477,329	21,816,665	4,892,105	0	0	0
	tCO <sub>2</sub> e	12,585	13,512	2,813	0	0	0
Total energy CO <sub>2</sub> e		20,258	21,597	20,834	19,041 <sup>5</sup>	17,838	14,934
Total energy spend		£4,039,990	£3,814,599	£3,919,681	£3,835,790	£4,535,611	£4,912,381

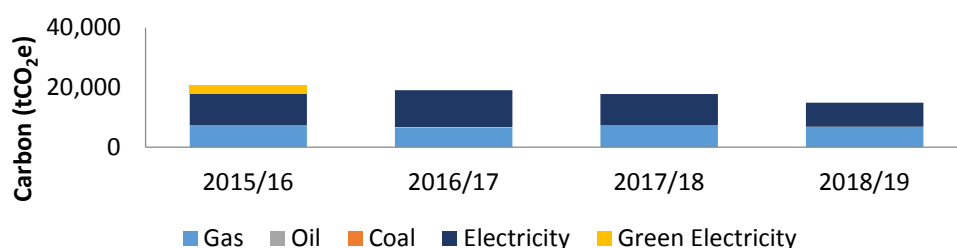
N.B. tCO<sub>2</sub>e = Tonnes of CO<sub>2</sub> equivalent. This is used to measure the equivalent CO<sub>2</sub> concentration which causes the same level of absorption in the atmosphere for other greenhouse gases.

<sup>4</sup> Data for energy resource usage before 2016/17 was reviewed and revalidated in 2016/17

<sup>5</sup> This figure has been amended to correct an error in the Annual Report 2016/17



### Carbon Emissions - Energy Use



### Re-use

The re-use of goods and community equipment in the NHS has several key co-benefits, reducing cost to the NHS. It also reduces emissions from procuring and delivery of new goods and can provide social value when items are re-used in the community. The Trust has continued to partner with local reuse organisations to find homes for assets that are still usable. The Trust is committed to mainstreaming this activity in 2019/20.

Category		2015/16	2016/17	2017/18	2018/19
Internal reuse of durable goods	£	Not Recorded	Not Recorded	2,000	2,000
External reuse of durable goods	£	Not Recorded	Not Recorded	2,500	5,000

### Paper

The movement to a Paperless NHS can be supported by staff reducing the use of paper at all levels, this lessens the environmental impact of paper, reducing cost of paper to the NHS and can also help improve data security. The Trust is committed to make incremental progress in its reduction of paper and is seeking to implement a paperless system where possible. However the level of paper procured in the last year is counterproductive to this ambition.

Paper		2017/18	2018/19
Volume used	Tonnes	61	90
Carbon emissions	tCO <sub>2</sub> e	58	85

### Travel

Improvements can be made to local air quality and carbon emissions through the way that the Trust designs its travel arrangements and services. The Trust has a clear policy on healthy travel for the organisation and healthy and sustainable travel is promoted to our stakeholders (staff, patients and the public).

The Trust is a lean organisation and every actions counts in trying to realise efficiencies across the board for cost and carbon (CO<sub>2</sub>e) reductions. A culture for active travel is supported to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for the local population, patients, staff and visitors and are caused by cars, as well as other forms of transport

Category	Mode	2014/15	2015/16	2016/17	2017/18	2018/19
Patient & visitor travel	Miles <sup>2</sup>	104,162,344	107,404,988	112,158,231	115,563,332	121,747,529
	Miles	38,272.30	38,841.48	40,535.15	41,178.09	44,890
Business travel & fleet	tCO <sub>2</sub> e	1,170,280	1,319,789	1,037,636	1,059,360	0
		430	477	375	377	0
Staff commute	Miles	4,610,964	4,493,769	4,927,968	4,824,221	4,824,221
	tCO <sub>2</sub> e	1,694	1,625	1,781	1,719	1,779

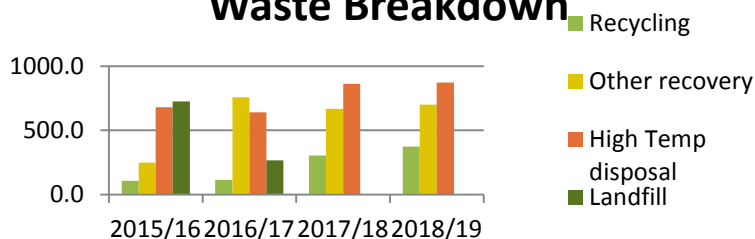
N.B. tCO<sub>2</sub>e = Tonnes of CO<sub>2</sub> equivalent. This is used to measure the equivalent CO<sub>2</sub> concentration which causes the same level of absorption in the atmosphere for other greenhouse gases.

<sup>2</sup> Totals for previous years have been re-stated due to patient & visitor travelled mileages and associated carbon footprint being automatically calculated using externally provided intensity figures

## Waste

The Trust has placed significant focus on the enhanced segregation of clinical waste in the last year, which has seen an increase in the levels of compliance in clinical areas as well as generating cost savings in disposal of clinical waste. This has been supported by continued solid progress in raising recycling levels and volumes throughout the Trust.

## Waste Breakdown



Waste	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Recycling (tonnes)	268.00	214.97	107.00	115.00	304.00	372.00
tCO <sub>2</sub> e	5.63	4.51	2.14	2.42	6.62	7.95
Other recovery (tonnes)	166.00	211.00	248.00	756.00	668.00	700.00
tCO <sub>2</sub> e	3.49	4.43	4.96	15.88	14.54	14.97
High Temp disposal (tonnes)	573.00	682.52	679.00	639.00	861.54	872.00
tCO <sub>2</sub> e	126.06	150.15	148.70	140.58	189.54	191.84
Landfill (tonnes)	723.00	699.42	724.00	265.00	0.0	0.00
tCO <sub>2</sub> e	176.71	170.95	176.96	82.15	0.00	0.00
Total Waste (tonnes)	1730.00	1807.91	1758.00	1775.00	1833.54	1944.00
% Recycled or Re-used	15%	12%	6%	6%	17%	19%
Total Waste tCO <sub>2</sub> e	311.89	330.04	332.76	241.03	210.69	214.76

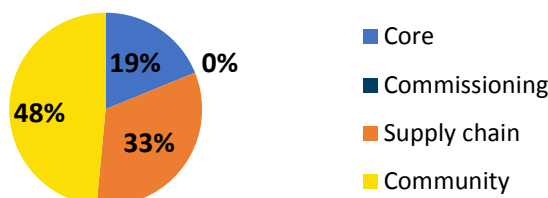
## Finite resource use - water

The Trust has made steady progress in the reduction of water consumption in the last year through and has ensured that sub-metering has been installed to ensure the accuracy of billing.

Water	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Mains m <sup>3</sup>	186,570	186,441	205,246	209,205	225,383	211,936
tCO <sub>2</sub> e	170	170	187	190	205	193
Water & Sewage Spend	£684,307	£539,538	£582,869	£661,990	£761,100	£758,895

## Modelled Carbon Footprint

### Proportions of Carbon Footprint

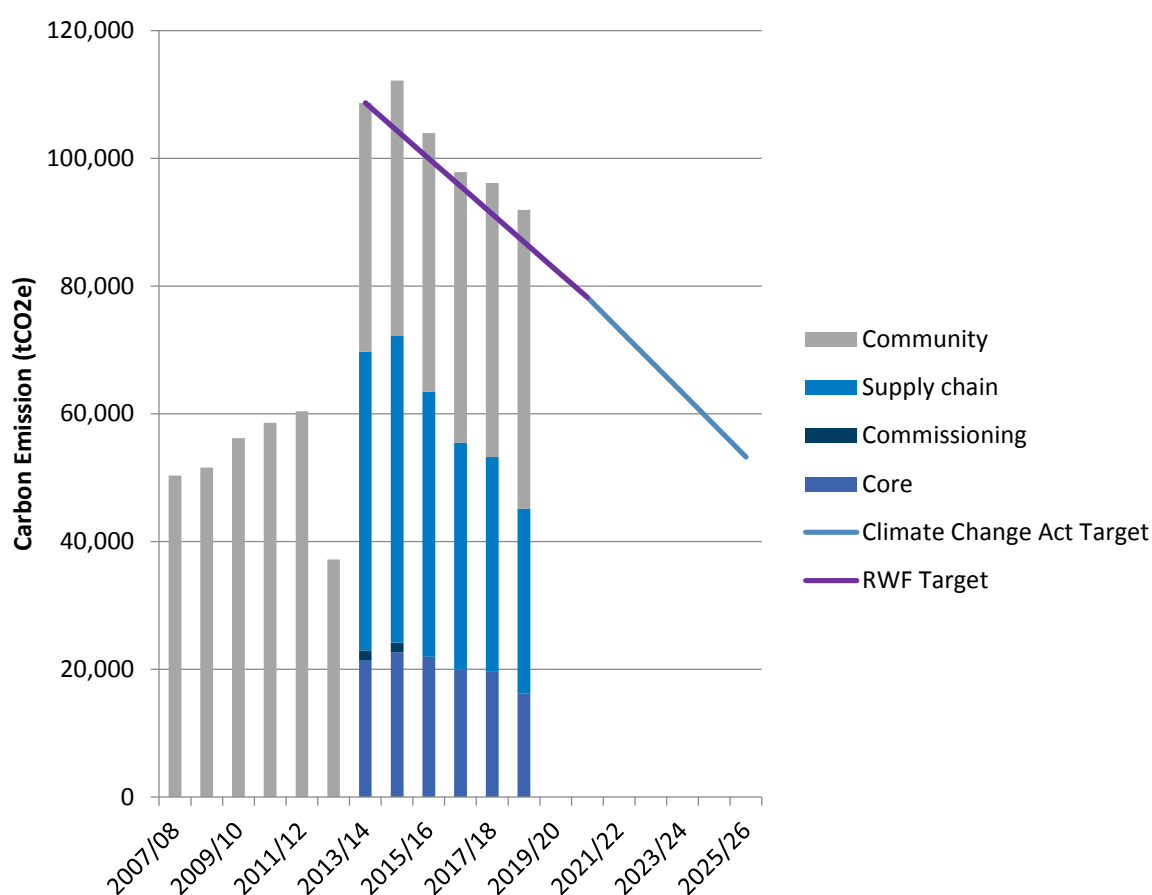


The information provided in the earlier sections of this sustainability report uses Estates Return Information Collection (ERIC) returns as its data source. However, this does not reflect the Trust's entire carbon footprint. The following information uses a scaled model based on work performed by the Sustainable Development Unit (SDU) in 2009/10. More information is available at: <http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx>

The application of this model results in an estimated total carbon footprint of 88,454 tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e). The Trust's carbon intensity per pound is 204 grams of carbon dioxide equivalent emissions per pound of operating expenditure (gCO<sub>2</sub>e/£) against average emissions for NHS acute services of 200 grams per pound.

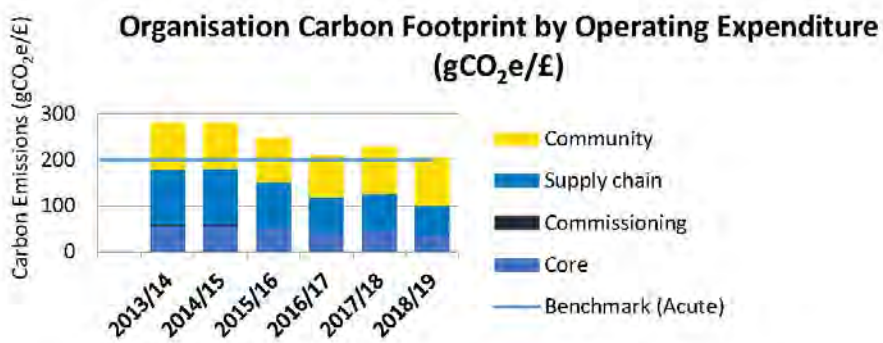
### Modelled Trajectory

The Trust is committed to meeting the legal requirements of the Climate Change Act by reducing its emissions in line with the trajectory outlined above. These reductions are currently on track in respect of direct emissions. Progress is however challenged by increasing patient contacts and their associated carbon footprint.



## Benchmarking

The Trust has made good progress in 2018/19 in its performance in relation to the benchmark for other acute NHS Trusts.



## Declaration

I confirm adherence to the reporting framework in respect of the Performance Report.

Miles Scott, Chief Executive

23<sup>rd</sup> May 2019



# Maidstone and Tunbridge Wells NHS Trust



## Accountability Report for 2018/19: Corporate Governance report

taking  
p r i d e



# Directors' report

## The Trust Board

The Trust Board meets monthly, except in August, in public. The times and venues of these meeting are available in advance on the Trust's website, which also contains the agendas, minutes & reports (see [www.mtw.nhs.uk/about-us/trust-board/](http://www.mtw.nhs.uk/about-us/trust-board/)). The Trust Board formally operates in accordance with its Terms of Reference, the Trust's Standing Orders, Scheme of Matters Reserved for the Board and Scheme of Delegation, and Standing Financial Instructions.

The role of the Trust Board is to determine strategy and policy for the Trust, to monitor in-year performance against plans, to ensure accountability by holding the organisation to account for the delivery of strategy, and to ensure the Trust is well managed and governed. The Trust Board comprises the roles of Chair (Non-Executive), 5 other Non-Executive Directors (voting members), the Chief Executive, and 4 Executive Directors (voting members). Other Directors (non-voting) also attend the Board, and contribute to its deliberations and decision-making. The Non-Executive Directors (NEDs) bring a range of skills and expertise from outside the NHS; their role is to hold Executive Directors to account.

The Trust Board membership underwent changes during the course of the year with the retirement of longstanding Chief Operating Officer, Angela Gallagher, in November 2018 and appointment of Sean Briggs to the role. Deputy Chief Executive, Jim Lusby, left the Trust at the end of April 2018 and Amanjit Jhund assumed the new role of Director of Strategy, Planning and Partnerships in October 2018. There were additionally new Non-Executive Director and Associate Non-Executive Director appointments. The Trust uses executive search facilities and advertising to attract the broadest range of appropriately skilled candidates when vacancies arise.

One of the Trust's two 'away days' in 2018/19 gave consideration to evaluating the Board's effectiveness, including reflection of the Board's purpose and accountability; measures of success and the need to adapt and continuously improve. The programme of regular Board Seminars established in 2017/18 continued every other month allowing more focussed consideration of key themes collectively by the Board. In 2018/19, these included a review of private patient services, risks associated with the Trust's planned levels of income in 2018/19, as well as a session attended by 'Getting It Right First Time' (GIRFT) representatives to review the GIRFT programme in more detail.

## Trust Board Members

Taking into account the wide experience of all Trust Board Members, the balance and completeness of the Board is considered to be appropriate. At the end of 2018/19, the Trust Board had the following members:

### David Highton

Chair of the Trust Board\*



David joined the Trust Board on 8th May 2017. Prior to this he was Ministerial Advisor on Private Sector Involvement and Public Private Partnership to the Minister of Public Health in Qatar. From 2011, he was Executive Director of Corporate Development at Hamad Medical Corporation, the main public hospital provider in Qatar. Prior to moving to Qatar, David worked in the independent health sector, and was an NHS Chief Executive from 1991 to 2003, including at the Chelsea and Westminster Hospital NHS Trust and the Oxford Radcliffe Hospitals NHS Trust. Originally a Chartered Accountant, David worked in publishing, property services, the brewing industry, an industrial starches business, and in the City before joining the NHS as a Finance Director in 1990. David, who is married and has a grown up family, has strong links with Kent, having spent his childhood in Meopham & Sittingbourne, and currently lives in Whitstable.

### Miles Scott

Chief Executive\*<sup>Σ</sup>



As the Trust's "Accountable Officer", Miles is responsible for the overall development and performance of the Trust. In addition to being a Board member, he attends several Board sub-committees. Miles joined the Trust on 8<sup>th</sup> January 2018. Miles has over 30 years' experience in the NHS encompassing acute, community and mental health services, the Department of Health and the King's Fund. Most recently, he worked at a national level with NHSI, focusing on its establishment as a new national organisation and leading the national Ambulance Improvement Programme with NHS England. He was previously Chief Executive of St George's University Hospitals Foundation Trust (2011 to 2016) and prior to that Chief Executive at Bradford Teaching Hospitals NHS Foundation Trust (2005 to 2011) and Harrogate and District NHS Foundation Trust (2001 to 2005). Miles is married to Abbie and has two children aged 13 and 14. He lives in south west London with his family.

### Maureen Choong

Non-Executive Director\*<sup>Δ</sup>



Maureen joined the Board in August 2017 as an Associate Non-Executive Director, and was then appointed as a substantive Non-Executive Director in November 2017. She is a Registered Nurse with over 40 years of clinical and leadership experience within the NHS, prior to her retirement in 2016 from her role as Clinical Quality Director with NHSI. Her previous roles included Deputy Chief Nurse with NHS London and both clinical and Director roles in NHS trusts. Since retirement, Maureen has worked with Health Education England as an Improvement Associate. Maureen chairs the Patient Experience Committee and is Acting Chair of the Audit and Governance Committee. Maureen is married with two stepchildren and lives in Kent.

### Sarah Dunnett OBE

Non-Executive Director\*<sup>Δ</sup>



Sarah joined the Board in January 2014. Sarah arrived from Dartford and Gravesham NHS Trust, where she had been Chair for the previous 12 years. Sarah's previous experience was in the oil industry, where she held a variety of senior management roles. Her contribution to the NHS was recognised in the 2013 Queen's birthday honours list, when she was awarded an OBE. Sarah is married with three sons. In addition to her role on the Board as Vice Chair, Sarah attends several other Trust Board sub-committees, chairs the Quality Committee, and is the Vice-Chair of the Finance and Performance Committee and Charitable Funds Committee.



## Trust Board Members (continued)



Sean Briggs

Chief Operating Officer<sup>\*Σ</sup>

Sean joined the Trust as Chief Operating Officer designate in October 2018 and became the substantive Chief Operating Officer and member of the Trust Board on 3rd December 2018. Sean has a broad experience working within a variety of healthcare settings, but has spent most of this time in the acute setting in hospitals such as St George's NHS Foundation Trust and Epsom and St Helier Hospital where he held a number of senior managerial roles. Sean is passionate about improving clinical engagement and patient care across the Trust, and has a strong track record in improving hospital operational performance whilst delivering a number of high profile clinical strategic changes, most notably the development of the 24/7 Thrombectomy service at St George's.

Neil Griffiths

Non-Executive Director<sup>\*△</sup>

Neil joined the Board as an Associate Non-Executive Director in June 2018, and was appointed a substantive Non-Executive Director in February 2019, when he also assumed the chair of the Finance and Performance Committee. Neil is a career healthcare executive and Board leader with over 25 years public and private sector experience. His career has included strategic, operational, change management and commercial roles in and around hospitals in the UK. Neil was previously a Board member and Deputy Chief Executive at University College London Hospitals NHS Foundation Trust, a leading acute academic hospital provider in the UK. Neil's other career experience includes helping lead the team and development of the McKinsey Hospital Institute (MHI) in the UK as part of a global initiative for McKinsey & Company to develop analytical tools and performance improvement support for hospitals. Neil is currently Managing Director of TeleTracking Technologies in the UK, a global leader in the provision of services and technology supporting healthcare organisations to improve productivity and patient flow. Neil has been a local resident for 12 years, is married with 2 children and lives in Tunbridge Wells.

Simon Hart

Director of Workforce<sup>Σ</sup>

Simon joined the Trust in December 2017. Prior to this Simon was the Director of Human Resources (HR) & Organisational Development at Oxleas NHS Foundation Trust for 11 years. Before becoming a Director Simon worked in a number of HR positions at Guy's & St. Thomas' NHS Foundation Trust and other NHS organisations in London. Simon has been in the NHS for over 20 years, his first job being to support the introduction of clinical audit to Maidstone GPs in 1993. Simon holds a professional registration with the Chartered Institute of Personnel and Development (CIPD) and completed his MSc in HR leadership in 2006.

Nazeya Hussain

Non-Executive Director<sup>\*△</sup>

Nazeya joined the Board in July 2017. Nazeya has 19 years' experience in the public sector and is currently Executive Director for Growth at London Borough of Kingston. Her expertise includes public/private sector ventures, asset and estate management, performance management, and organisational transformation. Nazeya is Chair of the Workforce Committee and Vice Chair of the Audit and Governance Committee. She is married with two children and lives in Sussex.

Amanjit Jhund

Director of Strategy, Planning and Partnerships<sup>Σ</sup>

Amanjit joined the Board on 1st October 2018. Prior to joining the Trust, Amanjit was Director of Strategy and Transformation at Croydon Health Services NHS Trust, and previously worked as an Expert on Healthcare Systems and Services for McKinsey and Company in London. Amanjit is a doctor by background and first joined the NHS 12 years ago, working in hospitals in both Scotland and England gaining experience in a wide variety of medical specialties. Amanjit holds a professional registration with the General Medical Council and has degrees in both medicine and physiology.

## Trust Board Members (continued)



**Peter Maskell**

Medical Director<sup>\*Σ</sup>

Peter joined the Trust Board in February 2017. Peter qualified from The Royal Free Hospital School of Medicine in 1995. He trained in general and elderly medicine at St Thomas' Hospital/Brighton and Sussex University Hospital, where he also studied for an MSc in gerontology and cognitive decline. Peter became a Consultant in General and Geriatric Medicine with an interest in Stroke medicine at the Trust in 2005, and became clinical lead in 2007. Peter was then appointed as Medical Director of Kent Community Health NHS Foundation Trust in 2012 and during his time there, the Trust attained Foundation Trust status and a 'good' rating from the CQC. Clinically, Peter continues to have interests in Stroke, frailty and liaison geriatrics.



**Sara Mumford**

Director of Infection Prevention and Control

Sara joined the Trust Board in November 2007. She leads the Trust's infection prevention strategy. Sara is also a Consultant Microbiologist, and is the Trust's Deputy Medical Director. Sara joined the Trust in 2007, and has previously worked as Consultant Microbiologist at East Kent Hospitals University NHS Foundation Trust, and as a Consultant in Communicable Disease Control (CCDC) at Kent Health Protection Unit.



**Claire O'Brien**

Chief Nurse<sup>\*Σ</sup>

Claire joined the Trust Board in February 2017 as Interim Chief Nurse and was appointed Chief Nurse (substantive) in March 2018. Claire has worked in the NHS for nearly 40 years, qualifying as a Registered General Nurse at King's College London in the early 1980s. She specialised in Cardiothoracic Nursing and has enjoyed a variety of general management and senior nursing roles within South London NHS acute Trusts, more recently as the Deputy Director of Nursing in Lewisham and Greenwich NHS Trust. Claire joined the Trust as Deputy Chief Nurse in April 2016, bringing a wealth of experience in all areas related to Nursing standards, Nurse Education, recruitment and Nursing professional issues. She has considerable experience working with patient representatives, and has a particular interest in engaging with staff and supporting them in their development, recognising the relationship between staff and patient experience, and feels it is vital that staff are valued and supported to provide the best possible care at all times.



**Steve Orpin**

Chief Finance Officer<sup>\*Σ</sup>

Steve is responsible for providing information and advice to the Trust relating to all financial management issues. Steve joined the Trust Board in April 2014 from Medway NHS Foundation Trust, where he had been Deputy Director of Finance; including a 12-month spell as Director of Finance. Steve has held various positions within the Finance function in a number of NHS organisations across London and the South East in a NHS career spanning over 20 years. Steve is a Fellow of Chartered Association of Certified Accountants and holds an MBA. In addition to his role on the Board, Steve attends several Board sub-committees and also holds the role of Deputy Chief Executive.



**Emma Pettitt-Mitchell**

Associate Non-Executive Director

Emma joined the Board as an Associate Non-Executive Director in June 2018 and is Vice Chair of the Patient Experience Committee. Emma is a highly experienced senior executive with over 21 years' experience with one of the largest retailers (UK and globally) and FTSE 100 companies, Tesco Stores Ltd. Emma's extensive experience includes being the customer 'voice', retail, commercial, insight, human resources, buying and marketing, and also includes a highly successful background in the achievement of profitable business growth through the creation and execution of strategic business plans. Emma has worked extensively as a Director in both the private and public sector, most recently working for Kent County Council, as the Director of Strategic Business Development and Intelligence, leading a large insight team. For the last few years Emma has also been a Non-Executive Director for a private limited company, 'Commercial Services', one of the largest suppliers and brokers of products and services in the UK. Emma lives in Kent with her husband Andrew and 3 children.

\* Denotes Board members with voting rights

Σ Denotes member of the Executive Team

<sup>Δ</sup> Denotes member of the Audit and Governance Committee

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The following individuals also served on the Trust Board during 2018/19:

- ▶ Angela Gallagher, Chief Operating Officer (joined the Board in October 2011 and left on 30<sup>th</sup> November 2018)
- ▶ Tim Livett, Non-Executive Director (joined the Board in June 2017 and left on 28<sup>th</sup> February 2019)
- ▶ Jim Lusby, Deputy Chief Executive (joined the Board in April 2015 and left on 30<sup>th</sup> April 2018)
- ▶ Steve Phoenix, Non-Executive Director (joined the Board in December 2017 and left on 31<sup>st</sup> December 2018)

### Statement as to disclosure to auditors

Each Director can confirm that he or she knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and; has taken “all the steps that he or she ought to have taken” to make himself/herself aware of any such information and to establish that the auditors are aware of it.

**Attendance at Trust Board meetings**

There were 11 formal Trust Board meetings in 2018/19. Attendance at each meeting is shown below:

Trust Board Member	April 2018	May 2018	June 2018	July 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019
David Highton, Chair of the Trust Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sean Briggs, Chief Operating Officer	N/A <sup>6</sup>						✓	✓	✓	✓	✓
Maureen Choong, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sarah Dunnett, Non-Executive Director	Apologies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Angela Gallagher, Chief Operating Officer	✓	✓	✓	✓	✓	✓	✓	N/A <sup>7</sup>			
Neil Griffiths, Non-Executive Director	N/A <sup>8</sup>		✓	✓	Apologies	✓	✓	✓	✓	✓	✓
Simon Hart, Director of Workforce	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nazeya Hussain, Non-Executive Director	✓	✓	✓	Apologies	✓	✓	✓	Apologies	✓	✓	✓
Amanjit Jhund, Director of Strategy, Planning and Partnerships	N/A <sup>9</sup>					✓	✓	✓	✓	✓	✓
Tim Livett, Non-Executive Director	Apologies	✓	Apologies	✓	✓	✓	✓	✓	✓	Apologies	N/A <sup>10</sup>
Jim Lusby, Deputy Chief Executive	✓	N/A <sup>11</sup>									
Peter Maskell, Medical Director	✓	✓	✓	✓	✓	✓	✓	Apologies	✓	✓	✓
Sara Mumford, Director of Infection Prevention & Control	✓	Apologies	Apologies	✓	✓	✓	✓	Apologies	✓	✓	✓
Claire O'Brien, Chief Nurse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Steve Orpin, Chief Finance Officer	✓	✓	✓	Apologies <sup>12</sup>	✓	Apologies <sup>12</sup>	✓	Apologies <sup>12</sup>	✓	✓	✓
Emma Pettitt-Mitchell, Associate Non-Executive Director	N/A <sup>13</sup>		✓	✓	Apologies	✓	✓	✓	✓	✓	✓
Steve Phoenix, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	N/A <sup>14</sup>		
Miles Scott, Chief Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

<sup>6</sup>Sean Briggs joined the Trust on 29<sup>th</sup> October 2018 (as Chief Operating Officer designate) and became substantive Chief Operating Officer on 3rd December 2018

<sup>7</sup>Angela Gallagher left the Trust on 30<sup>th</sup> November 2018

<sup>8</sup>Neil Griffiths joined the Trust Board on 4<sup>th</sup> June 2018 as an Associate Non-Executive Director (i.e. non-voting), and was appointed as a Non-Executive Director on 15<sup>th</sup> February 2019

<sup>9</sup>Amanjit Jhund joined the Trust on 1<sup>st</sup> October 2018

<sup>10</sup>Tim Livett left the Trust on 28<sup>th</sup> February 2019

<sup>11</sup>Jim Lusby left the Trust on 30<sup>th</sup> April 2018

<sup>12</sup>Hannah Ferris, Deputy Director of Finance (Financial Performance) attended in Steve Orpin's place on 26<sup>th</sup> July, 25<sup>th</sup> October & 20<sup>th</sup> December 2018

<sup>13</sup>Emma Pettitt-Mitchell joined the Trust Board on 4<sup>th</sup> June 2018 as an Associate Non-Executive Director (i.e. non-voting)

<sup>14</sup>Steve Phoenix left the Trust on 31<sup>st</sup> December 2018

## Appointment and evaluation of Trust Board Members' performance

The Chair of the Trust Board and its Non-Executive Directors are independently appointed by NHSI. The Chief Executive and other Executive posts serving on the Trust Board are appointed by the Trust in liaison with NHSI. All members of the Trust Board are subject to a performance framework through which:

- ▶ The Chair of the Trust Board is appraised via a national framework operated by NHSI;
- ▶ Non-Executive Directors and the Chief Executive are appraised by the Chair of the Trust Board; and
- ▶ Members of the Executive Team are appraised by the Chief Executive.

Trust Board Members are also subject to an annual self-assessment in accordance with the fit and proper persons requirements (FPPR<sup>15</sup>) for Directors. No concerns have been raised in relation to this in 2018/19.

## Directors' interests

The Trust Board and other committees routinely ask that any interests relevant to agenda items be declared at each meeting. In addition, a Register of Directors' interests is maintained. The interests recorded on the Register at the end of 2018/19 for those on the Board at the end of that year were as follows:

Trust Board Member	Details of notifiable interest
David Highton, Chair of the Trust Board	<ul style="list-style-type: none"> <li>▪ Strategic Health Industry Adviser for Servita Group Ltd (company number: 10497423 - a professional services company operating in the UK, Middle &amp; Far East)</li> <li>▪ Chairman, Demelza House Children's Hospice (charity Number: 1039651)</li> <li>▪ Owner and Director, Hyperium Ltd (company number: 04684013)</li> </ul>
Sean Briggs, Chief Operating Officer	None
Maureen Choong, Non-Executive Director	<ul style="list-style-type: none"> <li>▪ Specialist Adviser, Care Quality Commission</li> <li>▪ Governor, Positive Ageing Research Institute, Anglia Ruskin University</li> </ul>
Sarah Dunnett, Non-Executive Director	<ul style="list-style-type: none"> <li>▪ Director of Catalyst (London) Ltd (company number: 10121754)</li> <li>▪ Director of Sevenoaks School (company number: 04908949)</li> </ul>
Neil Griffiths, Non-Executive Director	<ul style="list-style-type: none"> <li>▪ Managing Director, Tele Tracking Technologies</li> <li>▪ Advisory Council Member, The Staff College: Leadership in Healthcare (Staff College) (charity number: 1169166; company: 10316815)</li> <li>▪ Director, MY UCLH Ltd (company number: 09563304)</li> </ul>
Simon Hart, Director of Workforce	None
Nazeya Hussain, Non-Executive Director	None
Amanjit Jhund, Director of Strategy, Planning & Partnerships	Member of the UK Labour Party
Peter Maskell, Medical Director	None
Sara Mumford, Director Infection Prevention & Control	None
Claire O'Brien, Chief Nurse	None
Steve Orpin, Chief Finance Officer	Non-Executive Director, NHS Innovations South East Limited (company number: 05210174) – serves as a Director as a result of the Trust acting as Guarantor
Emma Pettitt-Mitchell, Associate Non-Executive Director	Non-Executive Director, Glacies Limited (company number: 08773286) Non-Executive Director, ELM Business Consultancy (company number: 08773286)
Miles Scott, Chief Executive	None

N.B. Some Directors' notifiable interests changed during the year. Further details can be obtained from the Trust Secretary, who can be contacted via Maidstone Hospital, Hermitage Lane, Maidstone, Kent ME16 9QQ (or see [www.mtw.nhs.uk/about-the-trust/trust-board.asp](http://www.mtw.nhs.uk/about-the-trust/trust-board.asp)). The interests of Trust Board Members who left the Board during 2018/19 can also be obtained from the Trust Secretary.

## Pension Liabilities

Details of how the Trust treats Pension Liabilities are outlined in the Principal Financial Statements (within Note 9).

## Trust Board sub-committees

The Trust Board has a number of sub-committees, to assist it in meeting its role and duties. Further details are provided in the 'Annual Governance Statement for 2018/19' section later in the Annual Report. The scope,

<sup>15</sup> As introduced by The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014

effectiveness and membership of Trust Board sub-committees was reviewed during the year as part of one of the Trust Board's 'away days'.

## The Trust's Management Structure

The Trust is organised into a number of Corporate and Clinical Directorates. Following a restructure during the year (see pages 13-14 for more detail). Following the Trust's restructure in 2018/19 to become more clinically led, Clinical services are now arranged within 5 Divisions, encompassing 18 Directorates:

Division	Directorate
Medicine and Emergency Care	▶ Emergency Medicine
	▶ Acute Medicine and Geriatrics
	▶ Medical Specialities
Women's, Children's and Sexual Health	▶ Children's Services
	▶ Women's Services
	▶ Sexual Health
Cancer Services	▶ Clinical Haematology
	▶ Oncology
Diagnostics and Clinical Support	▶ Pathology
	▶ Pharmacy
	▶ Imaging
	▶ Therapies
	▶ Outpatients
Surgery	▶ General Surgery
	▶ Urology, Gynae Oncology, Breast & Vascular Surgery
	▶ Theatres and Critical Care
	▶ Orthopaedics
	▶ Head and Neck

Each Division and Directorate is overseen by a clinical management team (triumvirate). The triumvirate is led by a Chief of Service with overall responsibility for the leadership & management of their area. Chiefs of Service are supported by a Divisional Director of Operations (DDO) & Divisional Director of Nursing and Quality (DDNQ). There is a Clinical Director (CD) for each Directorate and Directorate management teams follow the same triumvirate format as Divisions with Clinical Directors, General Managers, Lead Matrons and Other Professional Leads. All work together to agree annual & strategic plans for their services, are responsible for clinical & operational performance, resource and, communicating and engaging with staff.

## Complaints: Ready to listen, ready to learn

The Trust aims to provide the best possible care and treatment but sometimes, despite the best efforts of staff, things can go wrong. In such circumstances, patients and relatives are encouraged to tell a member of staff on the Ward or in the clinic as soon as they can, to enable their concerns to be responded to as soon as possible. However, for circumstances where concerns cannot be resolved in this way, the Trust has a formal complaints process. In 2018/19, the Trust received 550 formal complaints (in 2017/18, this was 503), and 68.0% of complaints received were responded to within the agreed timescale (in 2017/18, this was 63.6%).



The Trust's Complaints and Patient Advice and Liaison Service (PALS) – Annual Report (due for publication in June 2019) ([www.mtw.nhs.uk/patients-visitors/talk-to-us/making-a-complaint/](http://www.mtw.nhs.uk/patients-visitors/talk-to-us/making-a-complaint/)) provides further detail on: the number of complaints received; the number of complaints which were well founded (upheld); the number of complaints referred to the Parliamentary and Health Service Ombudsman (PHSO); the subject matter of the complaints received; any matters of general importance arising from those complaints or the way in which the complaints were handled; any matters where action has been or is to be taken to improve services as a consequence of those complaints.

### 'Principles for Remedy'

The Trust applies the 'Principles for Remedy' guidance issued by the PHSO as part of its Policy and Procedure for Management of Concerns and Complaints. Under the Trust's Policy, financial remedy is only considered when a complaint is upheld and the complainant has clearly suffered a financial loss as a result of a service failure or breach of a Trust policy. In such circumstances, the Trust will consider paying a sum that restores the person to the position they would have been in prior to the circumstances which necessitated the complaint. The amount of financial remedy is agreed between the Complaints and PALS Manager and senior Directorate management team, with input from Legal Services as required. During 2018/19, the Trust offered financial remedy in 6 cases, totalling £2534.30<sup>[1]</sup>. There were no further recommendations by the PHSO for Financial redress in other cases. This process excludes any claims for clinical negligence, which are pursued under the Trust's Claims Management Policy.

### Disclosure of personal data-related incidents

The Trust had no Serious Incidents Requiring Investigation involving personal data that met the criteria for reporting to the Information Commissioner's Office (i.e. a 'Level 2' severity incident).

The Trust had the following severity 'Level 1' data-related incidents in the year:

Category	Nature of Incident	Total
A	Corruption or inability to recover electronic data	1
B	Disclosed in error	84
C	Lost in transit	11
D	Lost or stolen hardware	3
E	Lost or stolen paperwork	7
F	Non-secure disposal – hardware	0
G	Non-secure disposal – paperwork	7
H	Unloaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	8
K	Other	1

### Policy on setting charges

The Trust has complied with HM Treasury's guidance on setting charges for information, as set out in Chapter 6 of HM Treasury's "Managing Public Money" guidance.

<sup>[1]</sup> This is based on complaints received between 01/4/18 and 31/03/19 inclusive, though some complaints received towards the end of that period are still open at the time of this report, so further financial redress may be offered



## Emergency preparedness

As a Category One responder under the Civil Contingencies Act 2004, the Trust has specific statutory duties in relation to emergency planning and response. Additionally, NHS England and West Kent CCG impose a number of contractual duties and requirements in relation to resilience. The NHS England Emergency Preparedness, Resilience and Response (EPRR) assurance assessment, undertaken in the summer of 2018, found the Trust to be substantially compliant.

### Incidents that took place during the year

The Trust mounted a number of emergency responses during the year, including a major incident standby in May in response to an episode on Detling Hill involving firearms. Unseasonably hot summer weather tested the Trust's heatwave planning and response to high temperatures - Tunbridge Wells Hospital stood up well with its modern design, whilst some areas at Maidstone Hospital required portable air conditioning. A report was compiled to review the management of responses to a heatwave in the future following the report from the Parliamentary Select Committee on heatwave resilience. In August a Coach crash on the M25, resulted in the Ambulance Service declaring major incidents at both Trust main sites, as well other hospitals. This provided a good test of procedures and a focussed debrief was held to consider any necessary amendments to plans. Throughout the year various highways issues affected the Trust, including a major sinkhole opening on the A26, and various long-term roadworks and closures on the motorway network. The team worked with Kent Highways and Highways England to mitigate some of the adverse effects on the organisation.

### Multi-agency cooperation & training

NHS confederation's "When tragedy strikes" report, published in 2018, reviewed key learning from incidents around the UK in the previous year & made a number of observations, most fundamentally that planning and rehearsal, multi-agency collaboration, & support for both patients and staff are vital to providing the best possible care when tragedy strikes. The importance of Major Incident exercises was also acknowledged.



Exercise Shakespeare, held in April, in North Kent enabled staff to play the part of casualties and bystanders to test emergency service responses to a firearms incident. Exercise Nightingale, in May, at Tunbridge Wells Hospital tested radiation emergency arrangements with Dungeness Nuclear Power Station, Kent Fire & Rescue Service and SECamb. It allowed ED and Medical Physics staff and incident commanders to respond to a live simulated nuclear incident and provided a full communications test.

The Trust annual table top exercise was held in June at the Kent Event Centre. Over 60 Trust staff worked with colleagues from SECamb and the independent sector to respond to a large train crash. Exercise Ragdoll, also in June, enabled staff to work with Kent Police to respond to a simulated missing child, allowing both Police and hospital staff opportunity to consider the key issues in working together. The Trust's annual winter exercise, Exercise Polar saw over 60 staff with partner agencies including West Kent CCG, SECamb, Kent Community Health and Kent County Council working through winter contingencies.

During the year the team forged new partnerships in the community and reinforced others. Working with Kent Association for the Blind enabled the development of skills to ensure those who are visually impaired can be safely treated in chemical or radiation incidents where decontamination is required. Practical training with guide dogs that would also require decontamination has been beneficial. Helen Grant MP visited Maidstone Hospital to view the training first hand following the Salisbury Nerve Agent attack earlier in 2018.

The Trust is a member of the Kent Resilience Forum which brings together all the emergency services and other responders such as the NHS, utilities and the voluntary sector. More information about their work, including the community risk register is available at [www.kentprepared.org.uk](http://www.kentprepared.org.uk). The Trust has worked for some time to develop the next generation of emergency planning professionals and to promote NHS Emergency Planning as a career choice amongst new graduates. The Trust's first such student placement is now working for the Department for International Development and had a key role in the Ebola response.

## Brexit

Planning for Brexit was a major part of the year's activity with the Trust working in partnership with the Local Resilience Forum, Multi agency partners, NHS partners, suppliers and staff to ensure it would be able to continue to deliver high quality, safe care to its patients in any outcome. At the end of the year the situation remained fast-moving and fluid, and extensive planning and preparation for an EU Exit was ongoing. This included the establishment of local contingency plans and measures to ensure that suppliers, contracts and supplies of medicines remain robust.



# Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of the NHS Trust Development Authority 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 Chief Executive of the NHS Trust Development Authority (legal entity). 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.

I confirm that, as far as I am aware, there is no relevant audit information of which the Trust's Auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant Audit information and to establish that the Trust's Auditors are aware of that information.

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.



Miles Scott, Chief Executive

23<sup>rd</sup> May 2019

# Annual Governance Statement for 2018/19

## 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's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum<sup>16</sup>.

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Maidstone and Tunbridge Wells NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Maidstone and Tunbridge Wells NHS Trust for the year ended 31st March 2019 and up to the date of approval of the Annual Report and Accounts.

## Capacity to handle risk

### The ways in which leadership is given to the risk management process

Risks are identified, analysed and controlled in accordance with the Trust's Risk Management Policy and Procedure. The overall Executive Lead for risk management is the Chief Nurse, who is supported in this role by a range of staff, including the Trust Secretary and Risk and Compliance Manager. A number of specific risk-related roles are also held by Trust Board Members, as follows:

- ▶ The Chief Nurse is the Senior Information Risk Owner (SIRO)
- ▶ The Medical Director is the Caldicott Guardian and the Responsible Officer (for Medical Revalidation)
- ▶ The Chief Executive is the Board Level Director (with fire safety responsibility) and the Security Management Director
- ▶ The Chief Operating Officer is the Accountable Emergency Officer for Emergency Preparedness, Resilience & Response (EPRR)
- ▶ One of the Non-Executive Directors has been appointed as the Non-Executive Lead for Safeguarding and also for Resuscitation
- ▶ The Chair of the Quality Committee is the Non-Executive Director with specific role/responsibilities for leading falls prevention, and also the Non-Executive lead on mortality and learning from deaths
- ▶ A further Non-Executive Director has been allocated the EPRR portfolio

The Trust has a Risk Register and Board Assurance Framework (BAF) and in place, the operation of which are informed by accepted best practice. The BAF is the document through which the Trust Board is apprised of the principal risks to the Trust meeting its key objectives, and to the controls in place to manage those risks. In addition to the Trust Board, the BAF and main content of the Risk Register are reviewed regularly at the Audit

<sup>16</sup> See <https://tinyurl.com/NHSAOM>

and Governance Committee, Executive Team Meeting and Trust Management Executive (TME), whilst the relevant aspects of both are reviewed regularly at the Finance and Performance Committee (the Trust Board confirmed in July 2018 that it not consider it necessary for the same approach to be applied to the Workforce Committee or Quality Committee, as the key objectives were already covered in the Committees' routine business).

As is the case every year, the BAF and Risk Register are subject to review by the Trust's Internal Audit function (which is provided by TIAA Ltd). The review for 2018/19, gave an overall assessment of "Reasonable Assurance", and the report's "overall conclusion" included the statements that "The Trust has an appropriately approved and up to date Risk Management Policy and Procedure..."; "It was confirmed that there is an effective committee structure in place and that the BAF has been regularly presented to the Trust Board after review by the Audit and Governance Committee."; and "The Trust has clear risk management processes in place to support the identification and management of risks with red rated risks within the Trust Risk Register being reviewed by the Trust Management Team on a quarterly basis".

### The ways in which staff are trained or equipped to manage risk in a way appropriate to their authority and duties

The Trust has in place a range of systems to prevent, deter, manage and mitigate risks and measure the associated outcomes. In addition to the Trust's Risk Management Policy and Procedure, a comprehensive range of risk management policies and guidance is made available to staff. This includes the policies and procedures for risk assessment, incident reporting, managing complaints, investigation of incidents, health and safety, and 'being open' to staff and patients (to support the statutory Duty of Candour). Additional advice on good practice can be obtained from a range of professional and specialist staff. The remit of the Trust's Clinical Governance department includes patient safety/clinical risk management; clinical governance; clinical audit; complaints; the Patient Advice and Liaison Service (PALS); medico-legal service and claims handling; and research and development. The systems to oversee staff health and safety are managed via the Estates and Facilities department, but there is close liaison between the relevant staff. In addition, Directorates and sub-specialities have clinical governance and risk leads. There is a forum for clinical governance and risk management within each Directorate and within the majority of clinical sub-specialties.

Trust staff are involved in risk management processes in a variety of ways, including raising any concerns they may have (anonymously, if they so wish) via a range of methods, including via the freedom to Speak Up Guardian; being aware of their responsibility to report and act upon any incidents that occur; being involved in risk assessments; and attending regular training updates.

The Trust's mandatory induction and ongoing training programme for all staff reflects the need for staff to have a sound basis in managing risks relating to Information Governance, Infection Prevention and Control, fire safety, Safeguarding Children and Vulnerable Adults, Health and Safety and Moving and Handling. Non-mandatory training is also available to staff on a wide range of issues relating to risk management, both general (e.g. risk assessment) and in response to specific risks (e.g. falls prevention), whilst in-house support and advice on risk management is also available (which includes advice relating to patient safety, health and safety, Emergency Planning & Response and information governance. Certain types of risk are also addressed via the engagement of external expertise. For example, the risk of fraud is managed and deterred via the appointment of a Local Counter Fraud Specialist (LCFS) and the Trust engages a Dangerous Goods Safety Advisor (DGSA) to advise on the safe management of healthcare waste.

The Trust's advisers on risk seek to learn from best practice from a variety of means, including continuing professional development and via networking with counterparts from other organisations.

## The risk and control framework

### The key elements of the Risk Management Policy (including the way in which risk (or change in risk) is identified, evaluated, and controlled; and how risk appetites are determined)

Risks are identified, analysed and controlled in accordance with the Trust's Risk Management Policy and Procedure. Mitigations are aimed to be identified in advance (where appropriate), so that these can be applied should the identified risk materialise. Most risks are identified at local level and initially managed by department managers. Identified risks are added to the Risk Register and are then either managed locally or escalated through the Trust's management and/or committee structure. The Trust's competent persons (individuals with specialist skills, knowledge and qualifications that are assessed by external bodies who are able to advise managers and employees on all aspects of health, safety and risk) identify hazards within their area of expertise, and undertake Trust-wide risk assessments for hazards that affect multiple areas. Risks are identified, analysed and controlled in accordance with the Trust's Risk Assessment Policy and Procedure and guidance documents, which includes grading risks for their potential impact and likelihood of harm using a standard Risk Categorisation Matrix. The risk score determines the priority, response and level of management required to manage the risk. Risk appetite is the level of risk the Trust will accept for a particular type of risk. When a risk is assessed the uncontrolled risk score is determined, along with a target risk score, which indicates the risk rating that would be considered as satisfactory. This target risk score should be set as high as can be tolerated, and constitutes the risk appetite for that risk.

### The key elements of the quality governance arrangements (including how the quality of performance information is assessed and how assurance is obtained routinely on compliance with Care Quality Commission (CQC) registration requirements)

The Trust's Quality Governance arrangements are managed via the Trust Clinical Governance Committee (and its sub-committees) and via a number of associated systems and processes. A report from each Trust Clinical Governance Committee is submitted to each 'main' Quality Committee. The Quality Committee then aims to seek and obtain assurance on the effectiveness of the Trust's structures, systems and processes.

Clinical audit is supported by a central team, within the Clinical Governance department, and is primarily overseen by the Clinical Audit Overview Committee, a sub-committee of the Trust Clinical Governance Committee. The investigation of, and learning from, incidents are predominantly managed within Directorates and discussed at Directorate and specialist clinical governance meetings. Serious Incidents (SIs) are discussed and monitored at a corporate level via the Learning and Improvement (SI) Panel, and an SI report is submitted to each 'main' Quality Committee.

Complaints are managed by the central complaints team in partnership with the relevant Directorates and Divisions. The rate of new complaints and percentage of complaints responded to within target are monitored monthly at the Trust Board, whilst detailed reports on Complaints and Patient Advice and Liaison Service (PALS) contacts are received twice per year by the Patient Experience Committee and 'main' Quality Committee.

The quality of performance information is primarily assessed via the Internal Audit programme. In 2018/19, a "Data Quality of Key Performance Indicators" was undertaken and the review gave an overall assessment of "Reasonable Assurance".

Compliance with CQC registration requirements is ultimately assessed via inspections by the CQC, and the Trust was subject to such inspections in the latter part of 2017 (which resulted in an overall assessment of "Requires Improvement"). However, quarterly engagement events have taken place with the CQC during



2018/19. Although such engagement events do not affect the Trust's formal assessment rating, the CQC have provided positive feedback on the areas that have been visited during these events.

The Trust also however monitors compliance with CQC registration requirements itself, primarily through a programme of in-house assurance visits/inspections. Such inspections, which are managed by the Clinical Governance and Corporate Nursing teams, include patient representatives and representatives from West Kent Clinical Commissioning Group, the main commissioner of the Trust's services. The outcome of the inspections are reported to the Trust Clinical Governance Committee, and areas for improvement are identified and acted upon.

### How risks to data security are being managed and controlled

Risks to data security are managed and controlled via a range of methods, and the Trust undertakes an assessment against the ten data and cyber security standards that were published jointly by the Department of Health and Social Care, NHS England and NHS Improvement (NHSI) in January 2018 (which were based on the standards recommended by the National Data Guardian, and confirmed by HM Government in July 2017). That assessment is done via the Data Security and Protection Toolkit, and the Trust Board approved the submission against the latest assessment in March 2019.

The Trust is also moving ahead with the work required to achieve the Cyber Essentials Plus Accreditation, which is a government-backed, industry-supported scheme designed to help organisations protect themselves against common on-line threats. It is mandatory that all NHS organisations are Cyber Essentials Plus accredited by 2021 and the Trust intends to complete the accreditation by the summer of 2019.

### Brief description of the organisation's major risks (including how they are/will be managed and mitigated and how outcomes are/will be assessed)

In July 2016, the Trust Board approved the proposal to focus the BAF on a deliberately small number of higher-level objectives to act as proxy indicators (a 'litmus test') for broader performance. On 24/05/18, the Board then approved the proposal to continue with that approach for 2018/19 (and also that all the objectives for 2018/19 address the underlying risk that the Trust is unable to demonstrate clinical operational or financial sustainability) and duly approved the following key objectives for 2018/19:

1. To deliver the trajectory agreed with NHS Improvement for the A&E 4 hour waiting time target
2. To deliver the trajectory agreed with NHS Improvement for the 62-day Cancer waiting time target
3. To deliver the Referral to Treatment (RTT) trajectory agreed with NHS Improvement for patients on an 'incomplete' pathway
4. To deliver the financial plan for 2018/19
5. To ensure a falls rate of no more than 6.0 per 1000 occupied bed days
6. To ensure a pressure ulcer rate of no more than 3.0 per 1000 admissions
7. To deliver the agreed 'lessons learned' plan for 2018/19
8. To deliver the agreed medical productivity plan for 2018/19
9. To deliver a vacancy rate of no more than 9%
10. To deliver a staff turnover rate of less than 10%

The main risks to the achievement of these key objectives (i.e. the issues that could prevent the objectives being achieved) are described within the BAF, and the Trust Board received formal update reports on the performance of each objective, and the management of risks to non-achievement at its meetings in July, September and November 2018 and February 2019. A year-end BAF report regarding the achievement of the objectives is scheduled to be received by the Trust Board in April 2019.



In addition, a number of risks were rated as 'red' in 2018/19. Red-rated risks are reviewed and validated at the Executive Team Meeting (which have, since January 2019, included the Chiefs of Service for each clinical Division) each quarter, and the underlying risks have been discussed at the Trust Board, 'main' Quality Committee, Finance and Performance Committee, Workforce Committee and/or TME throughout 2018/19, and include the following:

- ▶ Achieving the Cancer waiting time targets
- ▶ The cost pressures associated with the use of temporary staff
- ▶ Nursing staffing levels in Emergency Medicine (particularly the Acute Medicine and Geriatrics and Medical Specialty Wards at Tunbridge Wells Hospital) and Orthopaedics
- ▶ Medical staffing shortage in Surgery impacting on inability to deliver emergency & elective care
- ▶ Risk associated with failing to learn from incidents
- ▶ Lack of capacity to assess and treat within clinically recommended timeframes in the general Ophthalmic and Medical Retinal Service
- ▶ Increased risk of harm to patients and staff as a result of delays to psychiatric assessment in the Emergency Medicine and Acute Medicine and Geriatrics Directorates
- ▶ Shortage of paediatric middle grade doctors on day shifts for paediatrics
- ▶ Shortage of radiotherapy therapeutic radiographers and consultant grade oncologists
- ▶ The effect of failing to maintain a quality management system in Blood Sciences

Each associated risk assessment describes the efforts being made and/or planned to manage and mitigate the risk, and the Trust's Risk and Compliance Manager oversees the regular reviews of the assessments with the relevant risk leads.

### Are the Trust's services well-led?

The CQC inspection in 2017 that was referred to above rated the Trust as "Good" for the Well-led domain. However an in-house Well-Led assessment is intended to be taken during 2019/20.

### The principal risks to compliance with the NHS provider licence, condition 4 and actions identified to mitigate these risks

In May 2018, the Trust Board completed the required self-certification (for 2017/18) that the Trust could meet the obligations set out in the NHS Provider Licence (which itself includes requirements to comply with the National Health Service Act 2006, the Health and Social Care Act 2008, the Health Act 2009 and the Health and Social Care Act 2012, and to have regard to the NHS Constitution); and that it complied with governance requirements (condition FT4(8)). The Trust Board confirmed full compliance, on the basis of the content of the Trust's Annual Report, and Governance Statement for 2017/18. The Trust Board will be asked to undertake the required self-certification for 2018/19 at its meeting in May 2019, and it will again be proposed that full compliance be confirmed.

### The key ways in which risk management is embedded in the activity of the organisation

As noted earlier in this Statement, risks are identified, analysed and controlled in accordance with the Trust's Risk Management Policy and Procedure, and a range of supporting systems and processes are in place to embed risk management activity. For example:

- ▶ The Trust's mandatory induction and ongoing training programme for all staff reflects the need for staff to have a sound basis in managing risks relating to Information Governance, Infection Prevention and Control, fire safety, Safeguarding Children and Vulnerable Adults, Health and Safety and Moving and Handling.

- ▶ Incident reporting is openly encouraged across the Trust, and lessons learned from incident investigations are disseminated and promoted (including via the "Governance Gazette" newsletter produced by the Clinical Governance department). The Medical Director also commissioned a Task and Finish Group to consider How do we learn? Do we share learning across and between Directorates? Do we learn from the more generic, cross-cutting themes and issues? What is everyone else doing across the NHS in respect of learning lessons? and How do we benchmark ourselves in relation to our incidence of recurrence of big issues?. The findings of the Task and Finish Group's work are reported via the Best Safety workstream, but were shared more widely at the TME meeting on 17/04/19
- ▶ The Trust's central communications programme aims to embed risk management via the promotion of a monthly "Safety Moment" (which focuses on a different theme each month) and "Take Five, Talk Five" programmes (which promotes clinical teams taking five minutes from their days to discuss a pertinent key issue)
- ▶ Risk is regularly discussed at a wide range of forums, including the Trust Board and its sub-committees (which sets the tone for discussions at Divisional-, Directorate- and departmental-levels forums)
- ▶ Risk management is incorporated into the Trust's planning arrangements and Quality Impact Assessment (QIA) process, which is overseen by the Project Management Office (PMO)

The key ways in which the Trust ensures that short, medium and long-term workforce strategies and staffing systems are in place (which assure the Board that staffing processes are safe, sustainable and effective)

The Trust complies with the "Developing Workforce Safeguards" recommendations via the following methods:

- ▶ A bi-annual review of safe staffing levels is led by the Chief Nurse, using a combination of historical data, professional judgement and reference to quality outcomes. The reviews follow the National Quality Board's 2016 guidance cover the necessary three components: evidence-based tools, professional judgement and outcomes
- ▶ The Trust has an effective workforce plan that is submitted to NHSI along with the annual financial and activity plans. The Trust Board discusses all of these plans before submission and specifically considered issues arising from the workforce plan at the March 2018 Trust Board meeting
- ▶ All service changes including those related to skill mix and the introduction of new roles are subject to a Quality Impact Assessment (QIA) process led by the Medical Director and Chief Nurse
- ▶ The Trust Board reviews all workforce metrics on a monthly basis and does so as part of its wider review of quality, safety, performance and finance metrics, to ensure that workforce challenges and risks are understood as part of the wider context of service delivery
- ▶ Where there are critical service risks in relation to staffing and the safe delivery of care these, along with their associated mitigations are escalated to the Trust Board and external regulators as required.

### Care Quality Commission (CQC) registration

The Trust is fully compliant with the registration requirements of the Care Quality Commission.

### Register of interests

The Trust has an established "Gifts, hospitality, sponsorship and interests policy and procedure". However, it has not yet implemented NHS England's "Managing Conflicts of Interest in the NHS" guidance and has not therefore published an up-to-date register of interests for decision-making staff within 2018/19. The Trust's Audit and Governance Committee (which receives reports of declarations made under the "Gifts, hospitality,

sponsorship and interests policy and procedure”) has however been kept informed of the Trust’s plans regarding the guidance, and the Trust will implement the guidance in full during 2019/20.

### NHS Pension scheme

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer’s contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

### Obligations under equality, diversity and human rights legislation

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

### Obligations under the Climate Change Act and the Adaptation Reporting requirements

The Trust has undertaken risk assessments and has a Sustainable Development Management Plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

## Review of economy, efficiency and effectiveness of the use of resources

A range of processes are applied to ensure that the Trust’s resources are used economically, efficiently and effectively. The monitoring of this is overseen by the Trust Board, Finance and Performance Committee and Audit and Governance Committee, although the Workforce Committee, Quality Committee and Patient Experience Committee have all participated in this oversight during 2018/19. The Trust’s annual Internal Audit programme for 2018/19 included a range of reviews relating to this area, including “Critical Financial Assurance - Payroll” and “Critical Financial Assurance - Financial Accounting and Non Pay Expenditure”, which achieved overall assessment of “Reasonable Assurance” (although a “limited assurance” assessment was obtained for the “Critical Financial Assurance - Salary Overpayments” review). In addition, Internal Audit undertook an advisory in relation to the operation of the Aligned Incentives Contract during 2018/19.

Furthermore, in October 2018, NHSI removed the Trust from Financial Special Measures (FSM), as a result of improvements in financial performance and management at the Trust. NHSI had placed the Trust in FSM in July 2016. The Trust then met its financial plan for 2018/19 by achieving a post-Provider Sustainability Fund (PSF) surplus of £20.324m<sup>17</sup>.

### Information governance incidents

Four information governance incidents triggered the use of the Data Security and Protection Incident Reporting Tool during 2018/19, and two further incidents were reported internally as SIs. Details of these incidents were reported to the Trust Board in March 2019 as part of the annual update from the Senior Information Risk Owner. Each incident was subject to an internal investigation whereby root causes were identified and remedial actions detailed and implemented. However, none of the incidents met the threshold for notification to the Information Commissioner’s Office.

<sup>17</sup> It should be noted that the annual accounts will not be approved by the Trust Board until 23/05/19.

## Annual Quality Accounts

The Trust's Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

### The steps which have been put in place to assure the Trust Board that the Quality Accounts presents a balanced view

The Trust's annual Quality Accounts are reviewed by the Quality Committee, approved by the Trust Board, and published as a separate document. The Trust's Quality Accounts are also independently assessed by External Audit, with regards to whether the performance information reported therein is reliable and accurate. The audit of the 2017/18 Quality Accounts (which was concluded in 2018/19) resulted in an unqualified limited assurance report. The External Audit of the 2018/19 Quality Accounts will be available in the summer of 2019.

### The controls in place to ensure the accuracy of data (including the quality and accuracy of elective waiting time data)

The external audit of the Quality Accounts referred to above includes reviewing particular indicators, to help provide assurance that the Quality Accounts presents a balanced view and that there are appropriate controls in place to ensure the accuracy of data.

The following processes are also in place to assure the quality and accuracy of elective waiting time data (and to manage the risks to such quality and accuracy):

The Trust has a "Patient Access to Treatment Policy and Procedure", which encompasses Standard Operational Procedures for waiting list management at all stages of a referral to treatment pathway. The Policy also states the responsibilities of key staff, including those for auditing data quality. The Policy is also currently being reviewed to ensure it is aligned with the Trust's new Patient Administration System (PAS) (see the "Significant issues" section below)

The Trust also has an "Information Lifecycle Management Policy and Procedure", which describes the Trust's general approach to data quality, including the role of the Data Quality Steering Group

There is a weekly validation process involving operational, management and information leads, to assure the quality of local and national waiting times reporting/data

Compliance with the above Policies and processes is audited annually by Internal Audit, as part of a "Data Quality of Key Performance Indicators" review. The latest (2018/19) review aimed to provide assurance that, for a sample of Key Performance Indicators (KPIs) reported to the Trust Board, the systems and data relied on to produce the figures were robust, and as a result Trust performance against the criteria is declared accurately, completely and in a timely manner.

The KPIs reviewed were the Cancer 62 Day wait and 18 weeks Referral to Treatment (RTT) incomplete pathway. The review led to an overall assessment of "Reasonable Assurance" (with the same conclusion being allocated to each indicator), and although some areas for improvement were identified, the overall conclusion included the comments that "The Trust has an appropriately approved and up to date Information Lifecycle Management Policy and Procedure in place", "The figures reported to the Trust Board for Cancer 62 Day Wait, were found to be accurately reported based on the data available from the source data system", and "For the RTT 18 week incomplete pathway, the figures reported could not be verified to the data available from the source data system due to a technical issue with the setup of the report used for reporting aggregate numbers. This resulted in the Trust under reporting performance of an average 0.22% on a monthly basis. However, it should be noted that this did not have a material impact on the total figures and percentages reported".

## Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, Clinical Audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit and Governance Committee, and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit Opinion for 2018/19 states that "My overall opinion is that reasonable 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 last sentence of the Opinion reflects the fact that two of the reviews undertaken by Internal Audit during 2018/19 (those relating to "Server Management" and "Salary Overpayments") resulted in a "limited assurance" conclusion. As is the case with all reviews with such a conclusion, the details have been considered at the Audit and Governance Committee and actions to address the weaknesses identified in controls are monitored as part of the routine reports that Internal Audit submit to that Committee.

The Audit and Governance Committee approves the Internal Audit plan for the year and receives details of the findings from each of the Internal Audit reviews that are undertaken. Summary reports of relevant Internal Audit reviews are also submitted to the TME, Finance and Performance Committee and 'main' Quality Committee during the year. Although a number of the Internal Audit reviews completed in 2018/19 resulted in an overall 'Reasonable assurance' assessment, a number also led to an assessment of 'Limited assurance'. These latter reviews have been considered at the Executive Team Meeting (in full) and the Audit and Governance Committee (in summary form), and actions to address the weaknesses identified in controls have been taken (or will be taken during 2019/20).

### The role of the Trust Board in maintaining and reviewing the effectiveness of the system of internal control

The Trust Board meets in public every month (with the exception of August). The agenda for Board meetings is mainly focused around the key aspects of operational performance; quality; planning and strategy; assurance and policy; and reports from its sub-committees (which during 2018/19 were re-ordered on Board meeting agendas to include such reports as part of the review of the latest monthly performance). A separate ('Part 2') meeting is held on the same day as the meeting held in public, to consider confidential matters, in accordance with the Public Bodies (Admission to Meetings) Act 1960. A 12-month rolling forward programme of agenda items is actively managed to ensure the Board receives the information, and considers the matters it requires to perform its duties efficiently and effectively.

A key tenet of the information the Board receives at each meeting in public is an Integrated Performance Report, which contains up-to-date details of performance across a range of indicators, including those within NHSI's Single Oversight Framework for NHS providers. Board meetings also have alternative "patient experience" and "staff experience" items, which provide invaluable first-hand experience of being a patient of, and working at, the Trust.

In 2018/19, the following changes in personnel occurred within the Trust Board (in chronological order):

- ▶ Nazeya Hussain was appointed as a substantive Non-Executive Director in mid-April 2018 (Ms Hussain had joined the Trust Board in July 2017 as an Associate Non-Executive Director)
- ▶ Jim Lusby (Deputy Chief Executive) left the Trust Board at the end of April 2018
- ▶ Emma Pettitt-Mitchell (Associate Non-Executive Director) joined the Trust Board in June 2018
- ▶ Neil Griffiths joined the Trust Board in June 2018, as an Associate Non-Executive Director and was then appointed as a substantive Non-Executive Director on in February 2019
- ▶ Amanjit Jhund (Director of Strategy, Planning and Partnerships) joined the Trust Board in October 2018
- ▶ Sean Briggs joined the Trust in late October 2018 (as Chief Operating Officer designate) and became the substantive Chief Operating Officer in December 2018
- ▶ Angela Gallagher (Chief Operating Officer) left the Trust Board at the end of November 2018
- ▶ Steve Phoenix (Non-Executive Director) left the Trust Board at the end of December 2018
- ▶ Tim Livett (Non-Executive Director) left the Trust Board at the end of February 2019

### The role of the Trust Board' sub-committees and other key forums in maintaining and reviewing the effectiveness of the system of internal control

The Trust Board operates with the following sub-committees (which are listed alphabetically):

- ▶ The Audit and Governance Committee. This supports the Trust Board by critically reviewing the governance and assurance processes on which the Board places reliance. This therefore incorporates reviewing Governance, Risk Management and Internal Control (including the BAF); oversight of the Internal and External Audit, and Counter Fraud functions. The Committee also undertakes detailed review of the Trust's Annual Report and Accounts, is the Trust's Auditor Panel (in accordance with Schedule 4, Paragraph 1 of the Local Audit and Accountability Act 2014). The Committee is chaired by a Non-Executive Director, and meets five times each year (including a specific meeting to review the Annual Report and Accounts prior to the Trust Board being asked to approve these). All other Non-Executives Directors (apart from the Chair of the Trust Board) are members.
- ▶ The Charitable Funds Committee. This aims to ensure that the Maidstone and Tunbridge Wells NHS Trust Charitable Fund is managed efficiently and effectively in accordance with the directions of the Charity Commission, relevant NHS legislation and the wishes of donors, which includes reviewing, and agreeing the Charitable Fund Annual Report and financial accounts, for approval by the Trust Board. The Committee is chaired by a Non-Executive Director, and meets three times per year.
- ▶ The Finance and Performance Committee. This aims to provide the Trust Board with: assurance on the effectiveness of financial management, treasury management, investment and capital expenditure and financial governance; an objective assessment of the financial position and standing of the Trust; and advice and recommendations on all key issues of financial management and financial performance. In addition, the Committee receives assurance on informatics (including Information Technology) strategies and plans, and on plans and proposals for major development and investment in Information Technology. The Committee is chaired by a Non-Executive Director, and meets monthly.
- ▶ The Patient Experience Committee. This aims to capture the patient and public perception of the services delivered by the Trust, and monitor any aspect of patient experience, on behalf of the Trust Board (or at the request of any Board sub-committee or other relevant Trust committee), as required. The Committee is chaired by a Non-Executive Director, and meets quarterly, and in addition to Trust staff, its membership includes representatives from the Trust's catchment area, Healthwatch Kent, and from Leagues of Friends of Maidstone and Tunbridge Wells Hospitals



- ▶ The Quality Committee. This aims to seek and obtain assurance on the effectiveness of the Trust's structures, systems and processes to enable delivery of the Trust's objectives relating to quality of care. The Committee is chaired by a Non-Executive Director and meets monthly. On alternate months, the Committee meets in the form of a 'deep dive', with a reduced membership, to enable a small number of subjects to be scrutinised in greater detail.
- ▶ The Remuneration and Appointments Committee. This reviews, on behalf of the Trust Board, the appointment of Executive Directors and other staff appointed on Very Senior Manager (VSM) contracts, to ensure such appointments have been undertaken in accordance with Trust Policies. It also reviews the remuneration, allowances and terms of service of such staff; reviews (with the Chief Executive), the performance of Executive Directors and other staff appointed on VSM contracts; oversees appropriate contractual arrangements for such staff (including the proper calculation and scrutiny of termination payments, taking account of such national guidance, as appropriate); and considers and approves, on behalf of the Trust Board, proposals on issues which represent significant change. The Committee is chaired by the Chair of the Trust Board, and meets on an ad-hoc basis.
- ▶ The Workforce Committee. This aims to provide assurance to the Board in the areas of workforce development, planning, performance and employee engagement; and assure the Board that the Trust has the necessary strategies, policies and procedures in place to ensure a high performing and motivated workforce that is supporting business success. The Committee is chaired by a Non-Executive Director and meets every 2 months.

Although not a Board sub-committee, the Executive Team Meeting enables key clinical and managerial issues to be discussed, debated, developed, scrutinised, monitored and agreed and/or approved. The Executive Team Meeting meets every week, is chaired by the Chief Executive and its membership comprises all members of the Executive Team and the five Divisional Chiefs of Service. The Executive Team Meeting is authorised to make decisions on any matter that is not reserved for the Trust Board or its sub-committees, and the key issues considered are reported to the Trust Board as part of the monthly report from the Chief Executive.

The TME, which meets quarterly, also supports the delivery of robust risk management policies and processes and the identification and addressing of all key risk issues. The meeting is chaired by the Chief Executive and its membership comprises circa 50 senior clinical and managerial leaders from across the Trust.

In addition to the above committees, there are a range of other forums, structures and processes in place to oversee and manage any issues relevant to particular aspects of risk and governance. In this respect, the Trust has, for example, a Trust Clinical Governance Committee, an Infection Prevention and Control Committee; a Health and Safety Committee; a Medicines Management Committee; an Information Governance Committee; and Safeguarding Adults and Children Committees.

### Significant internal control issues

The following significant internal control issues have been identified in 2018/19:

1. Although the Trust successfully achieved its planned performance on a number of important indicators, it failed to meet its 18-week Referral to Treatment (RTT) waiting time target trajectory. Weaknesses in the Trust's Patient Tracking List (PTL)/patient administration systems led to the Trust varying from its trajectory in the first Quarter of the year. Considerable steps have been taken to review these systems and to undertake additional activity to recover the position, and at the end of March 2019, the Trust had exceeded its plan to reduce the number of patients waiting and had increased compliance with the RTT standard (from 79% to 83%).



2. The Trust failed to meet the waiting target relating to 62-day first definitive treatment for cancer. The principal control issue was that demand and capacity were seriously out of balance, which meant that the Trust's plan for the year was unrealistic. A further increase in referrals in the first six months of 2018 pushed the Trust's performance to historically low levels. The Trust has however worked hard, with support from commissioners and NHS Improvement, to rebalance demand and capacity, to modernise its pathways and to strengthen its patient administration and the Trust is now on track to recover the standard on a sustainable basis during 2019/20.
3. The Trust's complaints response performance declined during 2018/19. The Trust's complaints target is currently set at 75% of complaints being responded to within 25 days of receipt. The target was finally achieved in January 2019 (at 82.2%) following monthly monitoring meetings with Directorates who were failing to provide timely responses. However, in recognition of the challenge to achieving sustainable delivery of the target, the Executive Team Meeting approved a Business Case (in April 2019) to provide additional resilience within the Trust's Complaints and PALS service.
4. During June, July and August 2018 a higher than expected number of hospital-attributable *Clostridium difficile* cases were seen across the Trust. No evidence of cross infection had been found, but an outbreak was declared on 12/09/18 in order to highlight and prioritise the work needed to prevent further infections. An outbreak management plan was developed and approved by the Executives. However, by the end of October 2018 both hospital sites had had a period of over a month without a case of *Clostridium difficile* and the rate had returned to the baseline, so the outbreak was declared as closed. A closure report was submitted to the Trust Board in November 2018 by the Director of Infection Prevention and Control.
5. The Trust continued to have challenges in complying with the traceability of blood components requirements of the Blood Safety and Quality Regulations 2005 during 2018/19. Under the Regulations, the Trust needs to positively confirm the fate of every unit of blood that is administered, and the Medicines and Healthcare products Regulatory Agency (MHRA) identified the Trust as non-compliant with that requirement in October 2015. A further visit by the MHRA in December 2018 again highlighted poor traceability and required that monthly reports on the issue be submitted to me, as Chief Executive. The Trust plans to address the situation by the full installation of the "Bloodhound" Electronic Blood Tracking System during 2019/20.
6. One "Never Event" was declared at the Trust in 2018/19, which related to the retention of swab string in a woman who had an instrumental delivery in May 2018. The incident was subject to scrutiny to aim to ensure that lessons were learnt to prevent recurrence.
7. HM Coroner issued the Trust with one Regulation 28 ("Report to Prevent Future Deaths") report during 2018/19, following the Inquest into the death (in March 2018) of one of the Trust's patients, Timothy Mason. The Trust responded to HM Coroner as required and Mr Mason's family subsequently attended the Trust Board meeting in February 2019, at which the Chair of the Trust Board offered the Board's condolences and apologies for Mr Mason's death. A Task and Finish Group to address the issues raised by the case was established at the end of 2018/19, and the Group's findings will be overseen by the Quality Committee during 2019/20.

## Conclusion

The significant internal control issues identified in 2018/19 are described above, in the body of the Annual Governance Statement.



Miles Scott, Chief Executive

23<sup>rd</sup> May 2019



# Maidstone and Tunbridge Wells NHS Trust



## Accountability Report for 2018/19: Remuneration and Staff Report



# Our staff

## Staff Survey

The Trust recognises that maintaining a highly skilled and engaged workforce and fostering a culture where staff feel involved and valued is fundamental to its ability to provide the highest consistent, quality care to its patients and to succeeding in its journey to becoming Outstanding. Staff feedback is critical to shaping how the Trust moves forward and in 2018 the Trust took part in the annual National NHS Staff Survey. The Trust's results have remained static over the past few years, placing MTW very much in the middle of the pack of its peers. Whilst this is encouraging in that, despite unprecedented demand and being in Financial Special Measures for part of the period, there has been no deterioration in how staff feel about working at the Trust, the aim for future year's is to achieve better than average.

In 2018/19, the Trust took the following steps towards ensuring improved engagement:

- ▶ Implementation of a Clinically Led Management structure (as detailed elsewhere in this report)
- ▶ Senior Management support for a programme of widespread senior staff visits throughout the organisation as part of a 'shop floor commitment' aimed at sharing the issues that staff experience on a daily basis across the Trust
- ▶ Managers commitment to holding regular team meetings to embed understanding of what was happening in the Trust
- ▶ Introduction of a Team Brief to improve the flow of communication and keep staff up-to-date with key quality, safety and staff matters
- ▶ Undertakings by each Division to develop its own local plan of action, in collaboration with its teams.

The Staff Survey findings have been grouped into 5 categories which will provide the focus for further work in 2019/20.

- ▶ Leadership & Culture – visibility of senior leaders, leading by example, safety culture, equality, diversity & inclusion, safe environment, quality of appraisals, immediate managers
- ▶ Engagement & Responsiveness – increased opportunities for staff to provide feedback, relevant and timely actions from feedback, back to the floor
- ▶ Choice & Control – involvement in local change
- ▶ Information & Communication – CEO update, team meetings, awareness of key roles and post-holders within the Trust, improvement in IT systems
- ▶ Integration – Understanding departmental pressures, rotations & transfers, career pathways & Quality of Care

The full staff survey results are available at: <http://www.nhsstaffsurveyresults.com/>

## Employee benefits

The details within this section relating to staff benefits, analysed by staff grouping, are included in accordance with section 411 of the Companies Act 2006.

**Staff numbers and costs** (subject to audit)

Average <sup>18</sup> staff numbers	Permanently employed (WTE) <sup>19</sup>	Other (WTE)	Permanently employed (expenditure) (£000s)	Other (expenditure) (£000s)
Medical and dental	666	137	64,276	19,109
Ambulance staff	0	0	0	0
Administration and estates	1106	69	36,642	2,434
Healthcare assistants and other support staff	1210	126	31,132	3,942
Nursing, midwifery and health visiting staff	1343	309	60,661	17,183
Nursing, midwifery and health visiting learners	8	0	171	0
Scientific, therapeutic and technical staff	480	42	22,065	2,238
Social Care Staff	0	0	0	0
Healthcare Science Staff	195	3	9,702	140
Other	0	0	0	0
Apprenticeship levy	0	0	1,042	0
<b>Total</b>	<b>5009</b>	<b>685</b>	<b>225,692</b>	<b>45,046</b>
Staff engaged on capital projects (excluded from above)	11	2	866	225

**Exit packages** (subject to audit)

The figures disclosed below relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff cost and expenditure notes in the accounts.

Exit package cost band (including any special payment element)	*Number of compulsory redundancies	*Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s	Whole numbers only	£s
Less than £10,000	None	N/A	0	0	None	0	None	0
£10,000 - £25,000	None	N/A	0	0	None	0	None	0
£25,001 - £50,000	None	N/A	0	0	None	0	None	0
£50,001 - £100,000	None	N/A	0	0	None	0	None	0
£100,001 - £150,000	None	N/A	0	0	None	0	None	0
£150,001 - £200,000	None	N/A	0	0	None	0	None	0
>£200,000	None	N/A	0	0	None	0	None	0
<b>Total</b>	None	N/A	0	0	None	0	None	0

<sup>18</sup> The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year.

<sup>19</sup> This excludes any staff on unpaid leave (and therefore does not equate to the WTE reported within the Sustainability Report)

Exit packages – disclosures (excluding compulsory redundancies)	Number of exit package agreements	Total Value of agreements	Number of exit package agreements	Total Value of agreements
	2018/19	(£000s)	2017/18	(£000s)
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	0	0	15	78
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non contractual payments requiring HMT approval *	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>78</b>
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

Note \* this includes any non-contractual severance payment following judicial mediation and amounts relating to non-contractual payments in lieu of notice.

## Staff engagement and consultation (understanding and learning from the views of staff)

The Trust meets formally on a regular basis with local Trade Union representatives, via the Joint Consultative Forum and the Joint Medical Consultative Committee, to discuss key issues and agree relevant employment policies and procedures. As evidenced by the Trust-wide consultation during the year around the implementation of the new Clinically Led structure, staff are formally consulted when organisational or other work changes are proposed and have the opportunity to comment and input into proposed changes.

Information is cascaded to all staff through a quarterly Open Staff Meeting system, which involves a face-to-face meeting with two Executive Directors (including the Chief Executive) at both main hospital sites. A weekly Chief Executive's update and "MTW News" newsletter are issued to all staff via email, enabling messaging on matters of note. In 2018/19, the Trust conducted quarterly staff Friends and Family tests to help it gauge the level of satisfaction and engagement amongst staff and offers a range of support mechanisms for staff, beyond that provided by line managers. This includes a comprehensive Employee Assistance Programme providing 24 hour support and a full Occupational Health service.

2018/19 saw the appointment of new joint Staff Side chairs and a new Freedom to Speak Up (FTSU) Guardian, selected following an open recruitment process. The FTSU Guardian role is about ensuring that patients are cared for in a safe way and that staff are able to raise concerns that they feel are not being heard or are unable to raise with management. It is also the Guardian's role to listen in confidence, note concerns and raise issues through the appropriate channels.

Staff have the opportunity to share their experiences with the Trust Board throughout the year. In 2018/19 the Board heard from the Joint Chairs of Staff Side, the Chairs of the Staff networks, junior doctor representatives and staff and managers undertaking and supporting Care Support Worker and Nurse Associate apprenticeships.

## Education and Development

The Trust takes the ongoing development of its staff very seriously. Each hospital site has an Education / Academic Centre, giving dedicated staff teaching space, and a library. Staff have an annual appraisal with a plan of personal development and access to education teams to support them with advice and guidance about development needs. In-house learning activities & funding for staff to access external training are available.



Education and training for its next generation of clinical leaders is critical to the Trust's success. The Trust has a vibrant apprenticeship programme, with 83 apprentices working across its hospitals in a range of roles. During the year, the first cohort of 15 Trainee Nursing Associate apprentices was welcomed, helping to ensure a strong sustainable nursing workforce for the future. Once qualified, Nursing Associates will register with the Nursing and Midwifery Council and take on more duties & responsibility than in their previous roles, enabling Registered Nurses to spend more time on the

assessment & care associated with complex needs.

Having a strong education ethos that supports younger medical students through to high specialty trainees is equally important and the Trust's Medical Education team has worked hard to develop high quality training programmes as well as creating a friendly, supportive environment where trainees can grow and thrive. The team trains and develops 350 medical trainees as well as providing professional development for all doctors in the Trust.

The Human Factors in Healthcare course rolled out in 2018/19 highlighted that healthcare really is a 'team sport'. 80% of patient safety issues are due to errors associated with human factors, such as communication with colleagues, the working environment and equipment used. The course addresses how staff can adopt positive safety behaviours by acknowledging & understanding these human factors, in a no blame culture. It is intended for at least 70% of the Trust's staff – clinical and non-clinical - to participate in the training.

Fostering strong team working and putting education & development at the core of the organisation is an integral part of the Trust's journey to being more clinically led. Trusts that engage in education & development are safer and have better clinical outcomes. Critically, evidence of a strong learning ethos, in a supportive environment, with good team spirit, will also encourage others to want to work for the Trust.

## Equal opportunities

In 2018/19, the Trust continued to support and build upon a culture that enabled people to work in a safe environment, free from discrimination & where all individuals are valued and treated fairly. Led by the Head of Staff Engagement & Equality, the programme ensured that Trust policies and procedures deliver equity from recruitment throughout the career development of its workforce. In essence, the Trust's aim is that all people are treated with kindness and respect and to ensure that they are accepted without exception.

In October 2018, the Cultural Diversity Network proudly hosted Black History Month – an event that heard from four inspirational black female speakers about how they have succeeded in their lives. During the year, the Cultural Diversity Network Chair was involved in a review of disciplinary cases, which demonstrated that ethnic origin had no apparent influence in terms of the investigations and outcomes for each case.

The LGBT+ and Allies Networks hosted the first NHS-led multi organisation LGBT+ Conference in the Kent and Medway area in October 2018 during Hate Crime Awareness Week. Launched by the Trust's Chief Executive, Trust staff were joined by SECamb, Kent Police, Kent Fire and Rescue, HM Prison Maidstone, the Heart of Kent Hospice and other local NHS organisations. The Medical Director spoke in his role as Executive Sponsor on the importance of his role within the network. The Trust is a Stonewall Diversity Champion Partner and the LGBT+ network has increased the Trust's Workplace Equality Index Score once again this year, demonstrating its commitment to improving the working lives of LGBT+ colleagues.



In 2018/19, leads from each staff network joined the Equality Lead to review bullying and harassment cases from the previous year. The investigations and outcomes were judged to be appropriate in all cases reviewed. Improvements were identified and actions taken forward including promotion of Bullying and Harassment Awareness for staff.

The second Trust Gender Pay Gap was submitted in March 2019 showing a 26% gap between the pay of men and women. With the data reporting cycle a year in retrospect, it is expected that this gap will reduce with effect from 2020 as a result of actions taken in 2018/19.

The gender, age and ethnic group distribution of staff and Trust Board Members (Senior Managers) at the end of 2018/19 is set out below (the 2017/18 equivalent is in brackets):

Gender	Staff [head count]		Trust Board Members	
Male	1434 (1655)	24.2% (24.8%)	8 (8)	57% (57%)
Female	4498 (5031)	75.8% (75.2%)	6 (6)	43% (43%)
Age (age at 31/03/18)	Staff [head count]		Trust Board Members	
16-30	1147 (1484)	19.3% (22.2%)	0 (0)	(0%)
31-40	1332 (1519)	22.5% (22.7%)	2 (1)	14.3% (7.1%)
41-50	1650 (1750)	27.8% (26.2%)	6 (4)	42.9 (28.6%)
51-60	1388 (1451)	23.4% (21.7%)	3 (7)	21.4% (50%)
61 and over	415 (482)	7% (7.2%)	3 (2)	21.4% (14.3%)
Ethnic group <sup>20</sup>	Staff [head count]		Trust Board Members	
Asian/Asian British: Any other Asian background	343 (384)	5.8% (5.7%)	0 (0)	(0%)
Asian/Asian British: Bangladeshi	10 (13)	0.2% (0.2%)	0 (0)	(0%)
Asian/Asian British: Indian	386 (410)	6.5% (6.1%)	1 (0)	7.1% (0%)
Asian/Asian British: Pakistani	61 (68)	1.0% (1.0%)	1 (1)	7.1% (7.1%)
Black/African/Caribbean/Black British: African	151 (173)	2.5% (2.6%)	0 (0)	0 (0%)
Black/African/Caribbean/Black British: Any other Black/African/Caribbean background	16 (15)	0.2% (0.2%)	0 (0)	0 (0%)
Black/African/Caribbean/Black British: Caribbean	23 (27)	0.4% (0.4%)	0 (0)	0 (0%)
Mixed/Multiple ethnic groups: Any other Mixed/Multiple ethnic background	37 (45)	0.6% (0.7%)	0 (0)	0 (0%)
Mixed/Multiple ethnic groups: White & Asian	23 (41)	0.4% (0.6%)	0 (0)	0 (0%)
Mixed/Multiple ethnic groups: White & Black African	11 (14)	0.2% (0.2%)	0 (0)	0 (0%)
Mixed/Multiple ethnic groups: White and Black Caribbean	13 (18)	0.2% (0.3%)	0 (0)	0 (0%)
White: Any other White background	476 (598)	8% (8.9%)	0 (0)	0 (0%)
White: English/Welsh/Scottish/Northern Irish/British	3828 (4322)	64.5% (64.6%)	11 (11)	78.7% (78.6%)
White: Irish	57 (79)	1% (1.2%)	1 (2)	7.1% (14.3%)
Any other ethnic group	202 (241)	3.4% (3.6%)	0 (0)	0 (0%)
Not known / not stated / undefined	295 (238)	5% (3.6%)	0 (0)	0 (0%)

## Staff sickness absence

The staff sickness absence for 2018/19 (and 2017/18) is reported below:

	2018/19	2017/18
Total days lost (adjusted to the Cabinet Office measure)	40,312	43,165
Total staff years (WTE)	5,050	5,070
Average working days lost	8	9

N.B. This data is provided via the Department of Health and Social Care (DHSC) (as it is necessary to reconcile NHS Electronic Staff Record data with the 'Cabinet Office' data reported by central Government, to permit aggregation across the NHS). The sickness absence figures reported for 2018/19 are actually for the calendar year 2018 (i.e. January to December 2018), whilst the figures for 2017/18 are for the calendar year 2017. However, the DHSC considers the figures for the calendar year to be a reasonable proxy for the financial year.

<sup>20</sup> Recommended Office of National Statistics (ONS) Ethnicity Classifications, 2012



## Disabled employees

The Trust is committed to taking positive action for disabled people and is recognised as a Disability Confident Committed Employer. The Disability Network is a forum for staff to talk about issues that specifically affect them and provides advice and guidance to anyone approaching it for help. It also provides an element of scrutiny when required to consider reports on monitoring data and will lead actions following the submission of the Workforce Disability Equality Standard in 2019.

During the year, the Trust has continued to apply its "Recruitment, Selection & Employment Checks Policy and Procedure" which ensures that any disabled applicant who meets the minimum criteria for a role must be offered an interview. The Trust's "Equality and diversity policy and procedure (incorporating Single Equality Scheme (SES))" requires the Trust to make reasonable adjustments for any member of staff with a disability or developing a disability during their time working with the Trust, to prevent them from being placed at a substantial disadvantage in all aspects of employment, and ensures that selection for employment, training and promotion are based solely on objective and job related criteria."

## Health and Safety at Work

The Trust is committed to ensuring the health and safety of its employees, patients, visitors, volunteers, contractors and others affected by its activities. It aims to provide safe and healthy working conditions and seeks the support of staff in achieving this. The use of risk assessment to identify, assess and manage risk is key to health and safety management within the Trust.

During the year:

- ▶ The Health and Safety Policy and Procedure was revised and ratified
- ▶ There was a small increase in the number of staff injuries as a result of accidents in the workplace
- ▶ There was a significant increase of incidents of violence & harassment against staff, largely attributable to patients diagnosed with dementia or those suffering from a mental health crisis. To mitigate this, security arrangements have been put in place for one to one care of violent and aggressive patients and conflict resolution training has been reviewed and updated to respond to changing trends. In addition, staff are encouraged to report assaults by those lacking capacity to ensure the issue is communicated, appropriate resources are in place and any harm sustained is recorded accurately
- ▶ At the end of March 2019, there was no significant change in the number of reports to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 – 26 in 2018/19 compared with 24 in 2017/18
- ▶ Following health and safety inspections of the hospital exterior, work was carried out to further reduce the risk of trip and other health and safety hazards
- ▶ Regular inspections continued at other off main site locations and significant improvements were made to the Trust's laundry site.

## "Senior Managers" remuneration

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 is 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".

It is usually considered that the regular attendees of the entity's Board meetings are its "Senior Managers", and the Chief Executive has confirmed that the definition of "Senior Managers" only applies to Trust Board Members (refer to the 'Directors' Report' for further details). With the exception of the Non-Executive Directors (whose remuneration is set by NHSI) all "Senior Managers" are on "Very Senior Manager" (VSM) contracts and salaries are agreed with each individual.

The Trust Board maintains a Remuneration and Appointments Committee to advise and assist in meeting its responsibilities to ensure appropriate remuneration, allowances and terms of service for the Chief Executive, Directors and other key senior posts (refer to the Annual Governance Statement for 2018/19 for further details of the Remuneration and Appointments Committee).

The Chief Executive and Directors' remuneration is reviewed annually by the 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, as set by NHSI. Remuneration for the Chair of the Trust Board is also set by NHSI.

The Directors are normally on permanent contracts and subject to a minimum of 6 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. All Director contracts contain a 'Fit and Proper Person' clause stating that the post holder will be unable to continue as a Trust Board Member should they meet any of the criteria for being "unfit" within The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

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 and Appointments Committee will agree any severance arrangements following appropriate approval from NHSI and HM Treasury as appropriate. The figures included in the tables below show details of salaries, allowances, pension entitlements and any other remuneration of the Trust's 'Senior Managers' i.e. non-recurrent awards etc.

There are no staff sharing arrangements in place for any of the Trust's senior managers.

### Salaries and allowances for the year ending 31<sup>st</sup> March 2019 (subject to audit)

Comparatives for the year ending 31<sup>st</sup> March 2018 are shown in brackets below the figure for 2018/19.

Name and title (alphabetical by surname)  N.B. Dates of service are for the full 2018/19 year unless otherwise disclosed	(a) Salary (bands of £5,000)	(b) Taxable expense payments and other benefits in kind, to the nearest £100	(c) Annual performance -related pay and bonuses (bands of £5,000)	(d) Long-term performance- related pay and bonuses (bands of £5,000)	(f) All pension- related benefits (bands of £2,500)	(g) TOTAL (columns a - f) (bands of £5,000)	(h) Payments or compensation for loss of office
	£000	£000 Λ	£000	£000	£000	£000	£000
Sean Briggs, Chief Operating Officer (from 29/10/18)	50-55 (0)	0 (0)	N/A (N/A)	N/A (N/A)	322.5-325 (N/A)	375-380 (N/A)	N/A (N/A)
Maureen Choong, Non- Executive Director	5-10 (0-5)	0 (0)	N/A (N/A)	N/A (N/A)	N/A (N/A)	5-10 (0-5)	N/A (N/A)
Sarah Dunnett, Non- Executive Director	5-10 (5-10)	0 (0)	N/A (N/A)	N/A (N/A)	N/A (N/A)	5-10 (5-10)	N/A (N/A)
Angela Gallagher, Chief Operating Officer (until 30/11/18)	80-85 (125-130)	0 (0)	N/A (N/A)	N/A (N/A)	0 (100-102.5)	80-85 (225-230)	N/A (N/A)

Name and title (alphabetical by surname)	(a) Salary (bands of £5,000)	(b) Taxable expense payments and other benefits in kind, to the nearest £100	(c) Annual performance -related pay and bonuses (bands of £5,000)	(d) Long-term performance- related pay and bonuses (bands of £5,000)	(f) All pension- related benefits (bands of £2,500)	(g) TOTAL (columns a - f) (bands of £5,000)	(h) Payments or compensation for loss of office
N.B. Dates of service are for the full 2018/19 year unless otherwise disclosed	£000	£00 Λ	£000	£000	£000	£000	£000
Neil Griffiths, Associate Non-Executive Director (from 04/06/18), Non- Executive Director (from 15/02/19)	0-5 (N/A)	0 (N/A)	N/A (N/A)	N/A (N/A)	0 (N/A)	0-5 (N/A)	N/A (N/A)
Simon Hart, Director of Workforce	130-135 (40-45)	0 (0)	N/A (N/A)	N/A (N/A)	45-47.5 (147.5-150)	175-180 (190-195)	N/A (N/A)
David Highton, Chair of the Trust Board	35-40 (35-40)	0 (6)	N/A (N/A)	N/A (N/A)	N/A (N/A)	35-40 (35-40)	N/A (N/A)
Nazeya Hussain, Non- Executive Director	0-5 (0-5)	0 (0)	N/A (N/A)	N/A (N/A)	N/A (N/A)	0-5 (0-5)	N/A (N/A)
Amanjit Jhund, Director of Strategy, Planning & Partnerships (from 01/10/18)	60-65 (0)	0 (0)	N/A (N/A)	N/A (N/A)	60-62.5 (0)	125-130 (0)	N/A (N/A)
Tim Livett, Non-Executive Director (until 28/02/19)	5-10 (0-5)	0 (0)	N/A (N/A)	N/A (N/A)	N/A (N/A)	5-10 (0-5)	N/A (N/A)
Jim Lusby, Deputy Chief Executive (until 30/04/18)	10-15 (130-135)	0 (0)	N/A (N/A)	N/A (N/A)	0 (67.5-70)	10-15 (205-210)	N/A (N/A)
Peter Maskell, Medical Director Ψ	200-205 (195-200)	0 (0)	N/A (N/A)	N/A (N/A)	652.5-655 (0)	850-855 (195-200)	N/A (N/A)
Sara Mumford, Director of Infection Prevention and Control Ψ	170-175 (160-165)	0 (0)	N/A (N/A)	N/A (N/A)	32.5-35 (72.5-75)	200-205 (235-240)	N/A (N/A)
Claire O'Brien, Chief Nurse	120-125 (110-115)	0 (0)	N/A (N/A)	N/A (N/A)	110-112.5 (237.5-240)	230-235 (345-350)	N/A (N/A)
Steve Orpin, Chief Finance Officer	145-150 (125-130)	0 (0)	N/A (N/A)	N/A (N/A)	107.5-110 (20-22.5)	250-255 (150-155)	N/A (N/A)
Emma Pettitt-Mitchell, Associate Non-Executive Director (from 04/06/18)	0-5 (N/A)	0 (N/A)	N/A (N/A)	N/A (N/A)	N/A (N/A)	0-5 (N/A)	N/A (N/A)
Steve Phoenix, Non- Executive Director (until 31/12/18)	0-5 (0-5)	0 (0)	N/A (N/A)	N/A (N/A)	0 (N/A)	0-5 (0-5)	N/A (N/A)
Miles Scott, Chief Executive	220-225 (45-50)	0 (0)	N/A (N/A)	N/A (N/A)	0 (382.5-385)	220-225 (430-435)	N/A (N/A)

Λ £ hundreds are used for taxable expense payments, and other benefits (column (b)). For this Trust, they relate to the non-cash benefit of a lease car. All other columns are in £ thousands

Ψ Drs Maskell and Mumford hold clinical roles in the Trust alongside their responsibilities as Senior Managers

Pension benefits for the year ending 31<sup>st</sup> March 2019<sup>21</sup> (subject to audit)

Name and title <sup>Ψ</sup> (alphabetical by surname)	(a) Real increase in pension at pension age (bands of £2,500)	(b) Real increase in pension lump sum at pension age (bands of £2,500)	(c) Total accrued pension at pension age at 31 <sup>st</sup> March 2019 (bands of £5,000)	(d) Lump sum at pension age related to accrued pension at 31 <sup>st</sup> March 2019 (bands of £5,000)	(e) Cash Equivalent Transfer Value $\Lambda$ at 1 <sup>st</sup> April 2018	(f) Cash Equivalent Transfer Value $\Lambda$ at 31 <sup>st</sup> March 2019	(g) Real increase in Cash Equivalent Transfer Value $\Sigma$	(h) Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Sean Briggs, Chief Operating Officer (from 29/10/18)	5-7.5	0	15-20	0	0	147	62	8
Angela Gallagher, Chief Operating Officer (until 30/11/18)	0	0	0	0	0	0	0	12
Simon Hart, Director of Workforce	0-2.5	0-2.5	44-49	105-110	617	755	119	21
Amanjit Jhund, Director of Strategy, Planning & Partnerships (from 01/10/18)	0-2.5	0	0-5	0	0	32	16	9
Jim Lusby, Deputy Chief Executive (until 30/04/18)	0	0	0	0	0	0	0	0
Peter Maskell, Medical Director	0	62.5-65	30-35	60-65	0	513	513	13
Sara Mumford, Director of Infection Prevention and Control	0-2.5	0	50-55	75-80	756	889	111	21
Claire O'Brien, Chief Nurse	2.5-5	12.5-15	50-55	150-155	969	1202	204	18
Steve Orpin, Chief Finance Officer	5.0-7.5	5-7.5	50-55	125-130	689	885	176	21
Miles Scott, Chief Executive <sup>¥</sup>	0	0	0	0	0	0	0	0

<sup>Ψ</sup> As Non-Executive Directors do not receive pensionable remuneration; there are no entries in respect of pensions for Non-Executive Directors

<sup>Λ</sup> 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 (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008

<sup>Σ</sup> Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period

<sup>¥</sup> Miles Scott did not make any contributions into the NHS Pension Scheme in 2018/19

## Fair pay disclosure (subject to audit)

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. This is calculated at the reporting date i.e. 31<sup>st</sup> March 2019 by "annualising" the March pay information taking into account temporary staff and adjusting for the full-time effect of part-time staff.

The banded remuneration of the highest paid director in the financial year 2018/19 was £220,000 to £225,000 (in 2017/18 this was £215,000 to £220,000). This was 7.5 times (in 2017/18, this was 7.5 times) the median remuneration of the workforce, which was £29,698 (2017/18 £28,746).

In 2018/19 no employees (in 2017/18, this was 2 employees) received remuneration in excess of the highest-paid director. The highest paid Director in the financial year 2018/19 was the Chief Executive (in 2017/18 this was the Chief Executive). Remuneration ranged from £12,222 to £222,500 (2017/18 £12,710 to £234,957)

<sup>21</sup> The Trust only makes contributions into the NHS pension scheme and the National Employment Savings Trust (NEST) scheme

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

### 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 23<sup>rd</sup> 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 the specific criteria set by the Treasury. Individuals that are 'on-payroll' are subject to Pay As You Earn (PAYE), with income tax and employee National Insurance Contributions (NICs) deducted by the Trust at source. Individuals engaged to provide services to the Trust but who do not have PAYE and NICs deducted at source are 'off-payroll'.

### All off-payroll engagements as of 31<sup>st</sup> March 2019, for more than £245 per day and lasting for longer than 6 months

	Number
Number of existing engagements as of 31 <sup>st</sup> March 2019	23
Of which, the number that have existed...	
for less than 1 year at the time of reporting =	6
for between 1 and 2 years at the time of reporting =	14
for between 2 and 3 years at the time of reporting =	3
for between 3 and 4 years at the time of reporting =	0
for 4 or more years at the time of reporting =	0

All existing off-payroll engagements have at some point been subject to a risk based assessment, as to whether assurance was required that the individual is paying the right amount of tax. Where necessary, that assurance has been sought.

### New off-payroll engagements between 1<sup>st</sup> April 2018 and 31<sup>st</sup> March 2019, for more than £245 per day that last longer than 6 months

	Number
Number of new engagements, or those that reached 6 months in duration, between 1 <sup>st</sup> April 2018 and 31 <sup>st</sup> March 2019	25
Of which:	
No. assessed as caught by IR35	1
No. assessed as not caught by IR35	22
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year	2
No. of engagements that saw a change to IR35 status following the consistency review	0

### Off-payroll Board member / Senior Official engagements

Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility, during the year	0
Number of individuals that have been deemed "Board members and/or senior officers with significant financial responsibility", during the financial year. This figure includes both off-payroll and on-payroll engagements	0

### Expenditure on consultancy staff

The Trust's internal expenditure on consultancy staff for 2018/19 was £947 k, an increase of £541k (£406k in 2017/18). The Trust hosts the Kent and Medway Sustainability and Transformation Partnership (STP) which incurred £1,336 k of consultancy spend compared to £7,190k in 2017/18.

## Declaration

I confirm adherence to the reporting framework in respect of the Accountability Report.

A handwritten signature in black ink, appearing to read 'Miles Scott', written in a cursive style.

Miles Scott, Chief Executive

23<sup>rd</sup> May 2019



# Maidstone and Tunbridge Wells NHS Trust



## Accountability and audit report for 2018/19: Independent Auditor's report to the Directors of the Trust





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# Independent Auditor's report to the Directors of Maidstone and Tunbridge Wells NHS Trust

Opinion

[Pending]

## Glossary of NHS terms

Term	Definition/explanation
Accident and Emergency (A&E)	Also referred to as Emergency Department (ED)
Ambulatory (Care)	A service where some conditions may be treated without the need for an overnight stay in hospital
Acute Stroke Unit (ASU)	An acute neurological ward providing specialist services for people who have had a new suspected stroke
Best Care Programme	Launched in 2018, the Trust's chosen platform to deliver continual transformation and service improvements programmes
Care Quality Commission (CQC)	A body that regulates all health & social care services in England. The CQC ensures the quality & safety of care in hospitals, dentists, ambulances, & care homes, and the care given in people's own homes. It is an executive non-departmental public body, sponsored by the Department of Health & Social Care
Clinical Commissioning Group (CCG)	CCGs are clinically-led statutory NHS bodies, created following the Health and Social Care Act 2012, responsible for the planning and commissioning of health care services for their local area. CCGs are membership bodies, with local GP practices as the members
Clinical Governance	Clinical Governance is the system through which NHS organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care, by creating an environment in which clinical excellence can flourish
Commissioning	The process of planning, agreeing and monitoring services, ranging from the health-needs assessment for a population, through the clinically based design of patient pathways, to service specification and contract negotiation or procurement, with continuous quality assessment
Control total	A figure calculated by NHSI, on a Trust by Trust basis, which represents the minimum level of financial performance, against which the the Trust's Board/ Governing Body and Chief Executives must deliver in 2018/19, and for which they will be held directly accountable
Cost Improvement Programme (CIP)	Sets out the savings that an NHS organisation plans to make to reduce its expenditure/increase efficiency. It is used to close the gap between the income received by the NHS body and expenditure incurred in any one year
Commissioning for Quality and Innovation (CQUIN)	Introduced in 2009 to make a proportion of healthcare providers' income conditional on demonstrating improvements in quality and innovation in specified areas of patient care. The key aim of the CQUIN framework is to secure improvements in the quality of services and better outcomes for patients
Datix	The Trust's incident reporting and risk management system
Delayed Transfer of Care	According to NHS England, a 'delayed transfer of care' occurs when an adult

Term	Definition/explanation
(DTC)	inpatient in hospital is ready to go home or move to a less acute stage of care but is prevented from doing so. Sometimes referred to in the media as 'bed-blocking', delayed transfers of care are a problem as they reduce the number of beds available to other patients who need them, as well as causing unnecessarily long stays in hospital for patients
Elective treatment	Treatment that is not urgent and can be planned
Emergency Department (ED)	Also known as Accident and Emergency (A&E)
Escalation	The term used to describe circumstances when clinical areas of the Trust, not ordinarily designated for non-elective inpatient care, are required to be used for that purpose due to non-elective demand
Financial Special Measures (FSM)	The Financial Special Measures programme, was launched by NHSI in July 2016 to provide a rapid turnaround package for Trusts which had either not agreed savings targets, or planned to make savings but deviated significantly from plan
Friends and Family Test (FFT)	A feedback tool, launched in April 2013, that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience. It asks people if they would recommend the services they have used and offers a range of responses. When combined with supplementary follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience
Getting It Right First Time (GIRFT)	A national programme, led by frontline clinicians and designed to improve the quality of care within the NHS by reducing unwarranted variations. GIRFT tackles variations in the way services are delivered across the NHS, and shares best practice between trusts, identifying changes that will help improve care and patient outcomes, as well as delivering efficiencies such as the reduction of unnecessary procedures and cost savings
Hyper Acute Stroke Unit (HASU)	A dedicated Stroke unit bringing experts and equipment under one roof to provide world class treatment 24 hours a day
Inpatient	A person who stays in hospital for one or more nights
Length of Stay (LOS)	The period of time a patient remains in hospital or other healthcare facility as an inpatient
NHS England	An executive non-departmental public body, sponsored by the Department of Health and Social Care, which leads the NHS in England. It sets the priorities and direction of the NHS and encourages and informs the national debate to improve health and care
NHS Improvement (NHSI)	The body responsible for overseeing NHS Trusts, and independent providers that provide NHS-funded care. It supports providers to give patients consistently safe, high quality, compassionate care within local health systems that are financially sustainable
Non-elective treatment	Treatment that is not planned, but requires admission to hospital

Term	Definition/explanation
Outpatient	A person who goes to a hospital for treatment or assessment, but does not stay overnight
Patient Advice and Liaison Service (PALS)	A service within an NHS Trust offering confidential advice, support and information on health-related matters. It provides a point of contact for patients, their families and their carers
Patient Experience	A term used for individual and collective feedback. (1) Individual patient's feedback about their experiences of care or a service e.g. whether they understood the information they were given, their views on the cleanliness of the hospital where they were treated. (2) A combination of all the intelligence held about what patients experience in services, drawing on a range of sources including complaints, compliments, etc.
Patient flow	The course of patients between staff, departments and organisations along a pathway of care
Patient Pathway	The route that a patient will take from entry into a hospital or other healthcare setting until the patient leaves. A template pathway can be created for common services and operations (e.g. emergency care pathway)
Referral to Treatment (RTT)	The waiting time calculated from the date the Trust receives a referral, to the date the patient either receives treatment or a decision is made that no treatment is required
Ring-fenced beds	Beds allocated for a specific category of patient / treatment (e.g. Stroke or elective orthopaedic beds), not used for general medical patients when the hospital is busy
Serious Incident (SI)	Events in health care where the potential for learning is so great, or the consequences to patients, families and carers, staff or organisations are so significant, that they warrant using additional resources to mount a comprehensive response. SIs can extend beyond incidents which affect patients directly and include incidents which may indirectly impact patient safety or an organisation's ability to deliver ongoing healthcare
Single Oversight Framework (SOF)	A framework which applies to all NHS Trusts and is designed to help providers attain, and maintain, CQC ratings of 'Good' or 'Outstanding'. The framework replaced the Monitor 'Risk Assessment Framework' and the NHS Trust Development Authority 'Accountability Framework' in October 2016
Sustainability and Transformation Fund (STF)	Money allocated by the NHS to support the transformation of services and systems, which is paid subject to the achievement of stipulated targets. The general element of the STF is allocated primarily to Trusts providing acute emergency care, as they remain under the greatest financial and operational pressure
Sustainability and Transformation Partnership (STP)	STPs are 44 areas covering all of England, where local NHS organisations and councils have drawn up proposals to improve health and care in the areas they serve. STP can also stand for 'sustainability and transformation plan', plans drawn up in each of these areas setting out practical ways to improve NHS services and population health in every part of England. They aim to help meet

Term	Definition/explanation
	a 'triple challenge' set out in the NHS Five Year Forward View – better health, transformed quality of care delivery, and sustainable finances.



# Maidstone and Tunbridge Wells NHS Trust



## Financial Statements for 2018/19





## Thank you for your support



A handwritten signature in blue ink.

Miles Scott, Chief Executive



A handwritten signature in blue ink.

David Highton, Chair of the Trust Board

The Trust receives support and well wishes from patients, carers, stakeholders, volunteers, fundraisers and Members (of which we have over 10,000). This support is expressed in a varied number of ways, including compliments sent directly to the Trust; letters sent to the local media; comments posted on social media; participation in the Patient Experience Committee; attendance at Trust Board meetings and the Annual General Meeting and fundraising to buy much needed equipment, to name but a few. This support is highly valued by the Trust's staff and the Board - without this, the Trust's task would be far harder. Thank you all.







Maidstone and Tunbridge Wells NHS Trust

Maidstone Hospital | Hermitage Lane | Maidstone | Kent ME16 9QQ



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Patient First - Respect - Innovation  
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**Trust Board meeting – May 2019**



5-17/5-18	Annual Report & Accounts, 2018/19 – Amendments	Chair of Audit and Governance Committee
<p>Since the Annual Report and Annual Accounts for 2018/19 were circulated, amendments have been made as follows:</p> <ul style="list-style-type: none"> <li>▪ Annual Report - Input has been corrected in the “Pension benefits for the year ending 31<sup>st</sup> March 2019” table (page 76) as highlighted in Appendix 1</li> <li>▪ Annual Accounts – The title of the “Statement of Changes in Taxpayers Equity for the year ended 31 March 2019” table (page 3) has been updated to correct an error (omission of the word “taxpayers”) in the Accounts template, as highlighted in Appendix 2</li> </ul> <p>The Audit and Governance Committee has been notified of these amendments.</p>		
<p><b>Which Committees have reviewed the information prior to Board submission?</b></p> <ul style="list-style-type: none"> <li>▪ Audit and Governance Committee, 23/05/19</li> </ul>		
<p><b>Reason for submission to the Board (decision, discussion, information, assurance etc.) <sup>1</sup></b></p> <p>To note the amendments made to the Annual Report and Accounts 2018/19</p>		

<sup>1</sup> All information received by the Board should pass at least one of the tests from ‘The Intelligent Board’ & ‘Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients’: the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors’ understanding of the Trust & its performance

## Appendix 1: Amendments to Annual Report 2018/19

### Pension benefits for the year ending 31<sup>st</sup> March 2019<sup>2</sup> (subject to audit)

Name and title <sup>ψ</sup> (alphabetical by surname)  N.B. Dates of service are for the full 2018/19 year unless otherwise disclosed	(a) Real increase in pension at pension age (bands of £2,500)  £000	(b) Real increase in pension lump sum at pension age (bands of £2,500)  £000	(c) Total accrued pension at pension age at 31 <sup>st</sup> March 2019 (bands of £5,000)  £000	(d) Lump sum at pension age related to accrued pension at 31 <sup>st</sup> March 2019 (bands of £5,000)  £000	(e) Cash Equivalent Transfer Value $\Lambda$ at 1 <sup>st</sup> April 2018  £000	(f) Cash Equivalent Transfer Value $\Lambda$ at 31 <sup>st</sup> March 2019  £000	(g) Real increase in Cash Equivalent Transfer Value $\Sigma$  £000	(h) Employer's contribution to stakeholder pension  £000
Sean Briggs, Chief Operating Officer (from 29/10/18)	5-7.5	0	15-20	0	0	147	62	8
Angela Gallagher, Chief Operating Officer (until 30/11/18)	0	0	0	0	0	0	0	12
Simon Hart, Director of Workforce	0-2.5	0-2.5	44-49	105-110	617	755	119	21
Amanjit Jhund, Director of Strategy, Planning & Partnerships (from 01/10/18)	0-2.5	0	0-5	0	0	32	16	9
Jim Lusby, Deputy Chief Executive (until 30/04/18)	0	0	0	0	0	0	0	0
Peter Maskell, Medical Director	0	62.5-65	30-35	60-65	0	513	513	13
Sara Mumford, Director of Infection Prevention and Control	0-2.5	0	50-55	75-80	756	889	111	21
Claire O'Brien, Chief Nurse	2.5-5	<del>12.5-15</del> <del>15-17.5</del>	50-55	150-155	969	1202	204	18
Steve Orpin, Chief Finance Officer	5.0-7.5	5-7.5	50-55	125-130	689	885	176	21
Miles Scott, Chief Executive <sup>¥</sup>	0	0	0	0	0	0	0	0

<sup>2</sup> The Trust only makes contributions into the NHS pension scheme and the National Employment Savings Trust (NEST) scheme

**Appendix 2: Amendments to Annual Accounts 2018/19**

<b>Statement of Changes in Taxpayers Equity for the year ended 31 March 2019</b>						
	Public dividend capital	Revaluation reserve	Financial assets reserve*	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2018 - brought forward</b>	<b>207,329</b>	<b>29,852</b>	<b>0</b>	<b>0</b>	<b>-196,366</b>	<b>40,815</b>
Impact of implementing IFRS 15 on 1 April 2018	0	0	0	0	0	0
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	0	0	0
Surplus/(deficit) for the year	0	0	0	0	19,874	19,874
Other transfers between reserves	0	0	0	0	0	0
Impairments	0	2,071	0	0	0	2,071
Revaluations	0	1,040	0	0	0	1,040
Transfer to retained earnings on disposal of assets	0	-1,181	0	0	1,181	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0
Public dividend capital received	4,461	0	0	0	0	4,461
Public dividend capital repaid	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2019</b>	<b>211,790</b>	<b>31,782</b>	<b>0</b>	<b>0</b>	<b>-175,311</b>	<b>68,261</b>
* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for sale investment reserve' is now renamed as the 'Financial assets reserve'						
<b>Statement of Changes in Taxpayers Equity for the year ended 31 March 2018</b>						
	Public dividend capital	Revaluation reserve	Available for sale investment reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000	£000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>204,966</b>	<b>30,304</b>	<b>0</b>	<b>0</b>	<b>-201,203</b>	<b>34,067</b>
Prior period adjustment	0	0	0	0	0	0
<b>Taxpayers' equity at 1 April 2017 - restated</b>	<b>204,966</b>	<b>30,304</b>	<b>0</b>	<b>0</b>	<b>-201,203</b>	<b>34,067</b>
Surplus/(deficit) for the year	0	0	0	0	3,623	3,623
Impairments	0	434	0	0	0	434
Revaluations	0	328	0	0	0	328
Transfer to retained earnings on disposal of assets	0	-1,214	0	0	1,214	0
Public dividend capital received	2,363	0	0	0	0	2,363
Public dividend capital repaid	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2018</b>	<b>207,329</b>	<b>29,852</b>	<b>0</b>	<b>0</b>	<b>-196,366</b>	<b>40,815</b>

## Trust Board meeting - May 2019



## 5-18 Approval of Annual Accounts, 2018/19

## Chair of the Audit &amp; Governance Committee

The Annual Accounts for 2018/19 are enclosed.

The Accounts, along with the External Auditors' findings, will be reviewed in detail at the Audit and Governance Committee on 23<sup>rd</sup> May 2019 (before the Trust Board meeting).

The Audit and Governance Committee will be asked to recommend that the Trust Board approves the Accounts, and a verbal update on the outcome of the Committee's review will be given at the Trust Board meeting.

Once approved, the Accounts will be signed, and submitted to the External Auditors for their opinion, the Trust will then submit via the NHSI portal and also post the original set to NHSI by noon Wednesday 29<sup>th</sup> May 2019.

**Which Committees have reviewed the information prior to Board submission?**

- Audit and Governance Committee, 09/05/19 (pre-audit draft)
- Audit and Governance Committee, 23/05/19

**Reason for receipt at the Board (decision, discussion, information, assurance etc.)<sup>1</sup>**

To review and approve the Annual Accounts for 2018/19

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Maidstone And Tunbridge Wells NHS Trust

Annual accounts for the year ended 31 March 2019

## Statement of Comprehensive Income

		2018/19	2017/18
	Note	£000	£000
Operating income from patient care activities	3	403,761	382,745
Other operating income	4	69,408	57,524
Operating expenses	7, 9	-450,488	-421,213
<b>Operating surplus/(deficit) from continuing operations</b>		<b>22,681</b>	<b>19,056</b>
Finance income	12	164	47
Finance expenses	13	-15,825	-15,118
PDC dividends payable		-688	-451
<b>Net finance costs</b>		<b>-16,349</b>	<b>-15,522</b>
Other gains / (losses)	14	13,542	89
Gains / (losses) arising from transfers by absorption	46	0	0
Corporation tax expense		0	0
<b>Surplus / (deficit) for the year from continuing operations</b>		<b>19,874</b>	<b>3,623</b>
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	0	0
<b>Surplus / (deficit) for the year</b>		<b>19,874</b>	<b>3,623</b>
<b>Other comprehensive income</b>			
<b>Will not be reclassified to income and expenditure:</b>			
Impairments	8	2,071	434
Revaluations	19	1,040	328
<b>Total comprehensive income / (expense) for the period</b>		<b>22,985</b>	<b>4,385</b>
<b>Adjusted financial performance (control total basis):</b>			
Surplus / (deficit) for the period		19,874	3,623
Remove impact of consolidating NHS charitable fund		0	0
Remove net impairments not scoring to the Departmental expenditure limit		780	-14,662
Remove (gains) / losses on transfers by absorption		0	0
Remove I&E impact of capital grants and donations		-330	249
Prior period adjustments		0	0
Remove non-cash element of on-SoFP pension costs		0	0
CQUIN risk reserve adjustment (2017/18 only)		0	-134
Remove 2016/17 post audit STF reallocation (2017/18 only)		0	0
<b>Adjusted financial performance surplus / (deficit)</b>		<b>20,324</b>	<b>-10,924</b>



## Statement of Financial Position

		31 March 2019 £000	31 March 2018 £000
	Note		
<b>Non-current assets</b>			
Intangible assets	16	3,345	2,612
Property, plant and equipment	17	292,265	294,014
Investment property	20	0	0
Receivables	25	1,401	1,201
Other assets	26	0	0
<b>Total non-current assets</b>		<b>297,011</b>	<b>297,827</b>
<b>Current assets</b>			
Inventories	24	7,820	7,752
Receivables	25	34,429	37,454
Other assets	26	0	0
Non-current assets held for sale / assets in disposal groups	27	0	0
Cash and cash equivalents	28	10,406	1,473
<b>Total current assets</b>		<b>52,655</b>	<b>46,679</b>
<b>Current liabilities</b>			
Trade and other payables	29	-28,017	-43,893
Borrowings	32	-24,985	-24,469
Other financial liabilities	30	0	0
Provisions	34	-1,467	-1,743
Other liabilities	31	-2,580	-2,620
Liabilities in disposal groups	27	0	0
<b>Total current liabilities</b>		<b>-57,049</b>	<b>-72,725</b>
<b>Total assets less current liabilities</b>		<b>292,617</b>	<b>271,781</b>
<b>Non-current liabilities</b>			
Trade and other payables	29	0	0
Borrowings	32	-223,367	-229,860
Other financial liabilities	30	0	0
Provisions	34	-989	-1,106
Other liabilities	31	0	0
<b>Total non-current liabilities</b>		<b>-224,356</b>	<b>-230,966</b>
<b>Total assets employed</b>		<b>68,261</b>	<b>40,815</b>
<b>Financed by</b>			
Public dividend capital		211,790	207,329
Revaluation reserve		31,782	29,852
Financial assets reserve		0	0
Other reserves		0	0
Income and expenditure reserve		-175,311	-196,366
<b>Total taxpayers' equity</b>		<b>68,261</b>	<b>40,815</b>

The notes on pages 6 to 50 form part of these accounts.

Name \_\_\_\_\_

Position \_\_\_\_\_ Chief Executive

Date \_\_\_\_\_ 23 May 2019

**Statement of Changes in Equity for the year ended 31 March 2019**

	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve* £000	Other reserves £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2018 - brought forward</b>	<b>207,329</b>	<b>29,852</b>	<b>0</b>	<b>0</b>	<b>-196,366</b>	<b>40,815</b>
Impact of implementing IFRS 15 on 1 April 2018	0	0	0	0	0	0
Impact of implementing IFRS 9 on 1 April 2018	0	0	0	0	0	0
Surplus/(deficit) for the year	0	0	0	0	19,874	19,874
Other transfers between reserves	0	0	0	0	0	0
Impairments	0	2,071	0	0	0	2,071
Revaluations	0	1,040	0	0	0	1,040
Transfer to retained earnings on disposal of assets	0	-1,181	0	0	1,181	0
Share of comprehensive income from associates and joint ventures	0	0	0	0	0	0
Public dividend capital received	4,461	0	0	0	0	4,461
Public dividend capital repaid	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2019</b>	<b>211,790</b>	<b>31,782</b>	<b>0</b>	<b>0</b>	<b>-175,311</b>	<b>68,261</b>

\* Following the implementation of IFRS 9 from 1 April 2018, the 'Available for sale investment reserve' is now renamed as the 'Financial assets reserve'

**Statement of Changes in Equity for the year ended 31 March 2018**

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
<b>Taxpayers' equity at 1 April 2017 - brought forward</b>	<b>204,966</b>	<b>30,304</b>	<b>0</b>	<b>0</b>	<b>-201,203</b>	<b>34,067</b>
Prior period adjustment	0	0	0	0	0	0
<b>Taxpayers' equity at 1 April 2017 - restated</b>	<b>204,966</b>	<b>30,304</b>	<b>0</b>	<b>0</b>	<b>-201,203</b>	<b>34,067</b>
Surplus/(deficit) for the year	0	0	0	0	3,623	3,623
Impairments	0	434	0	0	0	434
Revaluations	0	328	0	0	0	328
Transfer to retained earnings on disposal of assets	0	-1,214	0	0	1,214	0
Public dividend capital received	2,363	0	0	0	0	2,363
Public dividend capital repaid	0	0	0	0	0	0
Public dividend capital written off	0	0	0	0	0	0
Other movements in public dividend capital in year	0	0	0	0	0	0
Other reserve movements	0	0	0	0	0	0
<b>Taxpayers' equity at 31 March 2018</b>	<b>207,329</b>	<b>29,852</b>	<b>0</b>	<b>0</b>	<b>-196,366</b>	<b>40,815</b>

## **Information on reserves**

### **Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

### **Revaluation reserve**

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

### **Financial assets reserve / Available-for-sale investment reserve**

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevivable election at recognition.

### **Other reserves**

The Trust has no other reserves.

### **Income and expenditure reserve**

The balance of this reserve is the accumulated surpluses and deficits of the Trust. These are not adjusted for technical items as allowed in the break-even duty performance, such as impairments or the impact of the Statement of Financial Position accounting for the Private Finance Initiative.

## Statement of Cash Flows

		2018/19	2017/18
	Note	£000	£000
<b>Cash flows from operating activities</b>			
Operating surplus / (deficit)		22,681	19,056
<b>Non-cash income and expense:</b>			
Depreciation and amortisation	7.1	12,987	13,710
Net impairments	8	780	-14,662
Income recognised in respect of capital donations	4	-740	-159
Amortisation of PFI deferred credit		0	0
Non-cash movements in on-SoFP pension liability		0	0
(Increase) / decrease in receivables and other assets		2,970	8,959
(Increase) / decrease in inventories		-68	193
Increase / (decrease) in payables and other liabilities		-14,927	-8,813
Increase / (decrease) in provisions		-393	-156
Tax (paid) / received		0	0
Other movements in operating cash flows		0	0
<b>Net cash generated from / (used in) operating activities</b>		<b>23,290</b>	<b>18,128</b>
<b>Cash flows from investing activities</b>			
Interest received		164	47
Purchase and sale of financial assets / investments		0	0
Purchase of intangible assets		-1,288	-198
Sales of intangible assets		0	0
Purchase of property, plant, equipment and investment property		-12,989	-12,253
Sales of property, plant, equipment and investment property		17,534	1,840
Receipt of cash donations to purchase capital assets		740	159
Prepayment of PFI capital contributions		0	0
Cash movement from acquisitions / disposals of subsidiaries		0	0
<b>Net cash generated from / (used in) investing activities</b>		<b>4,161</b>	<b>-10,405</b>
<b>Cash flows from financing activities</b>			
Public dividend capital received		4,461	2,363
Public dividend capital repaid		0	0
Movement on loans from the Department of Health and Social Care		-2,174	9,358
Movement on other loans		1,376	739
Other capital receipts		0	0
Capital element of finance lease rental payments		0	0
Capital element of PFI, LIFT and other service concession payments		-5,284	-5,028
Interest on loans		-1,588	-1,263
Other interest		-6	0
Interest paid on finance lease liabilities		0	0
Interest paid on PFI, LIFT and other service concession obligations		-14,237	-13,855
PDC dividend (paid) / refunded		-1,066	16
Financing cash flows of discontinued operations		0	0
Cash flows from (used in) other financing activities		0	0
<b>Net cash generated from / (used in) financing activities</b>		<b>-18,518</b>	<b>-7,670</b>
<b>Increase / (decrease) in cash and cash equivalents</b>		<b>8,933</b>	<b>53</b>
<b>Cash and cash equivalents at 1 April - brought forward</b>		<b>1,473</b>	<b>1,420</b>
Prior period adjustments		0	0
<b>Cash and cash equivalents at 1 April - restated</b>		<b>1,473</b>	<b>1,420</b>
Cash and cash equivalents transferred under absorption accounting	46	0	0
Unrealised gains / (losses) on foreign exchange		0	0
<b>Cash and cash equivalents at 31 March</b>	28.1	<b>10,406</b>	<b>1,473</b>

## Notes to the Accounts

### Note 1 Accounting policies and other information

#### Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2018/19 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

##### Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

##### Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

The DH Group Accounting Manual (GAM) requires the management of the Trust to consider the following public sector interpretation of IAS 1 in respect of applying the going concern assumption when preparing its accounts stating:

“For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern. DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant body or DHSC sponsor of the intention for dissolution without transfer of services of function to another entity. A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up”

The Trust Board have assessed the Trust's ability to continue for the foreseeable future in the light of the GAM guidance and has prepared the 2018/19 accounts on a “going concern” basis following consideration of the following:-

- There has been no expectation raised in the public arena that healthcare services will not continue to be provided from the two hospital sites.
- The Trust has submitted its final business plan to NHSI in April 2019 setting out its operational plans for the following financial year (2019/20) and its capital plans for five years.
- The Trust exited from financial special measures in October 2018, has met its 2018/19 control total, and is planning to fully achieve its 2019/20 control total, including PSF and MRET requirements, and therefore to deliver a planned surplus of £6.9m.
- The Trust continues to fully participate in the STP planning process including the submission of the forward 5 year financial and operating plans on a going concern basis. The Trust is leading some of the significant Work-stream areas and a key player in consideration of the shape of services in the STP for the future e.g. it is one of the selected sites for Hyper Acute Stroke Unit as part of the STP-wide Stroke services consultation.
- The Trust will have contracts in place for provision of healthcare services for 2019/20. This includes the “aligned incentives” contract with West Kent (the Trust's main commissioner) and Sussex and East Surrey CCGs. The aligned incentives contract represents c.73% of the total clinical income which provides certainty for income and cash flows in 2019/20.
- The Trust prepared and submitted cash-flow plans for 2019/20 which include the repayment of £16.9m of working capital loans, which is planned to be financed from internal resources.
- There are no plans to dissolve the Trust or to cease services without transfer to any other NHS body.
- The Trust does not consider that there are any material uncertainties to the going concern basis. However it has assessed and will disclose within its 2018/19 accounts challenges to its financial plans for 2019/20 around its cost improvement programme and risks to achieving its control total. The main risks are:
  - a) The Trust has fully identified CIP schemes totalling £16.6m but £4.9m are risks current rated as red. Divisions have been set a target of £19.4m to seek to mitigate any slippage or non-delivery. The Trust has commissioned additional external support to work with Divisions to develop and implement plans with regular monitoring of performance.
  - b) The Trust's plan assumes that the current stroke services will continue until April 2020 prior to the planned reconfiguration of services. Therefore no additional income assumptions have been made for any additional stroke activity at Maidstone Hospital. The risk is around one of the current units planned for closure being subject to operational pressures e.g. loss of staff that causes it to close or reduce activity earlier than planned.

#### Note 1.2 Interests in other entities and consolidation

The Trust does not have interests in subsidiaries, associates, joint ventures or joint operations and the Trust does not consolidate its charitable funds on the basis that the value is not material

**Note 1.3.1 Revenue from contracts with customers**

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable

**Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

PFI support income will be recognised as revenue when all, or substantially all, of the promised funding has been received by the Trust.

**Provider Sustainability Fund (PSF)**

The PSF enables NHS providers to earn income linked to the achievement of financial controls and performance targets. Access to both the general and targeted elements of PSF are unlocked as NHS providers meet their financial control totals. At each quarter, a minimum of 70% of allocated funding will be released upon achievement of the financial control total, with up to a further 30% released where a provider also meets its agreed trajectories for delivery of operational standards

In line with IFRS 15, PSF should be accounted for as variable consideration. Paragraph 51 of the Standard identifies that consideration would be variable if a fixed amount is promised as a performance bonus.

**Revenue from research contracts**

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract.

**NHS injury cost recovery scheme**

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

**Note 1.3.2 Revenue grants and other contributions to expenditure**

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

**Note 1.3.3 Other income**

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

**Note 1.4 Expenditure on employee benefits****Short-term employee benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

## **Pension costs**

### **NHS Pension Scheme**

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phased employer contribution rate which was 2% for 2018/19. The rate increases to 3% in April 2019.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

### **Note 1.5 Expenditure on other goods and services**

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

### **Note 1.6 Property, plant and equipment**

#### **Note 1.6.1 Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives, where this would lead to a different depreciation profile. In respect of building and dwelling assets, the Trust has determined that it is appropriate to depreciate the component blocks of the two hospital sites and individual dwellings separately, as this takes into consideration the age and condition of the asset components and their differing depreciation profile and follows the external valuation schedules. The individual elements (e.g. walls, floors, lifts, heating etc.) within these blocks are not deemed to be significant in relation to the block assets.

#### **Note 1.6.2 Measurement Valuation**

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.



The financial year 2018/19 is the fourth year in the current five year cyclical valuation period. A full valuation was undertaken in September 2014 with desktop valuations undertaken in each subsequent financial year. In keeping with the Trust's policies the Trust commissioned professional valuers, Montagu Evans LLP, to carry out a desktop valuation of the Trust's Land and Building assets at 31st March 2019. The lead relationship partner from Montagu Evans LLP is qualified to BSc MRICS. The results are recorded in the property plant and equipment notes 16 and 17.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use. The Trust periodically reviews annually high value plant and machinery assets (net book value over £100k) to ensure these are held at the correct values and remaining useful lives. IT assets are also subject to annual review.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income. Any residual balance in the revaluation reserve in respect to an individual asset is transferred to the retained earnings reserve on disposal of the asset.

#### **6 Note 1.6.3 Subsequent expenditure**

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

#### **7 Note 1.7 Depreciation**

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which have been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

#### **7 Note 1.7.1 Revaluation gains and losses**

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

#### **7 Note 1.7.2 Impairments**

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

#### 7 Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable ie:
  - management are committed to a plan to sell the asset
  - an active programme has begun to find a buyer and complete the sale
  - the asset is being actively marketed at a reasonable price
  - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

#### 7 Note 1.7.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

#### 8 Note 1.8 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract "lifecycle replacement".

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

##### Note 1.8.1 Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses' in the Statement of Comprehensive Income.

##### Note 1.8.2 PFI Asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value or, if lower, at the present value of the minimum lease payments, in accordance with the principles of IAS 17. Subsequently, the assets are measured at current value in existing use, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

##### Note 1.8.3 PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the initial value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

**Note 1.8.4 lifecycle replacement**

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the NHS Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term accrual or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

**Note 1.8.5 Assets contributed by the NHS Trust to the operator for use in the scheme**

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the NHS Trust's Statement of Financial Position.

**Note 1.8.6 other assets contributed by the NHS Trust to the operator**

Assets contributed (e.g. cash payments, surplus property) by the NHS Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

**9 Note 1.9 Useful lives of property, plant and equipment**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	<b>Min life Years</b>	<b>Max life Years</b>
Buildings, excluding dwellings	1	60
Dwellings	1	60
Plant & machinery	5	15
Transport equipment	5	15
Information technology	3	5
Furniture & fittings	10	10
X-ray tubes	2	2

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

**# Note 1.10 Intangible assets****# Note 1.10.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

**# Note 1.10.2 Internally generated intangible assets**

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, eg, the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

**Note 1.10.3 Software**

Software which is integral to the operation of hardware, eg an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, eg application software, is capitalised as an intangible asset.

**Note 1.10.4 Measurement**

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

**Note 1.10.5 Amortisation**

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

**Note 1.10.6 Useful economic life of intangible assets**

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
<b>Intangible assets - internally generated</b>		
Information technology	2	7
<b>Intangible assets - purchased</b>		
Software licences	3	5

**Note 1.11 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

**Note 1.12 Investment properties**

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

The Trust has no investment properties.

**Note 1.13 Cash and cash equivalents**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

#### # Note 1.14 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO<sub>2</sub> emissions. The Trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO<sub>2</sub> it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO<sub>2</sub> emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO<sub>2</sub> emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets.

#### # Note 1.15 Financial assets and financial liabilities

##### # Note 1.15.1 Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

##### # Note 1.15.2 Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets are classified as subsequently measured at fair value through income and expenditure.

Financial liabilities classified as subsequently measured at fair value through income and expenditure. The Trust's liabilities are held at cost as this is not believed to be materially different to fair value in respect of current liabilities.

##### # Note 1.15.3 Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

**15 Note 1.15.4 financial assets measured at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On de-recognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

**16 Note 1.15.5 Financial assets and financial liabilities at fair value through income and expenditure**

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

The Trust does not have any embedded derivatives that have different risks and characteristics to the host contracts; therefore the Trust does not have any financial assets/liabilities at fair value through profit and loss.

**16 Note 1.15.6 Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

The Trust has used historic data for the last two years to assess the expected credit loss rates that should be applied to trade debtor categories, taking into account the materiality of debtor classes.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

**16 Note 1.15.7 Derecognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

**16 Note 1.16 Leases**

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

**16 Note 1.16.1 The Trust as lessee****Finance leases**

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

### **Operating leases**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

### **Leases of land and buildings**

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

#### **# Note 1.16.2 The Trust as lessor**

##### **Finance leases**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

##### **Operating leases**

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

#### **# Note 1.17 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.29% (2017/18 positive 0.10%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cash flows from the Statement of Financial Position date:

All 2018/19 percentages are expressed in nominal terms with 2017/18 being the last financial year that HM Treasury provided real general provision discount rates.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

### **Clinical negligence costs**

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 34.2 but is not recognised in the Trust's accounts.

### **Non-clinical risk pooling**

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.



**# Note 1.18 Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

**# Note 1.19 Public dividend capital**

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated assets (including lottery funded assets),
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
- (iii) any PDC dividend balance receivable or payable.
- (iv) any PSF bonus is excluded from the PDC calculation

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

**# Note 1.20 Value added tax**

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

**# Note 1.21 Corporation tax**

The Trust is not liable directly for Corporation tax and has no subsidiary companies or other associated interests that would attract Corporation tax.

**# Note 1.22 Foreign exchange**

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

**23 Note 1.23 Third party assets**

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

**24 Note 1.24 Losses and special payments**

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

**25 Note 1.25 Gifts**

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

**26 Note 1.26 Transfers of functions to / from other NHS bodies / local government bodies**

For functions that have been transferred to the Trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities.

For property, plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

**27 Note 1.27 Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (see below 1.27.1) that management has made in the process of applying the NHS Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

For 2018/19 the Trust has identified the following critical judgements that are required to be disclosed under IAS1 paragraph 122. All other material judgements within this financial year relate to estimations and are disclosed in the relevant notes (see 1.27.1).

Material areas of critical judgements within the 2018/19 accounts are as follows:

The financial statements have been prepared on a going concern basis as set out in note 1.1.2. In preparing the financial statements the directors have considered the Trust's overall financial position and expectation of future contractual income, cost improvements and Provider Sustainability Funding (PSF). The Trust has submitted a financial plan for 2019/20 to NHS Improvement which is planning on delivering the agreed control totals and, including planned PSF and MRET funding, a £6.9m surplus for 2019/20. Note 4 (Other Operating Income) contains a reference in respect of future PSF funding

- The Trust has applied the concept of Modern Equivalent Asset (MEA) to estimate the valuation of its property assets, as applicable, under the guidance of the DH GAM and its independent professional valuers. This may result in impairment costs or reversals falling to be recognised in reserves or the income and expenditure statement as appropriate. Please see note 18 for further information.

- The Trust has disposed of residential properties during the year and entered into lease agreements, a sale and leaseback arrangement. Judgement has been applied to the accounting treatment of these transactions applying IAS 16, IFRS 15 and IAS 17 on various key elements of de-recognition of assets, recognition of the gain on disposal and lease classification. This has included taking advice from professional advisers, including valuations from the Trust's independent valuers. The Trust determined that disposals of property had occurred and that it had entered into operating leases with the successful purchasers. The effect of this judgement is that any gain on disposal has been recognised immediately within the statement of comprehensive income account. If the Trust had determined that the leases were finance leases, any gain on disposal would be deferred and amortised over the period of the lease.

- Charitable Funds are not material for the Trust and have not been consolidated.

- The Trust's PFI contract continues to be judged as falling under IFRIC 12 principles as a service concession arrangement with the trust recognising an infrastructure asset and a corresponding finance lease liability, under IAS 17.

**27 Note 1.27.1 Sources of estimation uncertainty**

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Disclosures will be included within the relevant note. The disclosure will include the nature of the assumption and the carrying amount of the asset/liability at the Statement of Financial Position date, sensitivity of the carrying amount to the assumptions, expected resolution of uncertainty and range of possible outcomes within the next financial year. The disclosure will also include an expectation of changes to past assumptions if the uncertainty remains unresolved. The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Material areas including estimations within the 2018/19 accounts are as follows:

- Property, Plant and Equipment valuation including PFI infrastructure assets (see accounting policy note 1.6 and also accounts note 19)
- IFRS 15 estimations in determining transaction price or satisfaction of performance obligations where they are satisfied over time. Further detail is given in policy 1.3 Revenue from contracts with customers.
- Pension fund valuation (see note 9).

**28 Note 1.28 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2018/19.

**29 Note 1.29 Standards, amendments and interpretations in issue but not yet effective or adopted**

The DHSC GAM does not require the following IFRS standards and interpretations to be applied in 2018-19. These standards are still subject to HM Treasury FReM adoption, with IFRS 16 being for implementation in 2019-20, and the government implementation date for IFRS 17 still subject to HM Treasury consideration.

- IFRS 16 leases – Application required for accounting periods beginning on or after 1 April 2020, but not yet adopted by the FReM: early adoption is not therefore permitted. The impact of applying this standard cannot yet be quantified as guidance on how it will be adopted into NHS accounting is awaited.
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

## **Note 2 Operating Segments**

Maidstone and Tunbridge Wells NHS Trust reports under a single segment of Healthcare. The Trust has considered the possibility of reporting two segments, relating to Healthcare and Non Healthcare Income, but this does not reflect current Trust Board reporting practice which reports on both the aggregate Trust position and by Directorate. Each of the significant directorates are deemed to have similar economic characteristics under the Healthcare banner and can therefore be aggregated in accordance with the requirements of IFRS 8.

The Trusts income is predominantly from contracts for the provision of healthcare with clinical Commissioning Groups and NHS England. This accounts for 84% of the Trusts total income.

**Note 3 Operating income from patient care activities**

All income from patient care activities relates to contract income recognised in line with accounting policy 1.3.1

<b>Note 3.1 Income from patient care activities (by nature)</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
<b>Acute services</b>		
Elective income	61,933	69,204
Non elective income	116,383	103,779
First outpatient income	28,101	25,994
Follow up outpatient income	34,188	32,650
A & E income	24,332	21,645
High cost drugs income from commissioners (excluding pass-through costs)	42,751	42,791
Other NHS clinical income	80,969	75,864
<b>All services</b>		
Private patient income	1,459	2,426
Agenda for Change pay award central funding	4,086	0
Other clinical income	9,559	8,392
<b>Total income from activities</b>	<b>403,761</b>	<b>382,745</b>

In 2018/19 the Trust received income from Department of Health and Social Care to fund the Agenda for Change pay award of £4.1m. This income was not given via this route in 2017/18 and is included within tariff for 2019/20.

**Note 3.2 Income from patient care activities (by source)**

<b>Income from patient care activities received from:</b>	<b>2018/19 £000</b>	<b>2017/18 £000</b>
NHS England	72,099	71,361
Clinical commissioning groups	316,139	299,745 *
Department of Health and Social Care	4,086	0
Other NHS providers	3,683	3,187
NHS other	0	0
Local authorities	4,486	4,161
Non-NHS: private patients	1,459	2,426
Non-NHS: overseas patients (chargeable to patient)	260	270
Injury cost recovery scheme	702	840
Non NHS: other	847	755 *
<b>Total income from activities</b>	<b>403,761</b>	<b>382,745</b>
<b>Of which:</b>		
Related to continuing operations	<b>403,761</b>	382,745
Related to discontinued operations	0	0

NHS injury cost recovery income is subject to a provision for impairment of receivables which the Trust has estimated using historical information for each main site. The provision rates are 21.64% for Maidstone Hospital and 15.56% for Tunbridge Wells Hospital (22.49% Maidstone Hospital and 18.14% Tunbridge Wells in 2017/18). This provision reflect expected rates of collection.

\*Prior year comparators moving £0.755m from CCG to non-NHS other income as it relates to MSK services in Sussex to a non-NHS commissioner.

**Note 3.3 Overseas visitors (relating to patients charged directly by the provider)**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
Income recognised this year	260	270
Cash payments received in-year	293	152
Amounts added to provision for impairment of receivables	49	54
Amounts written off in-year	17	29

**Note 4 Other operating income**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
<b>Other operating income from contracts with customers:</b>		
Research and development (contract)	1,545	1,696
Education and training (excluding notional apprenticeship levy income)	10,210	10,039
Non-patient care services to other bodies	21,694	25,230
Provider sustainability / sustainability and transformation fund income (PSF / STF)	21,037	6,952
Income in respect of employee benefits accounted on a gross basis	0	0
Other contract income	14,054	13,403
<b>Other non-contract operating income</b>		
Research and development (non-contract)	0	0
Education and training - notional income from apprenticeship fund	105	22
Receipt of capital grants and donations	740	159
Charitable and other contributions to expenditure	0	0
Support from the Department of Health and Social Care for mergers	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	23	23
Amortisation of PFI deferred income / credits	0	0
Other non-contract income	0	0
<b>Total other operating income</b>	<b>69,408</b>	<b>57,524</b>
<b>Of which:</b>		
Related to continuing operations	69,408	57,524
Related to discontinued operations	0	0

Included within other operating income for 2018-19 is £21.04m of Provider Sustainability and Transformation Funding (PSF), which includes £0.3m of incentive PSF (Finance), £5.82m of PSF General Distribution (£3.040m 2017/18) and £2.24m PSF (bonus). The Trust's 2019-20 plan includes £7.7m of PSF funding.

Included within other income is revenue from NHS England for 2018-19 is £8m of Central PFI financial support (2017-18 £8m). The Trust's 2019-20 plan includes £8m recurrent central PFI support.

Included within the non-patient care services to other bodies is income of £6.2m (£8m 2017/18) relating to the Kent and Medway Sustainability and Transformation Partnership (STP). The Trust agreed during 2017/18 to become the financial host of the STP budget. This funding is provided in accordance with agreements made by each STP body with STP management to cover the costs of the planned annual programme. The costs are reported within the Trusts operating costs in note 7.1.

**Further analysis of "other income"**

	<b>2018/19</b>	2017/18
	<b>£000</b>	£000
PFI support income	<b>8,000</b>	8,000
Car Parking income	<b>2,373</b>	2,094
Catering Income	<b>1,006</b>	1,041
Staff Accommodation	<b>448</b>	478
Other	<b>2,227</b>	1,790
	<b>14,054</b>	<b>13,403</b>

**Note 5.1 Additional information on revenue from contracts with customers recognised in the period**

	<b>2018/19</b>
	<b>£000</b>
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	2,620
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	0

**Note 5.2 Transaction price allocated to remaining performance obligations**

	<b>31 March</b>
	<b>2019</b>
	<b>£000</b>
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	
within one year	0
after one year, not later than five years	0
after five years	0
<b>Total revenue allocated to remaining performance obligations</b>	<b>0</b>

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed. The Trust has carried forward no income at year end where the performance obligation is not expected to be completed within one year or where the Trust recognises revenue corresponding to work done to date.

**Note 6 Fees and charges**

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Income	4,147	4,010
Full cost	-2,894	-2,733
<b>Surplus / (deficit)</b>	<b>1,253</b>	<b>1,277</b>
<b>Car Parking</b>		
Income	2,373	2,094
Full cost	-1,941	-1,884
<b>Surplus/(Deficit)</b>	<b>432</b>	<b>210</b>
<b>Catering Income</b>		
Income	1,006	1,041
Full cost	-522	-437
<b>Surplus/(Deficit)</b>	<b>484</b>	<b>604</b>

**Note 7.1 Operating expenses**

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
Purchase of healthcare from NHS and DHSC bodies	12,078	8,561
Purchase of healthcare from non-NHS and non-DHSC bodies	3,823	4,091
Purchase of social care	0	0
Staff and executive directors costs	270,737	255,640
Remuneration of non-executive directors	81	73
Supplies and services - clinical (excluding drugs costs)	36,349	32,514
Supplies and services - general	5,368	5,443
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	52,784	52,920
Inventories written down	0	0
Consultancy costs	2,283	7,606
Establishment	2,075	1,764
Premises	17,376	19,130
Transport (including patient travel)	2,061	1,946
Depreciation on property, plant and equipment	12,074	12,744
Amortisation on intangible assets	913	966
Net impairments	780	-14,662
Movement in credit loss allowance: contract receivables / contract assets	76	0
Movement in credit loss allowance: all other receivables and investments	0	731
Increase/(decrease) in other provisions	0	25
Change in provisions discount rate(s)	-9	7
Audit fees payable to the external auditor		
audit services- statutory audit	73	73
other auditor remuneration (external auditor only)	9	9
Internal audit costs	148	159
Clinical negligence	18,572	20,911
Legal fees	258	162
Insurance	362	28
Research and development	0	0
Education and training	1,571	1,113
Rentals under operating leases	2,028	2,019
Early retirements	0	0
Redundancy	0	0
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	4,942	4,733
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	0	0
Car parking & security	914	834
Hospitality	21	8
Losses, ex gratia & special payments	18	12
Grossing up consortium arrangements	0	0
Other services, eg external payroll	289	282
Other	2,434	1,371
<b>Total</b>	<b>450,488</b>	<b>421,213</b>
<b>Of which:</b>		
Related to continuing operations	<b>450,488</b>	421,213
Related to discontinued operations	0	0

For further information on impairments please see Note 8.

The corresponding operating expenses relating to the STP as mentioned in income note 4 of £6.2m (£7.2m 2017/18), this is in a combination of areas including purchase of healthcare from NHS and DHSC bodies and consultancy .

The audit fees included within Note 7.1 above are reported as the gross position, the value excluding VAT for 2018/19 is £61k (2017/18 £61k).



**Note 7.2 Other auditor remuneration**

	2018/19	2017/18
	£000	£000
<b>Other auditor remuneration paid to the external auditor:</b>		
1. Audit of accounts of any associate of the Trust	0	0
2. Audit-related assurance services	0	0
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	9	9
<b>Total</b>	<b>9</b>	<b>9</b>

The £9k reported in note 7.2 relates to the audit of the Trusts quality accounts. As the Trust does not consolidate its charitable funds (see note 1.2) the fee for the independent examination of the charitable fund accounts is charged directly to those funds. The total charitable funds income and costs are reported in note 45 as a related party.

**Note 7.3 Limitation on auditor's liability**

The limitation on auditor's liability for external audit work is £2m (2017/18: £2m).

**Note 8 Impairment of assets**

	2018/19	2017/18
	£000	£000
<b>Net impairments charged to operating surplus / deficit resulting from:</b>		
Loss or damage from normal operations	0	0
Over specification of assets	0	0
Abandonment of assets in course of construction	0	0
Unforeseen obsolescence	0	0
Loss as a result of catastrophe	0	0
Changes in market price	780	-14,662
Other	0	0
<b>Total net impairments charged to operating surplus / deficit</b>	<b>780</b>	<b>-14,662</b>
Impairments charged to the revaluation reserve	-2,071	-434
<b>Total net impairments</b>	<b>-1,291</b>	<b>-15,096</b>

The Trust commissioned its independent professional valuers to undertake an interim desktop valuation as at the 31st March 2019 to support its assessment of year end property valuations. The result of the valuation has been a net increase in property valuations leading to the reversal of previous impairments charged to the Income and Expenditure account. This is reflected in the movement on impairments reported above.

The property valuation resulted in a net impairment of £0.29m comprising impairments charged to operating expenses of £4.75m offset by the reversal of impairments of £4.46m.

A fair value assessment of IT tangible assets has been carried out based on the valuation model used by the Trust, this is in accordance with the Trust's policy 1.6.2. For 2018/19 the assessment totalled £0.49m.

**Note 9 Employee benefits**

	<b>2018/19</b>	<b>2017/18</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	202,086	189,751
Social security costs	21,650	20,549
Apprenticeship levy	1,042	991
Employer's contributions to NHS pensions	24,164	22,979
Pension cost - other	11	5
Other post employment benefits	0	0
Other employment benefits	0	0
Termination benefits	0	0
Temporary staff (including agency)	22,874	22,857
<b>Total gross staff costs</b>	<b>271,827</b>	<b>257,132</b>
Recoveries in respect of seconded staff	0	0
<b>Total staff costs</b>	<b>271,827</b>	<b>257,132</b>
<b>Of which</b>		
Costs capitalised as part of assets	1,090	1,492

Further information on staff benefits by category of staff, exit packages and staff sickness absence is reported in the remuneration and staff section of the Trust's annual report.

**Note 9.1 Retirements due to ill-health**

During 2018/19 there was 1 early retirement from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2018). The estimated additional pension liabilities of these ill-health retirements is £23k (£209k in 2017/18).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

**Note 10 Pension costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**b) Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phased employer contribution rate, set at 2% for 2018/19 (3% for 2019/20). Trust contributions under the NEST scheme for the 2018/19 financial year totalled £10k (£5k 2017/18).

**Note 11 Operating leases****Note 11.1 Maidstone And Tunbridge Wells NHS Trust as a lessor**

This note discloses income generated in operating lease agreements where Maidstone And Tunbridge Wells NHS Trust is the lessor.

The Trust leases an element of land on the Maidstone Hospital site to a day nursery contractor

	2018/19 £000	2017/18 £000
<b>Operating lease revenue</b>		
Minimum lease receipts	23	23
<b>Total</b>	<b>23</b>	<b>23</b>
	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Future minimum lease receipts due:</b>		
- not later than one year;	23	23
- later than one year and not later than five years;	94	94
- later than five years.	117	141
<b>Total</b>	<b>234</b>	<b>258</b>

**Note 11.2 Maidstone And Tunbridge Wells NHS Trust as a lessee**

This note discloses costs and commitments incurred in operating lease arrangements where Maidstone And Tunbridge Wells NHS Trust is the lessee.

The main operating leases with values charged to operating expenses in year are disclosed below:

Apogee - Lease of photocopiers and printers under a managed service arrangement, £713k (£805k 2017-18). The contract is expected to complete in March 2024.

Ash Corporate Finance - lease of the laundry land, buildings and equipment, £299k (£263k 2017-18). The lease is for a 25 year term and contains a break clause in December 2020.

Roche Diagnostic Limited - lease of equipment to support the pathology and clinical chemistry managed service, £253k (£236k 2017-18). This arrangement completes in May 2020 with an option to extend for up to a further 3 years.

MGIF - lease of Springwood Road staff accommodation. The Trust disposed of the Springwood Road site on the 28th March 2019 and entered into an operating lease arrangement with MGIF which includes an initial leaseback of the existing staff residences whilst planning permission is sought by the landlord to redevelop the site, including the provision of new staff accommodation. The overarching lease is therefore structured in different tiers, with the initial period phasing into a 40 year primary term lease on the new accommodation, structured into two interlinked lease periods, with an ultimate option for the Trust to acquire the property for fair value at the end of the arrangement. The initial rent is £537.6k per annum; the rent for the new accommodation will be £960k per annum. The rent will be subject to RPI uplifts annually, with a cap and collar arrangement. The Trust manages the tenancies with staff and receives the sublease rentals. The lease commenced on the 29th March 2019 with an accrual for 3 days costs included within the 2018/19 accounts (£4k).

WGIF - lease of 32 High Street, Pembury for staff residences, rental of £240k per annum, subject to 5 yearly RPI reviews. The Trust disposed of the 32 High St property in February 2019 and entered into a 25 year operating lease expiring in February 2044, with a landlord only break clause in February 2033. The Trust has recognised the part year lease cost in the minimum lease payments (£26k). The Trust manages the tenancies with staff and receives the sublease rentals.

	2018/19 £000	2017/18 £000
<b>Operating lease expense</b>		
Minimum lease payments	2,051	2,019
Contingent rents	0	0
Less sublease payments received	-23	0
<b>Total</b>	<b>2,028</b>	<b>2,019</b>
	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Future minimum lease payments due:</b>		
- not later than one year;	2,541	2,000
- later than one year and not later than five years;	9,481	4,257
- later than five years.	43,209	1,468
<b>Total</b>	<b>55,231</b>	<b>7,725</b>
Future minimum sublease payments to be received	-45,404	0

**Note 12 Finance income**

Finance income represents interest received on assets and investments in the period.

	2018/19	2017/18
	£000	£000
Interest on bank accounts	164	47
Interest income on finance leases	0	0
Interest on other investments / financial assets	0	0
Other finance income	0	0
<b>Total finance income</b>	<b>164</b>	<b>47</b>

**Note 13.1 Finance expenditure**

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2018/19	2017/18
	£000	£000
<b>Interest expense:</b>		
Loans from the Department of Health and Social Care	1,582	1,248
Other loans	0	0
Overdrafts	0	0
Finance leases	0	0
Interest on late payment of commercial debt	6	14
Main finance costs on PFI and LIFT schemes obligations	10,389	10,657
Contingent finance costs on PFI and LIFT scheme obligations	3,848	3,198
<b>Total interest expense</b>	<b>15,825</b>	<b>15,117</b>
Unwinding of discount on provisions	0	1
Other finance costs	0	0
<b>Total finance costs</b>	<b>15,825</b>	<b>15,118</b>

**Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015**

	2018/19	2017/18
	£000	£000
Total liability accruing in year under this legislation as a result of late payments	0	0
Amounts included within interest payable arising from claims under this legislation	6	14
Compensation paid to cover debt recovery costs under this legislation	0	0

The Trust made 105 late payments incurring interest charges totalling £6k.

**Note 14 Other gains / (losses)**

	2018/19	2017/18
	£000	£000
Gains on disposal of assets	13,542	89
Losses on disposal of assets	0	0
<b>Total gains / (losses) on disposal of assets</b>	<b>13,542</b>	<b>89</b>
Gains / (losses) on foreign exchange	0	0
Fair value gains / (losses) on investment properties	0	0
Fair value gains / (losses) on financial assets / investments	0	0
Fair value gains / (losses) on financial liabilities	0	0
Recycling gains / (losses) on disposal of financial assets mandated as fair value through OCI	0	0
<b>Total other gains / (losses)</b>	<b>13,542</b>	<b>89</b>

The Trust disposed of the staff residential property at 32 High St in February 2019 for a gross sales price of £5.65m, which after deduction of costs of sale of £0.15m and accounting for the net book value of the asset (£1.63m), generated a net gain of £3.87m.

The Trust disposed of a group of staff residences at Maidstone (Springwood Road) in March 2019 for a gross sales price of £12.5m, which after deduction of costs of sale and accounting for the net book value of the asset, generated a net gain of £9.67m.

**Note 15 Discontinued operations**

The Trust has no discontinued operations.

**Note 16.1 Intangible assets - 2018/19**

	Software licences £000	Internally generated information technology £000	Total £000
<b>Valuation / gross cost at 1 April 2018 - brought forward</b>	<b>616</b>	<b>7,868</b>	<b>8,484</b>
Transfers by absorption	0	0	0
Additions	102	1,186	1,288
Reclassifications	0	358	358
<b>Valuation / gross cost at 31 March 2019</b>	<b>718</b>	<b>9,412</b>	<b>10,130</b>
<b>Amortisation at 1 April 2018 - brought forward</b>	<b>488</b>	<b>5,384</b>	<b>5,872</b>
Provided during the year	39	874	913
<b>Amortisation at 31 March 2019</b>	<b>527</b>	<b>6,258</b>	<b>6,785</b>
<b>Net book value at 31 March 2019</b>	<b>191</b>	<b>3,154</b>	<b>3,345</b>
<b>Net book value at 1 April 2018</b>	<b>128</b>	<b>2,484</b>	<b>2,612</b>

**Note 16.2 Intangible assets - 2017/18**

	Software licences £000	Internally generated information technology £000	Total £000
<b>Valuation / gross cost at 1 April 2017 - brought forward</b>	<b>579</b>	<b>7,546</b>	<b>8,125</b>
Additions	0	198	198
Impairments	0	-3,665	-3,665
Reclassifications	37	3,789	3,826
<b>Valuation / gross cost at 31 March 2018</b>	<b>616</b>	<b>7,868</b>	<b>8,484</b>
<b>Amortisation at 1 April 2017 - brought forward</b>	<b>431</b>	<b>4,475</b>	<b>4,906</b>
Prior period adjustments	0	0	0
<b>Amortisation at 1 April 2017 - restated</b>	<b>431</b>	<b>4,475</b>	<b>4,906</b>
Provided during the year	57	909	966
<b>Amortisation at 31 March 2018</b>	<b>488</b>	<b>5,384</b>	<b>5,872</b>
<b>Net book value at 31 March 2018</b>	<b>128</b>	<b>2,484</b>	<b>2,612</b>
<b>Net book value at 1 April 2017</b>	<b>148</b>	<b>3,071</b>	<b>3,219</b>

## Note 17.1 Property, plant and equipment - 2018/19

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation/gross cost at 1 April 2018 - brought forward</b>	<b>13,342</b>	<b>259,819</b>	<b>3,283</b>	<b>4,700</b>	<b>83,890</b>	<b>844</b>	<b>20,084</b>	<b>2,764</b>	<b>388,726</b>
Additions	0	4,379	0	5,677	1,840	0	455	0	12,351
Impairments charged to operating expenses	0	-4,749	0	0	0	0	-489	0	-5,238
Impairments charged to the revaluation reserve	0	-1,868	0	0	0	0	0	0	-1,868
Reversal of impairments credited to operating expenses	0	4,458	0	0	0	0	0	0	4,458
Reversal of impairments credited to the revaluation reserve	0	3,939	0	0	0	0	0	0	3,939
Revaluations	0	1,040	0	0	0	0	0	0	1,040
Reclassifications	0	634	0	-4,505	2,618	0	862	33	-358
Disposals / derecognition	-1,228	0	-2,864	0	0	0	0	0	-4,092
<b>Valuation/gross cost at 31 March 2019</b>	<b>12,114</b>	<b>267,652</b>	<b>419</b>	<b>5,872</b>	<b>88,348</b>	<b>844</b>	<b>20,912</b>	<b>2,797</b>	<b>398,958</b>
<b>Accumulated depreciation at 1 April 2018 - brought forward</b>	<b>0</b>	<b>8,142</b>	<b>419</b>	<b>0</b>	<b>65,969</b>	<b>835</b>	<b>17,484</b>	<b>1,863</b>	<b>94,712</b>
Provided during the year	0	5,910	93	0	4,605	5	1,206	255	12,074
Disposals / derecognition	0	0	-93	0	0	0	0	0	-93
<b>Accumulated depreciation at 31 March 2019</b>	<b>0</b>	<b>14,052</b>	<b>419</b>	<b>0</b>	<b>70,574</b>	<b>840</b>	<b>18,690</b>	<b>2,118</b>	<b>106,693</b>
<b>Net book value at 31 March 2019</b>	<b>12,114</b>	<b>253,600</b>	<b>0</b>	<b>5,872</b>	<b>17,774</b>	<b>4</b>	<b>2,222</b>	<b>679</b>	<b>292,265</b>
<b>Net book value at 1 April 2018</b>	<b>13,342</b>	<b>251,677</b>	<b>2,864</b>	<b>4,700</b>	<b>17,921</b>	<b>9</b>	<b>2,600</b>	<b>901</b>	<b>294,014</b>

## Note 17.2 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Valuation / gross cost at 1 April 2017 - as previously stated</b>	<b>13,496</b>	<b>235,321</b>	<b>3,480</b>	<b>6,184</b>	<b>80,952</b>	<b>858</b>	<b>19,244</b>	<b>2,764</b>	<b>362,299</b>
<b>Valuation / gross cost at 1 April 2017 - restated</b>	<b>13,496</b>	<b>235,321</b>	<b>3,480</b>	<b>6,184</b>	<b>80,952</b>	<b>858</b>	<b>19,244</b>	<b>2,764</b>	<b>362,299</b>
Additions	0	4,612	20	4,630	1,147	0	896	0	11,305
Impairments charged to operating expenses	-38	-466	-37	0	0	0	-411	0	-952
Impairments charged to the revaluation reserve	-116	-2,362	-187	0	0	0	0	0	-2,665
expenses	0	19,279	0	0	0	0	0	0	19,279
reserve	0	3,092	7	0	0	0	0	0	3,099
Revaluations	0	328	0	0	0	0	0	0	328
Reclassifications	0	15	0	-6,114	1,918	0	355	0	-3,826
Disposals / derecognition	0	0	0	0	-127	-14	0	0	-141
<b>Valuation/gross cost at 31 March 2018</b>	<b>13,342</b>	<b>259,819</b>	<b>3,283</b>	<b>4,700</b>	<b>83,890</b>	<b>844</b>	<b>20,084</b>	<b>2,764</b>	<b>388,726</b>
<b>Accumulated depreciation at 1 April 2017 - as previously stated</b>	<b>0</b>	<b>2,681</b>	<b>295</b>	<b>0</b>	<b>60,516</b>	<b>844</b>	<b>16,164</b>	<b>1,609</b>	<b>82,109</b>
<b>Accumulated depreciation at 1 April 2017 - restated</b>	<b>0</b>	<b>2,681</b>	<b>295</b>	<b>0</b>	<b>60,516</b>	<b>844</b>	<b>16,164</b>	<b>1,609</b>	<b>82,109</b>
Provided during the year	0	5,461	124	0	5,580	5	1,320	254	12,744
Disposals / derecognition	0	0	0	0	-127	-14	0	0	-141
<b>Accumulated depreciation at 31 March 2018</b>	<b>0</b>	<b>8,142</b>	<b>419</b>	<b>0</b>	<b>65,969</b>	<b>835</b>	<b>17,484</b>	<b>1,863</b>	<b>94,712</b>
<b>Net book value at 31 March 2018</b>	<b>13,342</b>	<b>251,677</b>	<b>2,864</b>	<b>4,700</b>	<b>17,921</b>	<b>9</b>	<b>2,600</b>	<b>901</b>	<b>294,014</b>
<b>Net book value at 1 April 2017</b>	<b>13,496</b>	<b>232,640</b>	<b>3,185</b>	<b>6,184</b>	<b>20,436</b>	<b>14</b>	<b>3,080</b>	<b>1,155</b>	<b>280,190</b>

**Note 17.3 Property, plant and equipment financing - 2018/19**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2019</b>									
Owned - purchased	12,114	94,669	0	5,872	16,678	4	2,181	679	<b>132,197</b>
Finance leased	0	0	0	0	0	0	0	0	<b>0</b>
On-SoFP PFI contracts and other service concession arrangements	0	158,893	0	0	0	0	0	0	<b>158,893</b>
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	<b>0</b>
Owned - government granted	0	0	0	0	0	0	0	0	<b>0</b>
Owned - donated	0	38	0	0	1,096	0	41	0	<b>1,175</b>
<b>NBV total at 31 March 2019</b>	<b>12,114</b>	<b>253,600</b>	<b>0</b>	<b>5,872</b>	<b>17,774</b>	<b>4</b>	<b>2,222</b>	<b>679</b>	<b>292,265</b>

**Note 17.4 Property, plant and equipment financing - 2017/18**

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Net book value at 31 March 2018</b>									
Owned - purchased	13,342	94,280	2,864	4,700	16,558	9	2,590	901	<b>135,244</b>
Finance leased	0	0	0	0	0	0	0	0	<b>0</b>
On-SoFP PFI contracts and other service concession arrangements	0	157,365	0	0	0	0	0	0	<b>157,365</b>
Off-SoFP PFI residual interests	0	0	0	0	0	0	0	0	<b>0</b>
Owned - government granted	0	0	0	0	0	0	0	0	<b>0</b>
Owned - donated	0	32	0	0	1,363	0	10	0	<b>1,405</b>
<b>NBV total at 31 March 2018</b>	<b>13,342</b>	<b>251,677</b>	<b>2,864</b>	<b>4,700</b>	<b>17,921</b>	<b>9</b>	<b>2,600</b>	<b>901</b>	<b>294,014</b>



**Note 18 Donations of property, plant and equipment**

In the financial year 2018/19 the Trust purchased medical equipment totalling £740k from Charitable Funds. The main investment was the replacement of the Cardiac Catheterisation Laboratory equipment at Tunbridge Wells Hospital for £459k from the Mollie Hayling Cardiology Legacy Fund. Other significant equipment purchased from Charitable Funds was an ultrasound and stepper for brachytherapy prostate cancer treatment at Maidstone Hospital (£89k) funded from the Sutcliffe Fund; and a Cardiac Holter system for £39k from the David Crow Legacy Cardiology Fund.

The Maidstone League of Friends purchased a rapid assessment ultrasound for the emergency department (£42k); an Endobronchial Ultrasound (£53k) for respiratory disease diagnosis, and a flexible nasendoscope integrated into a system with video-stroboscopy and recording equipment for fiberoptic evaluations of swallowing by therapy staff (£57k).

**Note 19 Revaluations of property, plant and equipment**

The Trust spent £12.4m on tangible assets from its capital resource in 2018/19. The main items were two linear accelerator machines funded from national PDC (£3.4m) plus £0.7m of enabling works from Trust resource; £2.4m on Trust-wide medical equipment replacement; £1.5m on backlog maintenance and estates renewals at Maidstone Hospital, with £0.7m of planned lifecycle at the Tunbridge Wells Hospital under the PFI contract (as notified by the Trust's PFI partner and accounted for under IFRIC 12 - £471k related to the in year unitary payment and £260k related to a release of previous prepayments); £1.4m on LED lighting at Maidstone and TWH funded from Salix loans; £1.2m of investment in ICT infrastructure and equipment including implementation costs for the new Electronic Patient Record system (EPR).

The Trust's depreciation on tangible assets in the year was £12.1m and for intangible assets £0.9m.

The financial year 2018/19 is the fourth year in the current five year cyclical valuation period. A full valuation was undertaken in September 2014 with desktop valuations in each subsequent financial years. In keeping with the Trust's policies the Trust commissioned professional valuers, Montagu Evans LLP, to carry out a desktop valuation of the Trust's Land and Building assets at 31st March 2019. The lead relationship partner from Montagu Evans LLP is qualified to BSc MRICS.

Specialist properties (main hospitals) have been valued on Depreciation Replacement Cost (DRC) using the modern Equivalent Assets (MEA) valuation concept and taking into account the Trust's previous approach to the application of MEA e.g. the PFI property valued excluding recoverable VAT. Non specialised buildings and land have been valued on an Existing Use Value (EUV) basis in line with RICS guidelines.

The 31st March 2019 valuation resulted in an overall increase in the carrying value of the Trust's Land and Property assets of £2.8m, of which (£4.7m) is an in year charge to I&E impairments and £4.5m reversed previous I&E impairments both of these are reflected in operating expenses. (£1.9m) relates to an in year increase to the revaluation reserve and £3.9m reversed previous revaluation reserve entries and £1.04m of uplift revaluation. The overall increase was driven by a rise in component BCIS indices.

The Valuers considered the remaining useful economic lives of the Property assets taking into account work undertaken between valuations, and the age and condition of the properties.

For intangible asset classes there is no active market for specialised software / licences. The DHSC GAM prescribes that in such cases where there is no active market and the asset is not income generating, the asset should be carried at depreciated replacement cost. For the purposes of arriving at fair value, this asset class is held at depreciated historic cost as a reasonable proxy to fair value. The Trust recognises intangible assets initially at cost and then reviews subsequently their measurements at current value in existing use to identify if any impairments arisen.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value. The Trust has reviewed its plant and machinery assets to ensure that both the value and the remaining lives are held at the correct values. A fair value assessment of IT tangible assets has been carried out based on a valuation model as advised by Trust experts, this is in accordance with the Trust's policy 1.6.2.

**Note 20 Investment Property**

The Trust has no investment properties

**Note 21 Investments in associates and joint ventures**

The Trust has no investments in associates or joint ventures

**Note 22 Other investments / financial assets (non-current)**

The Trust has no other investments

**Note 23 Disclosure of interests in other entities**

The Trust have no interests in other entities

**Note 24 Inventories**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
Drugs	<b>2,828</b>	2,952
Work In progress	<b>0</b>	0
Consumables	<b>1,024</b>	1,053
Energy	<b>151</b>	153
Other	<b>3,817</b>	3,594
<b>Total inventories</b>	<b><u>7,820</u></b>	<b><u>7,752</u></b>
<b>of which:</b>		
Held at fair value less costs to sell	<b>0</b>	0

Inventories recognised in expenses for the year were £66,845k (2017/18: £53,044k). Write-down of inventories recognised as expenses for the year were £0k (2017/18: £0k).

**Note 25.1 Trade receivables and other receivables**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Contract receivables*	28,662	0
Contract assets*	0	0
Trade receivables*	0	14,439
Capital receivables	107	107
Accrued income*	0	16,583
Allowance for Expected Credit Loss*	-1,398	0
Allowance for other impaired receivables	0	-1,365
Deposits and advances	0	0
Prepayments (non-PFI)	3,139	3,289
PFI prepayments - capital contributions	0	0
PFI lifecycle prepayments	0	0
Interest receivable	0	0
Finance lease receivables	0	0
PDC dividend receivable	594	216
VAT receivable	2,133	2,543
Corporation and other taxes receivable	0	0
Other receivables	1,192	1,642
<b>Total current trade and other receivables</b>	<b>34,429</b>	<b>37,454</b>
<b>Non-current</b>		
Contract receivables*	0	0
Contract assets*	0	0
Trade receivables*	0	0
Capital receivables	0	0
Accrued income*	0	0
Allowance for impaired contract receivables / assets*	0	0
Allowance for other impaired receivables	0	0
Deposits and advances	0	0
Prepayments (non-PFI)	178	439
PFI prepayments - capital contributions	221	193
PFI lifecycle prepayments	0	0
Interest receivable	0	0
Finance lease receivables	0	0
VAT receivable	0	0
Corporation and other taxes receivable	0	0
Other receivables	1,002	569
<b>Total non-current trade and other receivables</b>	<b>1,401</b>	<b>1,201</b>
<b>Of which receivables from NHS and DHSC group bodies:</b>		
Current	<b>25,788</b>	27,897
Non-current	0	0

\*Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

The majority of trade is with Clinical Commissioning Groups (CCGs) as commissioners for NHS patient care services. As CCGs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. The calculation for the allowance of other impaired receivables has been amended to reflect the change in IFRS 9 accounting standards for provision of expected credit losses. Please see note 25.2 for further information.

**Note 25.2 Allowances for credit losses - 2018/19**

	<b>Contract receivables and contract assets</b>	<b>All other receivables</b>
	<b>£000</b>	<b>£000</b>
<b>Allowances as at 1 Apr 2018 - brought forward</b>		<b>-1,365</b>
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	1,365	-1,365
Transfers by absorption	0	0
New allowances arising	76	0
Changes in existing allowances	0	0
Reversals of allowances	0	0
Utilisation of allowances (write offs)	-43	0
Changes arising following modification of contractual cash flows	0	0
Foreign exchange and other changes	0	0
<b>Allowances as at 31 Mar 2019</b>	<b>1,398</b>	<b>-2,730</b>

Following the implementation of IFRS 9 the previous bad debt provision calculation, which the Trust provided for all trade debtors over 120 days has been superseded under IFRS 9 the Trust is required to measure the loss allowance of lifetime expected credit losses at initial recognition of the debt being raised. This is assessed by looking at classes of debtor with common credit characteristics.

The expected credit loss is only applied to trade debtors. NHS organisation are excluded from the calculation as NHS debt is considered to be part of "intra-company" transactions. It does also apply to Local Authorities

The Trust has used the ageing debt classes to consider the main categories of trade debtor and assessed their expected credit loss characteristics. For all debt categories all trade debt over 180 days is provided for. The Trust used historic data to assess the level of credit notes and write offs raised within the period per category of aged debt. Using the percentages the Trust grouped the categories together with similar credit characteristics to form the calculation matrix.

In addition injury cost recovery debt is provided for in accordance with the approach set out in note 3.2

**Note 25.3 Allowances for credit losses - 2017/18**

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

	<b>All receivables</b>
	<b>£000</b>
<b>Allowances as at 1 Apr 2017 - as previously stated</b>	<b>-797</b>
Prior period adjustments	0
<b>Allowances as at 1 Apr 2017 - restated</b>	<b>-797</b>
Transfers by absorption	0
Increase in provision	-1,220
Amounts utilised	163
Unused amounts reversed	489
<b>Allowances as at 31 Mar 2018</b>	<b>-1,365</b>

**Note 25.4 Exposure to credit risk**

Under IFRS 9 the Trust is required to measure the loss allowance of lifetime expected credit losses at initial recognition of the debt being raised. This is assessed by looking at classes of debtor with common credit characteristics.

**Note 26 Other assets**

The Trust has no other assets.

**Note 27 Non-current assets held for sale and assets in disposal groups**

	2018/19 £000	2017/18 £000
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April</b>	<b>0</b>	<b>1,742</b>
Prior period adjustment		0
<b>NBV of non-current assets for sale and assets in disposal groups at 1 April - restated</b>	<b>0</b>	<b>1,742</b>
Transfers by absorption	0	0
Assets classified as available for sale in the year	0	0
Assets sold in year	0	-1,742
Impairment of assets held for sale	0	0
Reversal of impairment of assets held for sale	0	0
Assets no longer classified as held for sale, for reasons other than sale	0	0
<b>NBV of non-current assets for sale and assets in disposal groups at 31 March</b>	<b>0</b>	<b>0</b>

The Trust has no assets held for sale for 2018/19.

**Note 27.1 Liabilities in disposal groups**

The Trust has no liabilities in disposal groups

**Note 28.1 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	<b>2018/19</b>	<b>2017/18</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 April</b>	<b>1,473</b>	1,420
Prior period adjustments	0	0
<b>At 1 April (restated)</b>	<b>1,473</b>	1,420
Net change in year	8,933	53
<b>At 31 March</b>	<b>10,406</b>	1,473
<b>Broken down into:</b>		
Cash at commercial banks and in hand	23	67
Cash with the Government Banking Service	10,383	1,406
Deposits with the National Loan Fund	0	0
Other current investments	0	0
<b>Total cash and cash equivalents as in SoFP</b>	<b>10,406</b>	1,473
Bank overdrafts (GBS and commercial banks)	0	0
Drawdown in committed facility	0	0
<b>Total cash and cash equivalents as in SoCF</b>	<b>10,406</b>	1,473

The Trust has obtained agreement from NHS Improvement to carry forward additional cash at year end from its asset disposals to support its future capital plans. The capital resourcing is subject to approval from DHSC. See notes 50 and 51 for further information.

**Note 28.2 Third party assets held by the Trust**

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	<b>31 March</b>	<b>31 March</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank balances	0	1
Monies on deposit	0	0
<b>Total third party assets</b>	<b>0</b>	1

**Note 29.1 Trade and other payables**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Trade payables	10,267	21,144
Capital payables	1,729	2,628
Accruals	13,166	12,994
Receipts in advance (including payments on account)	0	0
Social security costs	80	2,801
VAT payables	0	0
Other taxes payable	94	2,429
PDC dividend payable	0	0
Accrued interest on loans*	0	111
Other payables	2,681	1,786
<b>Total current trade and other payables</b>	<b>28,017</b>	<b>43,893</b>
<b>Non-current</b>		
Trade payables	0	0
Capital payables	0	0
Accruals	0	0
Receipts in advance (including payments on account)	0	0
VAT payables	0	0
Other taxes payable	0	0
Other payables	0	0
<b>Total non-current trade and other payables</b>	<b>0</b>	<b>0</b>
<b>Of which payables from NHS and DHSC group bodies:</b>		
Current	<b>6,433</b>	<b>8,767</b>
Non-current	0	0

\*Following adoption of IFRS 9 on 1 April 2018, loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note . IFRS 9 is applied without restatement therefore comparatives have not been restated.

The Trust paid its March 2019 PAYE and National Insurance payments in March, ahead of the due date in April, so reduced its year end payables balance compared with 2017/18.

**Note 29.2 Early retirements in NHS payables above**

The Trust has not paid any early retirements

**Note 30 Other financial liabilities**

The Trust does not have any other financial liabilities.

**Note 31 Other liabilities**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Deferred income: contract liabilities	2,580	2,620
Deferred grants	0	0
PFI deferred income / credits	0	0
Lease incentives	0	0
Other deferred income	0	0
<b>Total other current liabilities</b>	<b><u>2,580</u></b>	<b><u>2,620</u></b>

The Trust has no non-current other liabilities

**Note 32 Borrowings**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Current</b>		
Bank overdrafts	0	0
Drawdown in committed facility	0	0
Loans from the Department of Health and Social Care	19,187	19,082
Other loans	371	103
Obligations under finance leases	0	0
PFI lifecycle replacement received in advance	0	0
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	5,427	5,284
<b>Total current borrowings</b>	<b><u>24,985</u></b>	<b><u>24,469</u></b>
<b>Non-current</b>		
Loans from the Department of Health and Social Care	34,102	36,276
Other loans	1,744	636
Obligations under finance leases	0	0
PFI lifecycle replacement received in advance	0	0
Obligations under PFI, LIFT or other service concession contracts	187,521	192,948
<b>Total non-current borrowings</b>	<b><u>223,367</u></b>	<b><u>229,860</u></b>

Department of Health and Social Care (DHSC) loans totalling £29m were taken out in previous years to finance the Trust capital programme. The £11m loan received on the 15th March 2010 has a final repayment date of 15th March 2025, with a fixed interest rate of 3.91%. The loan of £12m taken out on the 15th September 2010 has a final repayment date of 15th September 2020 with a fixed interest rate of 2.02%. The loan of £6m taken out on the 15th December 2010 has a final repayment date of 15th September 2035 at a fixed rate of 4.73%

Included within the £19.1m Loans from the Department of Health and Social Care is £16.9m single currency loan which is due to be repaid in February 2020 and has a fixed interest rate of 1.5%.

Within the £34.1m loans from DHSC is an interim revolving working capital loan of £12.132m which is repayable in 2020/21 and has a fixed interest rate of 3.5%. The remaining balance is a combination of 5 working capital loans totalling £13.99m which were taken out in 2017/18. These loans are repayable in 2020/21 and have a fixed interest rate of 3.5%.

The Trust also has Salix loans total value of £2.1m which appears in "other loans" in both current and non current borrowings, this relates to improving the energy efficiency of the Trust. These loans are repayable over 5 years and is interest free. Salix Finance Ltd provides interest-free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills.

Under IFRS 9 the loan values also include their associated interest charges which were previously included under trade payables.



**Note 32.1 Reconciliation of liabilities arising from financing activities**

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
<b>Carrying value at 1 April 2018</b>	<b>55,358</b>	<b>739</b>	<b>0</b>	<b>198,232</b>	<b>254,329</b>
<b>Cash movements:</b>					
Financing cash flows - payments and receipts of principal	-2,174	1,376	0	-5,284	<b>-6,082</b>
Financing cash flows - payments of interest	-1,588	0	0	-10,389	<b>-11,977</b>
<b>Non-cash movements:</b>					
Impact of implementing IFRS 9 on 1 April 2018	111	0	0	0	<b>111</b>
Transfers by absorption	0	0	0	0	<b>0</b>
Additions	0	0	0	0	<b>0</b>
Application of effective interest rate	1,582	0	0	10,389	<b>11,971</b>
Change in effective interest rate	0	0	0	0	<b>0</b>
Changes in fair value	0	0	0	0	<b>0</b>
Other changes	0	0	0	0	<b>0</b>
<b>Carrying value at 31 March 2019</b>	<b>53,289</b>	<b>2,115</b>	<b>0</b>	<b>192,948</b>	<b>248,352</b>

**Note 33 Finance leases**

The Trust does not have any Finance Leases

**Note 34.1 Provisions for liabilities and charges analysis**

	Pensions: early departure costs £000	Pensions: injury benefits* £000	Legal claims £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2018</b>	<b>0</b>	<b>454</b>	<b>411</b>	<b>0</b>	<b>0</b>	<b>1,984</b>	<b>2,849</b>
Transfers by absorption	0	0	0	0	0	0	0
Change in the discount rate	0	-9	0	0	0	0	-9
Arising during the year	0	16	101	0	0	40	157
Utilised during the year	0	-25	-83	0	0	-236	-344
Reclassified to liabilities held in disposal groups	0	0	0	0	0	0	0
Reversed unused	0	0	-54	0	0	-143	-197
Unwinding of discount	0	0	0	0	0	0	0
<b>At 31 March 2019</b>	<b>0</b>	<b>436</b>	<b>375</b>	<b>0</b>	<b>0</b>	<b>1,645</b>	<b>2,456</b>
<b>Expected timing of cash flows:</b>							
- not later than one year;	0	24	375	0	0	1,068	1,467
- later than one year and not later than five years;	0	94	0	0	0	457	551
- later than five years.	0	318	0	0	0	120	438
<b>Total</b>	<b>0</b>	<b>436</b>	<b>375</b>	<b>0</b>	<b>0</b>	<b>1,645</b>	<b>2,456</b>

\* In 2018/19 the analysis of provisions has been revised to separately identify provisions for injury benefit liabilities. In previous periods, these provisions were included within early departure costs.

Pension Injury Benefit costs relate to two ill health injury benefits calculated by current payment made by NHS Pensions Agency adjusted for average life expectancy using tables published by the National Statistics Office. Legal claims include estimates notified by NHS Resolution.

Other includes the provision for dilapidations of leased properties/equipment £1.6m and onerous contract provision £0.1m.

**Note 34.2 Clinical negligence liabilities**

At 31 March 2019, £228,658k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Maidstone And Tunbridge Wells NHS Trust (31 March 2018: £209,175k).

**Note 35 Contingent assets and liabilities**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
<b>Value of contingent liabilities</b>		
NHS Resolution legal claims	-44	-47
Employment tribunal and other employee related litigation	0	0
Redundancy	0	0
Other	0	0
<b>Gross value of contingent liabilities</b>	<b>-44</b>	<b>-47</b>
Amounts recoverable against liabilities	0	0
<b>Net value of contingent liabilities</b>	<b>-44</b>	<b>-47</b>
<b>Net value of contingent assets</b>	<b>0</b>	<b>0</b>

Contingent Liability for 2018/19 relates to legal claims notified by NHS Resolution of £44k

**Note 36 Contractual capital commitments**

	<b>31 March 2019 £000</b>	<b>31 March 2018 £000</b>
Property, plant and equipment	575	428
Intangible assets	0	0
<b>Total</b>	<b>575</b>	<b>428</b>

**Note 37 Other financial commitments**

The Trust has no commitments to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement).

**Note 38 Defined benefit pension schemes**

The Trust does not have any defined benefit schemes

**Note 39 On-SoFP PFI, LIFT or other service concession arrangements**

The Trust signed a PFI project agreement on 26th March 2008 for the new Tunbridge Wells Hospital at Pembury. The main building was handed over by the contractor in phases in December 2010 and May 2011 and recognised in the Trust's accounts accordingly. By joint agreement with the Trust's PFI partner the final phase of car parking & landscaping were completed and handed over early in January 2012, although contractual phasing and unitary payments were kept in line with the project agreement completion date of September 2012. The arrangement covers the provision of buildings, hard facilities management services and lifecycle replacement (building & engineering asset renewals). Under the project agreement the Trust has agreed expectations for the provision of these services and has termination options on default. The land remains the Trust's asset throughout the concession. The concession is due to run for 30 years until 2042 when the building will revert to the Trust. The annual unitary payment was contracted at £16.9m at 2005/06 prices, and is subject to an annual uplift by Retail Price Index which for the 2018/19 year was 3.61%. The RPI uplift for 2019/20 is 2.48%.

**Note 39.1 Imputed finance lease obligations**

Maidstone And Tunbridge Wells NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2019 £000	31 March 2018 £000
<b>Gross PFI, LIFT or other service concession liabilities</b>	<b>336,714</b>	<b>352,387</b>
<b>Of which liabilities are due</b>		
- not later than one year;	15,536	15,673
- later than one year and not later than five years;	59,985	60,582
- later than five years.	261,193	276,132
Finance charges allocated to future periods	-143,766	-154,155
<b>Net PFI, LIFT or other service concession arrangement obligation</b>	<b>192,948</b>	<b>198,232</b>
- not later than one year;	5,427	5,284
- later than one year and not later than five years;	22,431	21,865
- later than five years.	165,090	171,083

**Note 39.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments**

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2019 £000	31 March 2018 £000
<b>Total future payments committed in respect of the PFI, LIFT or other service concession arrangements</b>	<b>798,183</b>	<b>823,081</b>
<b>Of which liabilities are due:</b>		
- not later than one year;	25,366	24,752
- later than one year and not later than five years;	107,966	105,352
- later than five years.	664,851	692,977

**Note 39.3 Analysis of amounts payable to service concession operator**

This note provides an analysis of the unitary payments made to the service concession operator:

	2018/19 £000	2017/18 £000
<b>Unitary payment payable to service concession operator</b>	<b>24,752</b>	<b>23,888</b>
<b>Consisting of:</b>		
- Interest charge	10,389	10,657
- Repayment of finance lease liability	5,284	5,028
- Service element and other charges to operating expenditure	4,760	4,503
- Capital lifecycle maintenance	471	371
- Revenue lifecycle maintenance	0	0
- Contingent rent	3,848	3,198
- Addition to lifecycle prepayment	0	131
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	182	230
<b>Total amount paid to service concession operator</b>	<b>24,934</b>	<b>24,118</b>

**Note 40 Off-SoFP PFI, LIFT and other service concession arrangements**

The Trust has no Off-SoFP schemes

**Note 41 Financial instruments****Note 41.1 Financial risk management**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

**Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

**Credit risk**

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note.

**Liquidity risk**

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

**Note 41.2 Carrying values of financial assets**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2019 under IFRS 9</b>				
Trade and other receivables excluding non financial assets	29,552	0	0	29,552
Other investments / financial assets	0	0	0	0
Cash and cash equivalents at bank and in hand	10,406	0	0	10,406
<b>Total at 31 March 2019</b>	<b>39,958</b>	<b>0</b>	<b>0</b>	<b>39,958</b>

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for- sale £000	Total book value £000
<b>Carrying values of financial assets as at 31 March 2018 under IAS 39</b>					
Trade and other receivables excluding non financial assets	32,195	0	0	0	32,195
Other investments / financial assets	0	0	0	0	0
Cash and cash equivalents at bank and in hand	1,473	0	0	0	1,473
<b>Total at 31 March 2018</b>	<b>33,668</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,668</b>

**Note 41.3 Carrying value of financial liabilities**

IFRS 9 Financial Instruments is applied retrospectively from 1 April 2018 without restatement of comparatives. As such, comparative disclosures have been prepared under IAS 39 and the measurement categories differ to those in the current year analyses.

	Held at amortised cost £000	Held at fair value through the I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2019 under IFRS 9</b>			
Loans from the Department of Health and Social Care	53,289	0	53,289
Obligations under finance leases	0	0	0
Obligations under PFI, LIFT and other service concession contracts	192,948	0	192,948
Other borrowings	2,115	0	2,115
Trade and other payables excluding non financial liabilities	27,522	0	27,522
Other financial liabilities	0	0	0
Provisions under contract	0	0	0
<b>Total at 31 March 2019</b>	<b>275,874</b>	<b>0</b>	<b>275,874</b>

	Other financial liabilities £000	Held at fair value through the I&E £000	Total book value £000
<b>Carrying values of financial liabilities as at 31 March 2018 under IAS 39</b>			
Loans from the Department of Health and Social Care	55,358	0	55,358
Obligations under finance leases	0	0	0
Obligations under PFI, LIFT and other service concession contracts	198,232	0	198,232
Other borrowings	739	0	739
Trade and other payables excluding non financial liabilities	30,780	0	30,780
Other financial liabilities	0	0	0
Provisions under contract	0	0	0
<b>Total at 31 March 2018</b>	<b>285,109</b>	<b>0</b>	<b>285,109</b>

**Note 41.4 Fair values of financial assets and liabilities**

The Trust uses the book value (carrying value) as a reasonable approximation of fair value

**Note 41.5 Maturity of financial liabilities**

	31 March 2019 £000	31 March 2018 £000
In one year or less	52,506	55,249
In more than one year but not more than two years	33,488	19,880
In more than two years but not more than five years	21,232	34,394
In more than five years	168,648	175,586
<b>Total</b>	<b>275,874</b>	<b>285,109</b>

**Note 42 Losses and special payments**

	<b>2018/19</b>		<b>2017/18</b>	
	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>	<b>Total number of cases Number</b>	<b>Total value of cases £000</b>
<b>Losses</b>				
Cash losses	29	32	35	35
Fruitless payments	0	0	0	0
Bad debts and claims abandoned	20	20	11	32
Stores losses and damage to property	0	0	17	2
<b>Total losses</b>	<b>49</b>	<b>52</b>	<b>63</b>	<b>69</b>
<b>Special payments</b>				
Compensation under court order or legally binding arbitration award	0	0	0	0
Extra-contractual payments	0	0	0	0
Ex-gratia payments	40	14	32	11
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
<b>Total special payments</b>	<b>40</b>	<b>14</b>	<b>32</b>	<b>11</b>
<b>Total losses and special payments</b>	<b>89</b>	<b>66</b>	<b>95</b>	<b>80</b>
Compensation payments received		0		0

The Trust has had no cases exceeding £300k.

**Note 43 Gifts**

There were no gifts made by the Trust in 2018/19 or in 2017/18

#### **Note 44.1 Initial application of IFRS 9**

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to reserves on 1 April 2018.

IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Under IFRS 9, borrowings from the Department of Health and Social Care, which were previously held at historic cost, are measured on an amortised cost basis. Consequently, on 1 April 2018 borrowings increased by £111k, and trade payables correspondingly reduced.

Reassessment of allowances for credit losses under the expected loss model resulted in a £0k decrease in the carrying value of receivables.

The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax. Implementation of this adaptation on 1 April 2018 has led to the classification of receivables relating to Injury Cost Recovery as a financial asset measured at amortised cost. The carrying value of these receivables at 1 April 2018 was £0k.

The injury cost recovery opening receivables balance at 1st April 2018 was £2.139m and the closing balance at the end of March 2019 is £2.137m.

#### **Note 44.2 Initial application of IFRS 15**

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018).



**Note 45 Related parties**

During the year none of the Department of Health and Social Care Ministers, Trust Board members or members of the key management staff, or parties related to any of them, have undertaken and material transactions with Maidstone and Tunbridge Wells NHS Trust.

The Department of Health and Social Care (DHSC) is regarded as a related party. During the year 2018/19 the Trust has received £4.5m capital funding in the form of Public Dividend Capital. The Trust also has loans with DHSC, interest paid within the year £1.6m, principal repayment of £4.7m and the balance outstanding for the working capital loans is £43m. The Trust has also had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. The following entities with material transactions of more than £1m are listed below:

Ashford CCG  
 Medway CCG  
 West Kent CCG  
 High Weald Lewes Havens CCG  
 Dartford, Gravesham and Swanley CCG  
 Swale CCG  
 Hastings and Rother CCG  
 South Kent Coast CCG  
 Canterbury and Coastal CCG  
 Thanet CCG  
 Horsham and Mid Sussex CCG  
 Wessex Specialised Commissioning Hub  
 South East Specialised Commissioning Hub  
 Kent Community Foundation Trust  
 East Kent University Hospitals Foundation Trust  
 Medway NHS Foundation Trust  
 NHS England  
 Dartford and Gravesham NHS Trust  
 Health Education England  
 HMRC  
 NHS Pension Authority  
 NHS Resolution  
 NHS Supply Chain  
 Kent County Council  
 NHS Blood and Transplant  
 Maidstone Borough Council  
 Tunbridge Wells Borough Council

The Trust has also received revenue and capital payments from the Charitable Funds that it controls, the trustees for which are also members of the Trust Board. The Trust has not consolidated the Charitable Funds on the grounds of materiality to the Trust (see policy notes 1.2). The transactions between the Trust and the Charity (Maidstone and Tunbridge Wells NHS Charitable Fund - charity registration number 1055215) are however material to the charity and therefore are disclosed below. Please note that this disclosure is based on the draft unaudited position of the charity. The audited accounts of the charity will be available later this year.

	<b>2018-19</b>	2017-18
	<b>£000s</b>	£000s
Total charitable resources expended with the Trust	<b>751</b>	267
Closing creditor (monies owed to the Trust by the Charity)	<b>146</b>	0
Closing debtor (monies owed to the Charity by the Trust)	<b>0</b>	43
 Total income received by the Charity in the reporting period	 <b>796</b>	 208
<b>Total Charitable Funds at end of the reporting period</b>	<b>1,170</b>	1,129

**Note 46 Transfers by absorption**

The Trust has no transfers by absorption

**Note 47 Prior period adjustments**

The Trust has no prior period adjustments

**Note 48 Events after the reporting date**

The Trust has no events after the reporting date.

**Note 49 Better Payment Practice code**

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
<b>Non-NHS Payables</b>				
Total non-NHS trade invoices paid in the year	118,271	199,748	124,829	199,536
Total non-NHS trade invoices paid within target	102,797	176,625	37,856	88,464
Percentage of non-NHS trade invoices paid within target	<b>86.9%</b>	<b>88.4%</b>	30.3%	44.3%
<b>NHS Payables</b>				
Total NHS trade invoices paid in the year	3,064	39,048	3,077	31,872
Total NHS trade invoices paid within target	1,892	27,230	446	22,661
Percentage of NHS trade invoices paid within target	<b>61.7%</b>	<b>69.7%</b>	14.5%	71.1%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

**Note 50 External financing**

The Trust is given an external financing limit against which it is permitted to underspend:

	2018/19 £000	2017/18 £000
Cash flow financing	-10,554	7,379
Finance leases taken out in year	0	0
Other capital receipts	0	0
<b>External financing requirement</b>	<b>-10,554</b>	<b>7,379</b>
External financing limit (EFL)	-1,148	7,852
<b>Under / (over) spend against EFL</b>	<b>9,406</b>	<b>473</b>

The Trust under spent against its External Financing Limit by £9.4m. This relates to £8.4m from the Maidstone asset sale agreed with NHSI to carry forward into 2019/20, £0.3m HSLI National PDC for ICT developments into 2019/20 to support the national position, £0.7m cash to support revenue commitments carried forward into 2019/20.

**Note 51 Capital Resource Limit**

	2018/19 £000	2017/18 £000
Gross capital expenditure	13,639	11,503
Less: Disposals	-3,999	-1,742
Less: Donated and granted capital additions	-740	-159
Plus: Loss on disposal from capital grants in kind	0	0
<b>Charge against Capital Resource Limit</b>	<b>8,900</b>	<b>9,602</b>
Capital Resource Limit	12,101	10,580
<b>Under / (over) spend against CRL</b>	<b>3,201</b>	<b>978</b>

The Trust underspent its Capital Resource Limit of £12.1m by £3.2m. The main reason for this was the disposal of its Maidstone residences at the end of the financial year which released £2.4m net book value resource. This has been carried forward in cash terms into 2019/20. The Trust also agreed to defer £0.3m of central PDC related to ICT developments into 2019/20 to support the national position. The Trust also underspent its depreciation costs by £0.5m which benefitted the Income and Expenditure position but reduced the capital it was able to spend.

**Note 52 Breakeven duty financial performance**

	2018/19 £000
Adjusted financial performance surplus / (deficit) (control total basis)	20,324
Remove impairments scoring to Departmental Expenditure Limit	0
Add back non-cash element of On-SoFP pension scheme charges	0
IFRIC 12 breakeven adjustment	0
<b>Breakeven duty financial performance surplus / (deficit)</b>	<b>20,324</b>

The breakeven duty performance reports I&E including PSF payments. The Trust met its outturn control total and received core PSF of £12.7m plus further incentive PSF of £8.3m.

There is no adjustment for the PFI (IFRIC12) accounting as the On-balance sheet impacts to I&E are currently lower than the equivalent Off-Balance sheet reporting

**Note 53 Breakeven duty rolling assessment**

	1997/98 to 2008/09	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Breakeven duty in-year financial performance		189	1,710	300	129	-12,374	157	-23,413	-10,918	-10,790	20,324
Breakeven duty cumulative position	-3,260	-3,071	-1,361	-1,061	-932	-13,306	-13,149	-36,562	-47,480	-58,270	-37,946
Operating income		311,889	322,176	345,101	367,391	375,714	403,310	400,930	430,502	440,269	473,169
Cumulative breakeven position as a percentage of operating income		-0.98%	-0.42%	-0.31%	-0.25%	-3.54%	-3.26%	-9.12%	-11.03%	-13.24%	-8.02%

The Trust's latest 3 year break-even cycle commenced in 2013/14 and was not met by the end of the period in 2015/16. The Trust has achieved an in year surplus in 2018/19 of £20.3m reducing the cumulative deficit. The Trust's breakeven period has been extended with the plans submitted for 2019/20 aimed at further reducing the accumulated deficit towards the target of formal cumulative break-even by 2023/24. The Trust will be preparing a formal five year plan during the course of 2019/20 to support its goals of underlying recurrent balance and cumulative break even.

The Trust's cumulative deficit position has arisen from a number of factors including high levels of non elective admissions and delayed discharges requiring escalation of emergency capacity, and a consequent reduction the Trust's capacity to manage its elective demand within its capacity, reducing elective income and necessitating private sector usage; reliance on temporary staffing and high levels of agency increasing the cost base; significant cost pressures from clinical negligence premia.

The Trust entered into Financial Special Measures in July 2016 and worked with a Finance Improvement Director and NHSI to agree a financial recovery plan that is reducing the Trust's underlying deficit position. The Trust exited Financial Special Measures in October 2018.

The Trust prepared and submitted cash-flow plans for 2019/20 which include the repayment of £29m of working capital loans, the majority of which is planned to be financed from internal resources plus an additional £11m cash support. Subsequently NHSI have clarified that one of the loans, for £12.132m, does not fall due until 2020/21. Therefore the Trust will not require the additional cash support if it does not need to repay the loan in 2019/20.

## Trust Board meeting – May 2019



5-19 Approval of Management Representation Letter, 2018/19	Chair of Audit and Governance Committee
<p>The approval of the Letter of Representation from the Trust (management) is a formal part of the Annual Accounts process.</p> <p>The Letter is drafted by the Trust's External Auditors, following the completion of their Audit of the Annual Accounts.</p> <p>The enclosed Letter is scheduled to be reviewed and agreed at the Audit and Governance Committee on 23<sup>rd</sup> May (before the Trust Board meeting), with the intention that the Committee recommend that the Board approve the Letter. A verbal update on the outcome of the Committee's review will be given at the Trust Board meeting on 23<sup>rd</sup> May.</p> <p>If the Audit and Governance Committee agrees, the Trust Board is asked to approve the Letter. If approved, the Letter will be signed, on behalf of the Trust Board, by the Chief Executive (as Accountable Officer), on 23<sup>rd</sup> May 2019, and submitted to the External Auditors.</p>	
<p><b>Which Committees have reviewed the information prior to Board submission?</b></p> <ul style="list-style-type: none"> <li>Audit and Governance Committee , 23/05/19</li> </ul>	
<p><b>Reason for submission to the Board (decision, discussion, information, assurance etc.) <sup>1</sup></b></p> <p>Review and approval</p>	

<sup>1</sup> All information received by the Board should pass at least one of the tests from 'The Intelligent Board' & 'Safe in the knowledge: How do NHS Trust Boards ensure safe care for their patients': the information prompts relevant & constructive challenge; the information supports informed decision-making; the information is effective in providing early warning of potential problems; the information reflects the experiences of users & services; the information develops Directors' understanding of the Trust & its performance

Our ref: GT/MTW/LoR/201819

Your ref:

Grant Thornton UK LLP  
Grant Thornton UK LLP  
2<sup>nd</sup> Floor  
St John's House  
Haslett Avenue West  
Crawley  
RH10 1HS

23 May 2019

Dear Sirs

**Maidstone and Tunbridge Wells NHS Trust**  
**Financial Statements for the year ended 31 March 2019**

This representation letter is provided in connection with the audit of the financial statements of Maidstone and Tunbridge Wells NHS Trust for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects in accordance with International Financial Reporting Standards and the Department of Health and Social Care Group Accounting Manual 2018-19.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. As Trust Board members, we have fulfilled our responsibilities under the National Health Services Act 2006 for the preparation of the financial statements in accordance with International Financial Reporting Standards and the Department of Health and Social Care Group Accounting Manual 2018-19 (GAM); in particular the financial statements are fairly presented in accordance therewith.
- ii. We have complied with the requirements of all statutory directions affecting the Trust and these matters have been appropriately reflected and disclosed in the financial statements.
- iii. The Trust has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of the Care Quality Commission or other regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- iv. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- v. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi. In calculating the amount of income to be recognised in the financial statements from other NHS organisations we have applied judgement, where appropriate, to reflect the appropriate amount of income expected to be derived by the Trust in accordance with the International Financial Reporting Standards and the GAM. We are satisfied that the material judgements used in the preparation of the financial statements are soundly based, in accordance with International Financial Reporting Standards and the GAM, and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii. We acknowledge our responsibility to participate in the Department of Health and Social Care's agreement of balances exercise and have followed the requisite guidance and directions to do so. We are satisfied that the balances calculated for the Trust ensure the financial statements and consolidation schedules are free from material misstatement, including the impact of any disagreement
- viii. Except as disclosed in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent
  - b. none of the assets of the Trust has been assigned, pledged or mortgaged
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- ix. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the GAM.
- x. All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the GAM require adjustment or disclosure have been adjusted or disclosed.
- xi. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- xii. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
- xiii. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

### **Information Provided**

- xiv. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. unrestricted access to persons within the Trust from whom you determined it necessary to obtain audit evidence.
- xv. We have communicated to you all deficiencies in internal control of which management is aware.
- xvi. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvii. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xviii. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Trust and involves:
  - a. management;

- b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xix. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Trust's financial statements communicated by employees, former employees, analysts, regulators or others.
- xx. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xxi. We have disclosed to you the identity of the Trust's related parties and all the related party relationships and transactions of which we are aware.
- xxii. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

### **Annual Report**

- xxiii. The disclosures within the Annual Report fairly reflect our understanding of the Trust's financial and operating performance over the period covered by the financial statements.

### **Annual Governance Statement**

- xxiv. We are satisfied that the Governance Statement fairly reflects the Trust's risk assurance framework and we confirm that we are not aware of any significant risks that are not disclosed within the Governance Statement.

### **Approval**

The approval of this letter of representation was minuted by the Trust's Audit & Governance Committee at its meeting on 23 May 2019.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

**Signed on behalf of the Governing Body**