NHS
Milton Keynes
University Hospital
NHS Foundation Trust

Annual Report and Accounts

2018/19

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Milton Keynes University Hospital NHS Foundation Trust
Annual Report and Accounts
2018/19

Presented to Parliament pursuant to Schedule 7, paragraph 25(4) (a) of the National Health Service Act 2006

This report is based on guidance issued by the Independent Regulator of NHS Foundation Trusts and was approved by the Board of Directors of Milton Keynes University NHS Foundation Trust on 24 May 2019.

Joe Harrison
Chief Executive

The Annual report can be made available in other languages and formats on request

Contents

1

Chairman's Introduction

It gives me great pleasure to introduce the annual report and accounts for Milton Keynes University Hospital NHS Foundation Trust for 2018/19. This is my second annual report as Chairman of the Trust.

This year has seen many achievements as the Trust continues to offer safe and effective care to all residents of Milton Keynes and surrounding areas. We have maintained our focus on continually improving the quality of the care that we provide, as well as delivering positively against our financial plan for the year; ending with a lower deficit position than in the financial plan. This builds on previous years' achievements and sees our financial deficit continue to reduce. These achievements have been made possible by the hard work and dedication of all our staff, and I would like to formally acknowledge their professionalism and commitment, and to thank them.

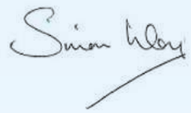
There have been many exciting developments across the hospital site. One highlight has been the launch of eCARE, our electronic patient records system. This digital system will significantly improve the way patients are seen and treated. It allows our staff to treat patients more effectively by providing them with easier access to up to date information that can be shared in real time across all departments. The system supports clinical decision-making and ensures that patients are receiving the treatment they require. eCARE is more than just a computer system, it is a new way of working – giving staff access to improved up to date information so they can deliver safer and more efficient care.

We have also opened our dedicated Paediatric Emergency Department. This means that our young patients and their carers can wait and be seen in an area designed especially for them. It has its own separate entrance between 8am and 10pm. I am also pleased to report that we extended our Adult Emergency Department, creating more waiting areas and clinical rooms. In addition, we opened a new ward, Ward 12, as an escalation unit for inpatients.

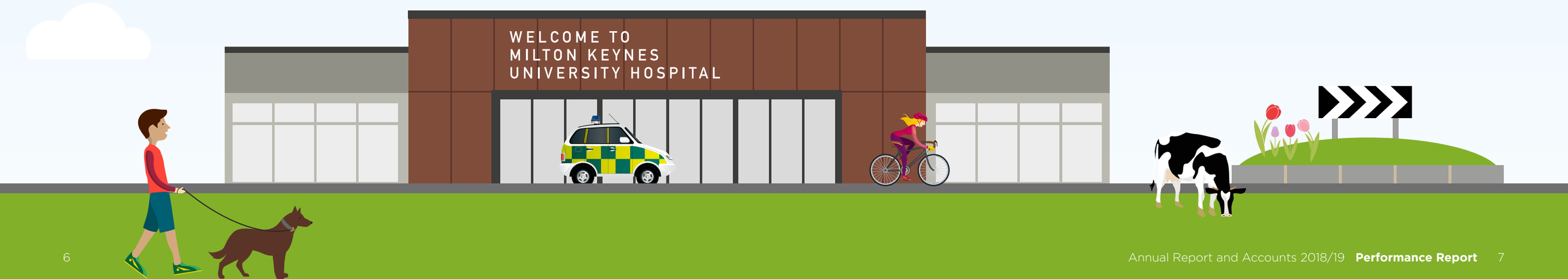
The engagement and wellbeing of our 5,000 staff and volunteers is crucial to the effective running of our hospital. To that end, in May 2018 we held our second Event in the Tent. This was an engagement event designed to provide our staff with a platform to get together, to share good practice and ideas and raise concerns. It was an open forum giving staff the opportunity to help shape the future development of our hospital. Over the three days more than 1,000 members of staff attended the various workshops and keynote sessions, with speakers from inside and outside the hospital. It was very well received by staff at all levels and this will be an annual event to be held every May. To celebrate the 70th birthday of the NHS last summer, we also held a tea party for all staff and volunteers in our Eaglestone courtyard, with every staff member receiving a commemorative badge as a token of our appreciation.

As a Foundation Trust, Milton Keynes University Hospital has a Council of Governors which plays a vital role in representing the interests of the hospital's members and making sure that services are meeting the needs of the local community. The Council currently comprises 28 governors who represent the various public constituencies across Milton Keynes and the surrounding area, staff from across the Trust and certain third-party organisations.

It also gives me great pleasure to acknowledge the great support of our Non-Executive Directors. This year we said farewell to Bob Green, who stepped down after his six years on the Board during which he made a tremendous contribution to the organisation, including as Chair of the Audit Committee and Deputy Chair of the Board. We have also welcomed Nicky McLeod onto the Board and look forward to benefiting from her expertise and experience in the area of mental health as we look to the future.



Simon Lloyd
Chairman



1. Performance Report

1.1

Overview of Performance

The performance overview provides a summary of the Trust's performance for 2018/19. It includes a statement from the Chief Executive providing his perspective on how the Trust has performed during the year; provides a brief synopsis of the Trust's purpose and activities and on its history and statutory (legal) background. This section also outlines the key risks and issues to the delivery of the Trust's objectives faced by the organisation in 2018/19.

1.1.1 Chief Executive's Statement on Performance

It is a pleasure to write this introduction and to reflect on what has been a successful and rewarding year for Milton Keynes University Hospital.

We continue to see improvements in the quality of the care and in the facilities and services we provide to the residents of Milton Keynes, North Buckinghamshire and surrounding areas, and I am proud that we have managed to achieve so much throughout the year.

These achievements have been made possible by the hard work of our staff, and I would like to take a moment to formally acknowledge the professionalism, dedication and commitment of our workforce. We increasingly use the tag #TeamMKUH to articulate the value we place on working together and the value that every individual brings to the team of around 5,000 people working at the hospital. We ask of, and expect, a lot from our staff. They are our best and biggest asset and everything we achieve is testament to their dedication, professionalism and passion to provide the best possible care and services to our patients. They are well supported in their work by volunteers, governors, students, members and people from our community, to whom we are also very grateful.

There is a detailed summary of performance in this annual report, and you will see that the number of people seeking emergency care has continued to increase. Although we did not meet the overall four-hour emergency access target for the year, our performance at 91.5% of patients assessed, admitted or discharged within four hours did place us in the 25% top performing hospitals in the country. Similarly, we very narrowly missed the target to treat at least 85% of all cancer patients within 62 days from the date of referral, managing to treat 84% of patients. This demonstrates both the challenge of delivering emergency care when demand continues to rise year-on-year and the hard work of staff in our emergency department and across the hospital in ensuring patients received prompt care and attention.

Some of our other patient care and quality highlights include the continued reduction in hospital acquired infections and in meeting all targets for the timeliness of cancer treatment. We are also continuing to deliver the priorities set out in our annual quality account – with some critical campaigns, including improving sepsis care and care for patients who are in their last days and weeks of life. Improving patient experience in every ward and department also continues to be a real focus for us. Looking forward to next year, reducing waiting times for elective care will remain a priority for us.

Along with improvements in care quality, some of the highlights of the year here have been the work on the development of our estate. We were delighted to open our dedicated paediatric Emergency Department, which offers a bright welcoming space for our younger emergency patients with its own separate entrance from 8am to 8pm. We also constructed and opened a second multi-storey car park for dedicated staff use.

"These achievements have been made possible by the hard work of our staff, and I would like to take a moment to formally acknowledge the professionalism, dedication and commitment of our workforce."

We opened a new escalation ward, Ward 12, to help ensure that we can care for the increasing demand for inpatient beds. In the summer of 2018, work commenced on the construction of our new Cancer Centre which will see all the cancer services we provide integrated into one dedicated, purpose-built space. This is due to be opened in December 2019 and will also see the addition of a dedicated aseptic suite.

Our collaboration with the University of Buckingham continues and the quality and standard of the training we are able to offer our medical students was further enhanced with the opening of a new two-room simulation suite within the Academic Centre on site. Further work planned for 2019 includes a new Patient Pathway Unit and the upgrade and expansion of our Neonatal Unit for our tiniest patients.

Our fourth Annual Staff Awards took place in November 2018. The awards have gone from strength to strength with more nominations than ever this time in some fiercely contested individual and team categories. Recognising the commitment, innovation and hard work of all our staff is really important to us, and the staff awards is a great way to do that formally every year. Several staff members have also been recognised externally for their work, including our infant breastfeeding midwife Michelle Hancock who was recognised for her pioneering work in facilitating the wishes of a lesbian couple to enable them both to breastfeed their baby.

With increased awareness of mental health, we have taken steps to ensure that a number of our staff have undertaken accredited training and we now have over 40 trained Mental Health First Aiders, who act as first responders where needed. Our supportive staff Peer to Peer (P2P) listening service continues to offer a confidential listening ear to any member of staff or volunteer who feels that a chat will help. Colleagues from across the organisation continue to train as volunteer listeners for those who feel that they would benefit from the service. In addition, our coaching service for staff continues to flourish and we have over a dozen accredited coaches to support colleagues as they develop in the workplace. Our Learning and Development teams continue to introduce new courses to support staff in both their career and personal development – new courses introduced this year include resilience and autism awareness, the latter to ensure that staff are better able to support patients and visitors with this condition.

We continue in our commitment to embed research into the patient experience, with many patients successfully participating in a variety of research initiatives throughout the year and focusing on a wide range of conditions.

Financially, we met our plan for the sixth consecutive year and indeed performed better than expected, delivering a deficit position of £9.5m against a planned deficit of £15.8m. 2018/19 has indeed been challenging, but we were able to deliver £10.8m of savings against a target of £10.1m. In addition, the amount we spent on temporary and agency staffing fell from £11.4m in 2017/18 to £9.7m this year. This is a significant achievement and one I am pleased to recognise here.

We have played an active role as one of 16 partners in the Bedfordshire, Luton and Milton Keynes shadow Integrated Care System, as well as developing the Milton Keynes local health and care place-based system, with a view to fostering a more collaborative approach to providing health and care services for local people.

I look forward to another year focussed on continuing to improve the care and services we provide to the residents of Milton Keynes, Buckinghamshire and beyond.

Joe Harrison
Chief Executive

1.1.2 Purpose and Activities of the Trust

Milton Keynes Hospital NHS Foundation Trust was founded on 1 October 2007 under the National Health Service Act 2006. The hospital has around 550 beds, including day acute and neonatal beds and employs around 3,500 staff, providing a full range of acute hospital services and an increasing number of specialist services to the growing population of Milton Keynes and surrounding areas. All in-patient services and most outpatient services are provided on the main hospital site.

The Trust is organised into four clinical divisions (medicine, surgery, women and children and core clinical) and a number of corporate directorates. The executive directors, and clinical service unit (CSU) leadership teams, are responsible for the day-to-day management and running of the hospital's services, with ultimate management accountability resting with the Chief Executive.

1.1.3. Trust objectives

The Trust Board has agreed a process for agreeing and refreshing its objectives each year, ensuring that these remain linked to its vision, values and strategy.

The Trust's vision is set out as:

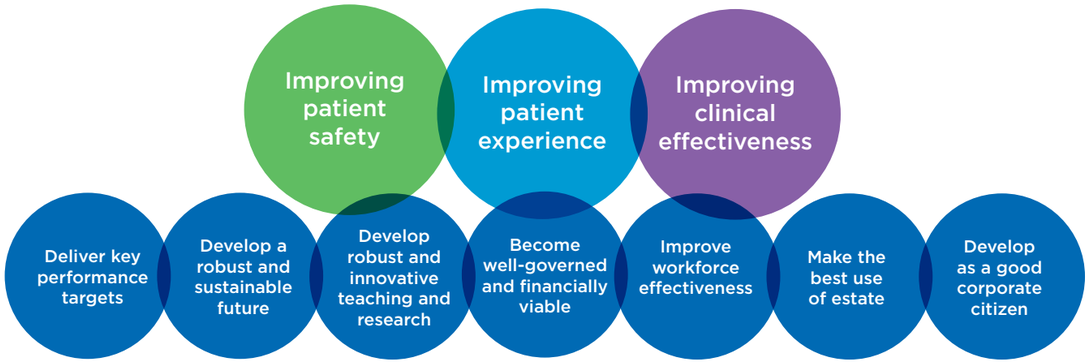
> **"Our vision for Milton Keynes University Hospital NHS Foundation Trust is to be an outstanding acute hospital and part of a health and care system working well together"**

The Trust's values are:

These are linked to our strategy.

Our strategy has five key priorities which will help us to be an outstanding acute hospital and part of a health and care system working well together.

Underpinning our strategy are our objectives – which describe what we will deliver in the coming year. For the past five years, we have kept the same ten strategic objectives, the most critical being improving patient safety, experience and clinical effectiveness.



MKUH is part of the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System (ICS), which was formerly known as a Sustainability and Transformation Partnership (STP). The BLMK ICS is one of 44 ICS 'footprints' set up across England under the Five Year Forward View as a new approach to plan and deliver services by place rather than around individual organisations. In June 2017, BLMK was named as one of eight health and social care systems across the country that is to become An Accountable Care System (ACS). The development of ACS (now referred to as Integrated Care System) will see local health and care organisations working more closely together to provide joined up and better coordinated care. MKUH, in conjunction with the other BLMK partners, is working on outline plans for an integrated approach to commissioning, with a view that these will be formalised during 2019/20.

1.1.4 History and Statutory Background of the Trust

Milton Keynes Hospital was officially opened in 1984 and is located at Standing Way, Eaglestone, Milton Keynes, MK6 5LD. The acute services provision at that time included operating theatres, an emergency department, maternity services, general and speciality wards, full diagnostic x-ray facilities, and a major pathology department.

Other projects that were completed soon after this major development included a postgraduate education centre and an extended physiotherapy department, including a hydrotherapy pool.

Construction of phase two started in 1988 and focused on the expansion of facilities to support the continued population growth of Milton Keynes (estimated increase from 1984 to 1994 - 40%). The development comprised six additional 28-bed wards, a further suite of operating theatres, extra accommodation for the pathology department and additional accommodation for staff.

Phase two opened in 1992. Milton Keynes General NHS Trust formally came into being on 1 April 1992. Since then, significant changes have included the expansion of postgraduate education facilities, the provision of a new MRI scanning unit and the expansion and re-location of the cardiology unit and coronary care ward. In recent years the site has grown further with the addition of a 28-bed orthopaedic ward, a GP paediatric assessment unit, fracture clinic and refurbishment of the Emergency department.

Expansion continued with the opening of a £1.5m Macmillan Haematology and Oncology Unit within the main hospital. In January 2005 the biggest single development on the site for ten years, a £12m treatment centre dedicated to day cases and extended day case surgery, was opened with 60 bed spaces and a further four operating theatres. The centre has proved very popular with patients.

During 2006/07 the sexual health centre was refurbished and a new £2.5m angiography unit opened. Construction work on a new multi-storey car park was completed in July 2007 and cardiology services continue to develop. Extra capacity has been added to clinics such as orthopaedics, ophthalmology and a rolling refurbishment of wards and corridors is on-going.

Since becoming an NHS Foundation Trust on 1 October 2007, sustained expansion has continued. During 2008/09 Ward 14, previously run by the

local primary care Trust, was fully refurbished and reopened by the hospital. In April 2009 the hospital opened a new significantly expanded £4.6m state-of-the-art endoscopy unit and a new 22 bed ward.

In response to the number of patients requiring step down facilities rather than acute care, the Trust invested in the conversion of a ward into a therapist-led facility for patients on the road to recovery. The Phoenix Unit, as it was named, opened in 5 November 2012, and has 20 beds.

A new 20-bed surgical ward, Ward 24, opened in February 2017. Ward 24 helps the hospital manage an ever-increasing demand for services throughout the year and is used by elective surgery patients. It is the first building to be opened under the hospital's site development programme. It was followed by the new £5.4m main entrance that opened in May 2017 and the £8.5m Academic Centre opened by HRH the Duke of Kent in February 2018.

The Trust entered into a partnership with the University of Buckingham to establish the first independent Medical School in the country. The first medical students commenced pre-clinical training at the University in January 2015, and in April 2015 the Trust changed its name to Milton Keynes University Hospital NHS Foundation Trust to reflect this status. The first cohort of University of Buckingham medical students began full-time clinical training with the Trust in March 2017. Sixty students will complete their MB ChB course at the hospital over the next one and a half years, with forty students training on site at any one time. Their training has been further enhanced with the opening of a state of the art two-room simulation suite at the Academic Centre on site

In late 2018, the Trust opened Ward 12, a new 8 bedded ward to accommodate the increasing need for inpatient beds at times of peak demand. The Acorn Suite opened next to the Emergency Department in 2018, increasing clinical assessment space. A dedicated paediatric emergency department, with separate outside entrance during core hours was also opened.

In 2018/19, the Trust recruited 3,415 patients to participate in research projects, with more data still to be included. It is the Trust's aim that research becomes an embedded feature of the patient journey and that where possible, they will always be offered the opportunity to participate in clinical trials.

Having submitted expressions of interest for several commercial studies, MKUH was been involved in studies in pathology, pharmacy and radiology. This demonstrates the Trust's growing recognition by industry, and its success in forging relationships with commercial partners intending to perform quality research.

1.1.5 Key Risks and Issues

At the end of 2018/19 the Trust had 25 risks on its Board Assurance Framework, which includes four highly scored risks (in terms of consequence and likelihood of the risk materialising) that could affect the delivery of the organisation's objectives. These risks are managed through the risk management processes in place in the Trust, with oversight and scrutiny through executive and non-executive chaired boards and committees.

The key risks and issues facing the Trust as at March 2019 included:

1. Maintaining patient safety during periods of overwhelming demand
2. Appropriately embedding learning and preventative measures following serious incidents, complaints, claims and inquests
3. Ensuring that improvements to patients' experience of using hospital services are achieved and maintained
4. Assessment against and compliance with evidence based clinical practice through clinical audit
5. Assessment against and compliance with NICE guidance
6. Meeting the 4-hour emergency access standard
7. Meeting the key elective access standards – RTT 18 weeks, non-RTT and cancer 62 days
8. Ensuring that necessary improvements are made to data quality in line with recommendations from internal and external testing
9. Safeguarding against IT system failure as a result of deliberate attack and inability to invest in appropriate support systems/ infrastructure
10. Maximising the benefits of eCARE and the Trust's digital strategy (patient access)
11. Achieving required levels of financial efficiency within the Transformation Programme
12. Consideration with the main commissioner over the level of performance that they are prepared to fund
13. Recruiting to critical vacancies and retaining staff employed in critical posts
14. Capacity in the Neonatal Unit to accommodate babies requiring special care
15. Achieving the required level of investment (including appeal funds) to fund the Cancer Centre
16. Progressing the Milton Keynes Accountable Care System and wider ACS/STP programme
17. Preparedness for disruption to workforce or supplies (including medications) following withdrawal from the European Union.

Further detail on risk management is contained within the Annual Governance Statement from page 78 onwards.

1.1.6 Going Concern Disclosure

IAS 1 requires management to undertake an assessment of the NHS Foundation Trust's ability to continue as a going concern. These accounts have been prepared on a going concern basis as there has been no application to the Secretary of State for the dissolution of the NHS Foundation Trust and the Directors currently believe there is a realistic alternative to doing so. The Directors have therefore prepared these financial statements on a going concern basis.

The current economic environment for all NHS Trusts and NHS Foundation Trusts continues to be challenging with on-going internal efficiency gains necessary; cost pressures in respect of national pay terms and conditions; non-pay and drug cost inflation; as well as commissioner plans to reduce acute hospital activity that could adversely affect the performance.

The Trust has a financial deficit of £9.5m for the year ended 31 March 2019 (£16.1m deficit in 2017/18). The Directors consider that the outlook presents significant challenges in terms of cash flow for the reasons outlined above and the need to reduce the underlying cost base of the Trust to meet challenging financial targets.

The Trust has prepared its financial plans and cash flow forecasts for 2019/20 on the assumption that adequate funding will be received from the Trust's commissioners (contractual income), and through Department of Health and Social Care (DHSC) funding facilities. In addition, the Trust has assumed it will receive £5.1m of non-recurrent Sustainability funding (PSF), £14.8m of Financial Recovery Funding (FRF) and £3.2m of Marginal Rate Emergency Tariff (MRET) funding. The payment of the Trust's PSF is contingent on the Trust achieving its agreed financial control total which the Trust expects to achieve.

The Trust expects this to be sufficient to prevent the Trust from failing to meet its obligations as they fall due, and to continue operating until adequate plans are in place to achieve financial sustainability for the Trust. However, the Directors have identified that there are material uncertainties that cast significant doubt over whether the Trust will continue to exist in its

current form, and over its ability to discharge its liabilities in the normal course of business.

Funding for the 2019/20 financial year over and above internal generating funds is still to be determined; however, it is expected to be through cash advance/capital loan. This has the effect of increasing long term liabilities and reducing net assets. The capital loan is expected to be repaid over a 15-year period.

As part of its 2019/20 annual plan submission, the Trust has requested cash in advance of FRF funding of £6m and a further £2.7m for capital expenditure which has been pre-approved by NHSI. The Trust has assumed that five revenue loans totalling £78.8m due for repayment between January and March 2020 will be extended.

Positive cash balances will be maintained throughout the period by successfully securing the necessary funding from DHSC and the Trust's commissioners that gives assurance of income flows.

The significant risks facing the Trust are summarised as follows:

1. The Trust has prepared a cash flow forecast which shows a minimum daily level of headroom of £1m. There is a level of uncertainty over whether the Trust will receive additional uncommitted loans of £79.2m (revenue £78.8m due for repayment by March 2020 and £0.4m additional revenue loan requirement in 2019/20) and £2.7m (capital) required to meet its financial obligations and the £23.1m PSF, FRF and MRET as noted above. The Trust has however developed its financial plan assuming that it will receive this funding and thus continue on a going concern basis;
2. There is uncertainty over whether the Trust will achieve its efficiency savings plan of £8.4m which has been assumed in its 2019/20 financial plan. This is a level of savings which is extremely challenging and must be supported with adequate clinical focus and engagement in quality process improvement against agreed and appropriately detailed delivery plans.
3. The future for Milton Keynes University Hospital NHS Foundation Trust is being influenced by Integrated Care System (ICS). The Trust is one of 16 partners in the Bedfordshire, Luton and Milton Keynes (BLMK) ICS. The ICS is focussed on reducing demand and costs in secondary care through investment, innovation and changes in the way primary, community and social care is delivered.
4. The population growth across the area is expected to continue to exceed the national average. If growth rates assumed in the Trust's 2019/20 financial plan are higher than assumed, this could represent a risk in respect of, the commissioners' ability to pay for higher levels of activity and the costs of resourcing unplanned activity;
5. There remains uncertainty around the potential impact of macroeconomic factors, including those as a potential consequence of Brexit.

While there are material uncertainties which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business, the financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

1.2

Performance Analysis

This section of the report provides a summary of the Trust's key performance indicators and outlines how it monitors performance against these measures. It also provides a detailed analysis and explanation of the development and performance of the Trust during the year using a wide range of data, including key financial information. This section also provides a summary of environmental matters and some background on social, community and human rights issues, important events and overseas operations.

1.2.1 Activity

Demand for acute care continued to grow in 2018/19 as the population in Milton Keynes continued to expand and mature. The Trust processed 61,952 GP referrals, which was 1,763 (2.9%) more than it had planned to, whereas demand on the emergency department was 3.6% lower than expected, with 88,041 attendances recorded as against 91,290 planned. The Trust accommodated 2.5% fewer emergency admissions through the year than planned, but there was an increase of 0.6% compared to the previous year. There were 25,933 elective admissions, slightly more (1.6%) than planned at the start of the financial year, but a 6.1% increase on activity in 2017/18.

The variation in activity during 2018/19 compared to 2017/18 was as follows:

383,036 outpatient attendances, 8.3% more than 2017/18

25,993 elective spells, 6.1% more than 2017/18

34,401 emergency admissions, 0.6% more than 2017/18

88,041 emergency department attendances, 0.3% more than 2017/18

3,592 babies were delivered, 4.5% fewer than 2017/18

1.2.2 Key Performance Measures

The Trust measures performance in key service and quality areas against key national indicators, which each have nationally defined standards. In addition, the Trust has also developed a series of local service quality indicators in conjunction with Milton Keynes CCG, as well as a number of internal indicators of quality and performance that are not required to be reported nationally.

Where possible, relevant and applicable, performance indicators are consistently reported at aggregate Trust level, as well as at divisional and clinical service unit (CSU) level to provide a more granular view. This approach provides an insight into performance and is used to highlight risks and/or uncertainty in specific areas or services. Performance reports and key performance indicators are used as the basis for setting the agenda for regular Trust Board and Divisional performance meetings, alongside financial, workforce and other key elements of information about the trust. This 'balanced scorecard' approach allows correlations to be made across a wide range of information about different areas in the Trust to drive and inform a culture of continuous improvement.

Despite a continued increase in demand and sustained pressure on the healthcare system, the Trust has worked hard to manage patient waiting times for planned care in 2018/19. Whilst the national standard for consultant-led Referral to Treatment (RTT) waiting times of 92% was narrowly missed due to increased pressure on the system and delayed transfers, there was a clear and obvious trend of recovery throughout the year. In addition, the Trust has consistently outperformed the NHS England aggregate RTT performance.

The diagnostic waiting time target was achieved in seven of twelve months. Delivering the national standards for cancer waiting times also proved to be challenging, but the Trust's aggregate performance has consistently been achieved against the national standards and has also been reliably better than the national aggregate performance.

The table below summarises performance against key national indicators for 2018/19.

Indicator	Threshold/Target	Trust Performance		Narrative
National Requirements				
Clostridium Difficile Infections (hospital associated)	Ceiling: 38	15	Achieved	Each reported C diff and MRSA bacteraemia infection case is formally reviewed by a collaborative Trust/CCG review panel. This panel then makes a recommendation on whether each reported case was due to a 'lapse in care' (e.g. avoidable) in the hospital environment. Both measures (cases and 'lapses in care') are monitored and reported up to Board level on at least a monthly basis. This will continue into 2019/20 and beyond. Root cause analysis methodology is used as the basis to identify risks and opportunities, and to ensure lessons are learned to drive continuous improvements in infection control.
MRSA Bacteraemia (hospital associated)	Zero Tolerance	1	Not Achieved	
All cancers, 31 day wait for second or subsequent treatment	Drugs treatments: 98% Surgery: 94% Radiotherapy: 94% Palliative Care: 94%	99% 99% 98.5% 100%	Achieved	Improvements in collaboration with tertiary centres are taking place to ensure evidence of treatment is shared in a timely manner and that breaches are attributed fairly. The consolidation of local and national information systems is also evolving to support the robust, reliable and timely reporting of monthly and quarterly performance. There is continued focus on demand and capacity planning across all specialties and the transition to electronic referrals in progress. Enhanced internal predictive breach analysis and performance reports are being used to support performance management.
All cancers: 62-day wait for first treatment	GP referred: 85% NHS Screening: 90% Consultant upgrade: 85%	84% 93.9% 89.6%	Not Achieved	
All cancers: 2-week wait from referral to first appointment	All cancers: 93% Symptomatic breast: 93%	96% 96%	Achieved	

Indicator	Threshold/ Target	Trust Performance		Narrative
National Requirements				
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for incomplete pathways	92%	87.4%	Not Achieved	Increased emergency medical demand, particularly over the winter months, has impacted on the Trust's ability to meet this target. Nevertheless, concerted efforts were made throughout the year to improve performance. Digital management tools and reports are widely used on a daily basis to support the management of waiting times and inform scheduling and planning. Plans to improve performance in each service were reviewed and tested on a weekly basis at executive level, with any deviations escalated and supported appropriately as they arose.
Maximum wait of 4 hours in the Emergency Department from arrival to admission, transfer or discharge	95%	91.4%*	Not Achieved	Although the Trust was successful in meeting this target on some months during the year, it was unable to sustain this performance throughout, particularly at times of significant pressure over the winter months. Maintaining an effective flow of patients through the hospital was a constant challenge, and collaborative work is continuing with local health and social care partners to help ensure the timely discharge of patients into more appropriate care settings. Similarly, the Trust continues to work with partners to identify and address any issues which may result in increased demand for services or longer stays in hospital.
Acute Foundation Trust – Minimum Standards				
Friends and Family Test (Patient Recommend Rate)	None	93.8%	No Threshold	The Trust evaluates and communicates quantitative and qualitative feedback from patients to continuously improve patient experience and service delivery. There is a continuing emphasis on increasing response rates to gain further insight into patient experience across all areas, including in the emergency department.
Complaints responded to within the required timeframe	90%	84.1%	Not Achieved	There is continued focus on the timely response to complaints and analysis of the nature of them to drive improvement in services and patient experience. Compliance with required response times for complaints is reported at Divisional meetings and to Trust Board.

**This figure represents the combined performance of the Trust's Type 1 and Type 3 units.*

1.2.3 Detailed Quality and Performance Analysis

1.2.3.1 Referral to Treat (RTT)

Despite an increase in demand compared to the previous year, the Trust maintained waiting times for planned elective patients at better than the NHS England aggregate performance.

Although the Trust did not meet the national standard consistently during 2018/19, it continuously improved performance throughout the year, when significant winter pressures meant that the Trust's focus, in common with most other organisations, turned to caring for the large number of very sick patients attending the Emergency Department. The Trust's performance was further hampered by the difficulties encountered in maintaining patient flow through the hospital. In particular, many patients who had been admitted with medical complaints had to be cared for in beds that would normally have been used for elective patients. Nevertheless, the careful planning that had been done earlier in the year meant that the Trust was able to continue carrying out planned care during the winter months, thus limiting the number of cancelled appointments and the disruption and distress that this can cause to patients.

Month 2018/19	NHSI Trajectory	Trust Performance
April	89.7%	84.4%
May	89.6%	84.0%
June	89.7%	85.5%
July	89.9%	86.7%
August	89.8%	86.3%
September	89.8%	86.9%
October	89.4%	87.6%
November	89.4%	88.3%
December	89.5%	88.9%
January	90.0%	89.4%
February	90.1%	90.4%
March	90.1%	91.3%

1.2.3.2 Accident and Emergency 4-hour target

The Trust did not achieve the target of treating 95% of patients attending the Emergency Department within four hours. However, its overall performance of 91.5% (all types) for the year placed it among the top performing trusts nationally on this measure.

The Trust reacted positively to increased pressure on services and patient flow throughout the winter months, through effective planning involving the whole hospital, and coordinated with key partners across the local health economy. This meant that additional bed capacity was made available in advance of the winter months. Clinical teams from across the Trust were deployed to help the Emergency Department at times of particularly high demand, and the Trust worked collaboratively with primary and social care to help free up capacity and keep the number of delayed transfers of care to a minimum. Continuous steps are taken to promote best practice to reduce length of stay where appropriate and enhance the patient discharge process, working with the whole health and social care system across Milton Keynes and the surrounding areas.

1.2.4 Development of the Business during the Year

The Trust has engaged fully in the development of the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System (ICS). This is a system in which the respective NHS organisations (both commissioners and providers), in partnership with local authorities, choose to take on clear collective responsibility for resources and population health. This collaborative approach to providing care is already leading to better outcomes for local people, including reductions in the length of time that patients need to wait before they can be discharged from the hospital back into community settings.

In addition to the collaboration with ICS partners, the partnership between the Trust and the University of Buckingham Medical School continues. The first cohort of students trained in the university's Academic Centre located on the Trust site and within the hospital's wards and clinical areas will graduate in September 2019. A range of Trust clinicians continue to actively participate in all aspects of the training.

The Trust launched its Electronic Patient Record (EPR) system, known as eCare, in May 2018. This was an overwhelming success, with very little disruption to the day to day running of the hospital. The aim of this project is to better utilise technology to increase patient safety and clinical efficiency, and significant benefits are already being realised. These will continue to grow as further functionalities of the system are released. It is expected that this system, together with other technological innovations that the Trust is investing in, will revolutionise the way that care is provided across the hospital.

1.2.5 Impending Developments and Future Development Trends

The Trust has a clear ambition to provide care closer to home for those suffering from and being treated for cancer. Construction of a dedicated Cancer Centre on the hospital site commenced in June 2018 and is on schedule to be completed by November 2019. Most of the funding for this £15m has been provided by Milton Keynes Council and Macmillan Cancer Support, with the £2.5m balance being raised through charitable funding.

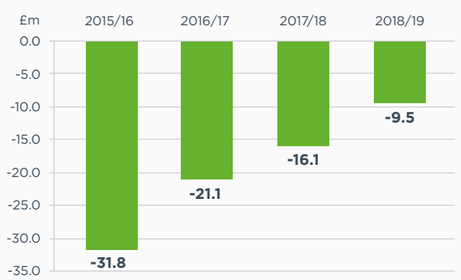
As part of efforts to support joined up care within the acute, primary and community sectors locally, the Trust applied for and has been granted funding to develop a Pathway Unit, the aim of which will be to assess, diagnose and treat patients on the same day, thus removing the need for inpatient admissions for the benefit of both patients and the health system.

Plans have been agreed for the provision of 4 additional high dependency cots within the Trust's neonatal unit (NNU). It has been acknowledged that expanding the NNU will meet the current and future capacity requirements in line with Neonatal Network projections. This additional capacity will also allow for an increase in cot spacing for all babies through reconfiguration of the 'Mews' area of the unit and its incorporation into the total clinical space available.

1.2.6 Review of Financial Performance

Despite on-going financial pressures across the NHS, during 2018/19, the Trust continued its excellent track record of meeting or exceeding its agreed financial plan. In 2018/19 the Trust was set a financial control total deficit of £15.8m by NHS Improvement, against which it secured a lower (better) deficit of £9.5m (before revaluations). This represents a £6.6m improvement on the reported deficit of £16.1m in 2017/18 and a £22.3m improvement compared to 2015/16 when the Trust reported its largest deficit (£31.8m):

Historical reported deficits (before revaluations)



During 2018/19 the Trust benefitted from £18.0m of income from the Provider Sustainability Fund, previously called Sustainability and Transformation Fund, for doing better than its financial control total and delivering against the Accident and Emergency 4-hour standard requirements (£10.4m in 2017/18).

The Trust's income continued to grow over the course of 2018/19, with operating income from patient services increasing by £11.6m to £212.5m by the end of March 2019. This growth in income reflects the continued rise in demand for the hospital's services, with 10% growth in income experienced in 2018/19 for the hospital's outpatient services and an 8.3% increase in elective income during the year. Despite this significant increase in activity above planned levels, the Trust maintained or improved its performance on key indicators including the accident and emergency 4-hour standard and the 18-week referral to treatment standard.

During 2018/19 the Trust continued to invest in the hospital's infrastructure through its capital programme. Significant investments in information technology (as part of the Trust's eCARE programme) and works to support an increase in the Trust's physical capacity will enable the Trust to deliver more effective and efficient hospital services and allow for the significant growth in the population it serves. In addition, work commenced on the Trusts Cancer Centre which will provide a state-of-the-art facility for the treatment of cancer patients in Milton Keynes and surrounding areas. Total capital expenditure for the year was £15.9 million which was funded through a combination of internally generated sources, Public Dividend Capital, donations and capital loans from the Department of Health and Social Care.

Statement of Comprehensive Income

The Trust experienced growth in the demand for its services in 2018/19, with activity volumes increasing by 1% on average. This increase in activity led to a £11.6m (5.8%) increase in clinical income compared to the previous year. The main elements of the increase in clinical income were as follows:

- Outpatients income: £3.9m (10%)
- Elective income: £2.2m (8.3%)
- Other NHS Clinical Income £2.5m (4.9%)
- Agenda for change Pay Award funding £2.3m

Non-clinical income increased by £14m, £7.6m related to Provider Sustainability Fund, £4.9m for donations in respect of the Cancer centre and £1m which was as a result of increased student numbers for the training of doctors through the agreement with the University of Buckingham Medical School.

Operating expenses increased by £19.7m (8.2%) on the previous year to £259.9m, £17.8m higher than the Trust's plan. This increase was largely due to higher activity volumes in year (particularly in respect of outpatient and elective activity). As a result, staff costs were higher by £6.7m due to additional staffing at a higher rate and the unplanned agenda for change pay award. In addition, increases to clinical supplies and services (£3.0m) occurred in order to continue to provide safe and effective services. The Trust had a revaluation in year which resulted in an impairment of (£27.1m), of which (£6.7m) was recognised as an operating expense. Operating expenses also increased due to a £1.1m increase in the premium payable to NHS Resolution for the Clinical Negligence Scheme for Trusts (CNST) and a £0.4m increase in education and training staff costs linked to the expansion of the University of Buckingham Medical School.

Statement of Cash Flows and Net Debt

As the Trust is in financial deficit, it is reliant on loan financing from the Department of Health and Social Care (DHSC) to meet its obligations as they fall due. In 2018/19, the Trust received a revenue loan from DHSC of £15.8m to fund the planned financial deficit, and a capital loan of £2.3m. The capital loan allowed the Trust to continue with the implementation of its electronic patient records system (eCARE).

The Trust ended the year with cash and cash equivalents of £6.2m which was £3.7m higher than its plan due to earlier than expected receipts of in-year PSF incentive funding and the timing of capital purchases.

Total Assets Employed

Total assets employed decreased by £27.8m (44%) to £35.1m. This was largely due to the reduction in the asset value of £27.1m following the revaluation of the Trust's estate and the additional loans taken on by the Trust in the year which were only partly offset by higher current assets from increased cash and receivables.

£m	2018/19	2017/18
Non-Current Assets	162.0	182.3
Current Assets	39.3	29
Current Liabilities	-112.3	-63.6
Non-Current Liabilities	-53.9	-84.7
Total Net Assets Employed	**35.1**	**62.9**

Capital Expenditure

The Trust invested £15.9m in capital schemes during 2018/19. It received a loan of £2.3m from DHSC to continue its roll out of eCARE and to start two schemes relating to pharmacy and aseptic services which will complete in 19/20. In addition, DHSC funded £1.3m for investments in information and technology through the Global Digital Exemplar fund, £0.6m to improve facilities to support emergency and urgent care and £0.3m for equipment to support the cancer service. The Trust continued to maintain and replace existing equipment and buildings spending a further £11.2m on replacing essential equipment and maintaining the building and estate, as well as developing the new Cancer Centre.

A further expansion of the capital programme is planned for 2019/20, and the Trust has already received approval for a DHSC loan to support its continuing eCARE programme, as well as funding to invest in its pharmacy services.

1.2.7 Counter Fraud

The Trust has an established counter-fraud policy to minimise the risk of fraud or corruption, together with a whistleblowing policy to be followed in the event of any suspected wrong-doing being reported. This policy also highlights the relevant provisions of the Bribery Act 2010, and the offences for which individual members of staff and the Trust corporately could be liable under this Act. The policy and related materials are available on the intranet and counter-fraud information is prominently displayed across the Trust's premises. The Trust's local counter fraud specialist (LCFS) reports to the Director of Finance and performs a programme of work designed to provide assurance to the Board in regard to fraud, bribery and corruption.

The LCFS attends audit committee meetings to present the programme and the results of counter-fraud work. The LCFS also gives regular fraud awareness sessions for Trust staff and investigates concerns reported by staff. Where these are substantiated, the Trust takes appropriate criminal, civil or disciplinary measures.

1.2.8 Statutory and Other Declarations

Compliance with HM Treasury Cost Allocation and Charging Guidance

The Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Cabinet Office public sector information guidance.

Accounting Policies and Other Retirement Benefits

The accounting policies for pensions and other retirement benefits are set out in accounting policies section of the Financial Statements and the arrangements for senior employees' remuneration can be found in the Remuneration report.

Board of Directors and Accounts Preparation

The Annual Report and Accounts have been prepared under a direction issued by NHS Improvement. In support of the Chief Executive, as accounting officer of the Trust, the Board of Directors has responsibilities in the preparation of the accounts.

NHS improvement, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 7 of the National Health Service Act 2006 directs that the accounts give a fair and true view of the Foundation Trust's gains and losses, cash flows and financial state at the end of the financial period.

To this end, the Board of Directors are required to:

- apply on a consistent basis accounting policies laid down by NHS Improvement with approval of the Treasury
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act
- safeguard the assets of the Trust and hence take reasonable steps for the prevention and detection of fraud and other irregularities

Critical Accounting Judgements

There are a range of judgements and estimates that have been made in the preparation of the annual accounts. These include the valuation of the Trust's estate and provisions for debt recovery. These judgements have been reviewed and are considered appropriate and in accordance with the appropriate accounting standards and further analysis can be found in the accounting policies section of the Financial Statements.

Audit disclosure

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is not aware. They also confirm that they each have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that Deloitte LLP is made aware of such information

Statement on Report as Fair, Balanced and Understandable

The Board of Directors are responsible for preparing and agreeing the financial statements contained in the annual report and accounts. The Board confirms that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Enhanced Quality Governance Reporting

Arrangements for governing service quality are outlined in the Annual Governance Statement and the Quality Report, which is presented as part of this Annual Report.

The Trust continues to measure performance on a monthly basis and is taking additional actions where required, to ensure that it meets all of its mandated performance targets. Performance review meetings are held with the regional NHS Improvement Team every two months and updates are promptly provided in response to all queries raised about the Trust's performance.

There were no material inconsistencies between the Trust's assessment of key risks and either subsequent NHS Improvement ratings or Care Quality Commissions assessments. The Trust Annual Governance Statement details how the Trust has reviewed and assessed the effectiveness of the Trust's systems of internal control.

Compliance with NHS Improvement Licence

In June 2017, NHS Improvement notified the Trust that it was no longer in breach of its Licence Conditions and issued a 'Discontinuation of Undertakings' notice which removed the conditions set out in in the 2014 and 2013 undertakings.

Outlook for 2019/20

Like other NHS organisations, the Trust faces the challenge of improving its financial performance whilst continuing to provide high quality services for a growing population. The Trust has been set a financial control total deficit for 2019/20 of £0.4m by its regulator, NHS Improvement, which has been accepted by the Trust's Board and is reflected in its annual plan. The Trust has set an efficiency programme target of £8.4m in 2019/20 which poses a significant challenge to the organisation, despite an excellent track record of delivering against financial targets in recent years.

"The Trust will continue to work with its local partners, including as part of the Bedfordshire, Luton and Milton Keynes ICS, in order to continue to provide safe and effective care to the population it serves."

1.2.9 Environmental Sustainability

The Trust has continued to work during 2018/19 on its sustainable development plan, and it is expected that this will be rolled out during 2019/20. In the meantime, the organisation retains a commitment to sustainability and reducing its impact on the environment. The environmental impact of any development on the site is assessed as part of the business case process. One of the Trust's objectives is to develop as a good corporate citizen and this explicitly includes a commitment to reducing its environmental impact:

Objective 10 Develop as a Good Corporate Citizen	Key Deliverables
Reduce environmental impact through improved employee wellbeing Engage staff and patients to increase use of car share schemes, public transport and in reducing energy consumption Increase opportunities for staff to engage in recycling, energy saving initiatives and community project involvement Engaging staff to reduced food wastage	• Evidence engagement of and communication with staff around green travel options and energy usage with the aim to reduce parking on site and energy consumption, including encouraging uptake of the cycle to work scheme • Continually review transport services across the site as a critical strand of the estates development programme • Provision of recycling banks across the Trust, including clothes and textiles • Extension of existing furniture recycling programme • Review of food provision to ensure quality, healthy eating options and waste minimisation

In addition, the Trust is committed to reducing carbon emissions as part of the national sustainability agenda.

The following table, based on data produced by the Environment Agency, shows CO_2 performance per annum to date

- 2011/12 – 11,108 Tonnes
- 2012/13 – 11,183 Tonnes
- 2013/14 – 10,508 Tonnes
- 2014/15 – 9,786 Tonnes
- 2015/16 – 9,426 Tonnes
- 2016/17 – 9,660 Tonnes
- 2017/18 – 10,417 Tonnes
- 2018/19 – 7,737 Tonnes

The significant reduction in emissions in 2018/19 was mainly attributable to an increased reliance on the Trust's medium voltage generators and its combined heat and power plants, both of which provide more efficient power and heating to the hospital and can export electricity back to the grid. Additionally, some specific steps were taken to improve energy efficiency including:

Installing solar panels on the roof of the Academic Centre

Installing a new chiller plant which has had the impact of increasing energy efficiency by two thirds

A programme of replacing lighting across the site with LED lamps, which both reduce power consumption and require little or no maintenance for 3 to 5 years.

During 2018/19, MKUH along with the two other acute trusts within the BLMK footprint, entered into a joint waste management contract, and one of the early impacts of this has been a significant increase in the amount of recycling and diversion of waste away from landfill.

1.2.10 Social and Community Issues

At the last census collection (2011), the stated population for Milton Keynes was estimated to be 255,700, and in 2015, the Office of National Statistics estimated the population to have reached 261,750. By way of context, in 1967 Milton Keynes was designated as a new town, with the area having a population of 60,000. In particular, the last two decades has seen double digit growth; the historical trend between 2001 and 2013 showed a population increase of 43,000 - a growth of 20.2% compared with a growth rate of 8.9% for England during the same period. Milton Keynes was the 20th fastest growing local authority in England between 2005 and 2015 with a growth of 17.1 per cent.

The Population Bulletin 2013/14 outlined that the high population growth is expected to continue into the future and in addition there is anecdotal evidence which suggests that in all likelihood the population will increase at the same pace over the next decade. Current estimations suggest that the population of Milton Keynes will reach 308,500 by 2026. This is an increase of 46,750 people or 18 per cent between 2015 and 2026.

The two components of population growth are natural change and net migration; natural change refers to the difference between births and deaths and net migration refers to new residents arriving less any residents leaving the city. Natural change (difference between births and deaths) will add an average of 2,000 people to the population each year from 2015 to 2026. Net migration is the main driver of population growth peaking at 5,100 in 2019. This is driven by the planned house building to support migration from other parts of the UK, which is likely to be enhanced as part of the Cambridge-Milton Keynes-Oxford corridor development.

The age profile of the Milton Keynes population is younger than that for England as a whole. 22.6% of the Milton Keynes population are aged under 16 compared with 19.0% in England. The number of 25 to 64 year olds is projected to increase from 143,800 to 161,200, a rise of 12% between 2015 and 2026. This age group represents the biggest proportion of all age groups throughout the years. 12.1% of the Milton Keynes population are aged 65+ compared with 17.3% in England. Looking forward however, the 65 to 79 year olds are projected to increase from 25,600 to 36,900,

a rise of 44% between 2015 and 2026. Although this age group does not represent the highest proportion of the population, the percentage increase is significant and the associated rise in demand for healthcare services will be substantial.

The age profile of the town has by default resulted in a change in the ethnicity profile of the population. Between 2001 and 2011 the ethnic diversity (represented by those from an ethnic group other than "white" British) increased from 13.2% to 26.1%, compared to 20% in England. No data is currently available to provide a context to the change in ethnicity over the next 10 years, but if historical trends are to be considered, healthcare services will need to be planned in such a way as to reflect this change in ethnicity, with a particular focus on the health and well-being agenda.

The change in the ethnic make-up and the emergence of different cultural communities has resulted in the people of Milton Keynes holding a wide range of religious beliefs; 62.1% of people in Milton Keynes have a religious identity. Incorporating religious insights into the planning and the delivery of care can ensure services take seriously the values and beliefs. The Trust therefore recognises that pastoral and spiritual care is an integral part of any health need assessment, and that these are best considered on an individual basis.

Disproportionate levels of population growth in Milton Keynes when compared to England have also resulted in significant pockets of deprivation and poverty. 18% of the child population live in low income families and furthermore there has been an 18% increase in children taken into care since 2012. The wards of Eaton Manor and Woughton are classed in the top 10% of most deprived wards in England when measured against the deprivation indicators of income, employment and education.

In addition to the population growth, the Trust has a catchment area which is wider than the boundaries of the Milton Keynes Unitary Authority, bringing in patients from parts of Northamptonshire and the market towns of Buckingham and Leighton Buzzard. Furthermore, there is demand for healthcare services from employees of the large number of major organisations who commute from outside the Trust's catchment area. The Trust is therefore actively working with its commissioners to address and meet the healthcare needs of all those currently using its services and those likely to do so in the future. A significant element of this work, in conjunction with other local health and care partners has involved a focus on developing plans to divert as many patients as possible away from the hospital setting. This will ultimately ensure that the Trust's services are focused only on those patients who require such intervention, and that appropriate services are developed within the primary and community settings to support those patients who do not immediately need to use secondary services.

1.2.11 Human Rights issues

The Trust takes account of the provisions of the Human Rights Act 1998, insofar as they relate to the provision of healthcare, as well as the NHS Constitution. The Trust pays particular attention to the NHS' seven key principles. With regard to principle 1 (the NHS provides a comprehensive service available to all), the Trust ensures that its service provision is based entirely on clinical need and priority. The Trust has in place a Patient Access Policy, last updated in March 2019, which sets the standards to be followed in relation to waiting list management and restates the commitment to and expectation of a maximum of 18 weeks' waiting time from referral to the start of treatment. The Trust is also guided by principle 4 (the patient will be at the heart of everything the NHS does). In this regard, the Trust is in the process of consulting on a new Patient Experience Strategy to help ensure that patients' experience of accessing care at the Trust guides changes and improvements to service delivery. Feedback received via the various patient surveys and the Friends and Family Test also gives good indications of the level of patient satisfaction with the Trust's services.

The Trust is cognisant of the human rights of both current and prospective members of staff in carrying out its work. The requirement within the Human Rights Act that there be no discrimination in the application of human rights on any ground informs the Trust's approach to engaging with its staff. For example, in 2018/19, the Trust continued with its efforts to address the under-representation of staff from a BAME background in senior management roles, including through the commissioning of dedicated outreach work in the local community with members of under-represented groups, and the creation of a BAME staff network within the organisation. The Trust also ensures that its suite of human resources policies reflects both the content and spirit of the Act.

1.2.12 Important Events affecting the Trust since the end of the Financial Year

There are no significant events since the balance sheet date that are likely to have a material impact on either the Trust or the financial statements for the year ending 31 March 2019.

1.2.13 Overseas Operations

The Trust has had no overseas operations in the reporting period.

Joe Harrison
Chief Executive

Date: 24 May 2019

2. Accountability Report

2.1

Directors' Report

The directors are responsible for preparing the Annual Report and Accounts and consider the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess Milton Keynes University Hospital's performance, business model and strategy.

Milton Keynes University Hospital Foundation Trust (the Trust) has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles set out in the 2012 version of the UK Corporate Governance Code.

The Board of Directors (the Board) consider the Trust to be compliant with the Code of Governance except as set out at page 89.

2.1.1 Composition of the Board of Directors

The Board of Directors comprises full-time executive and part-time non-executive directors. Executive directors are employees of the NHS Foundation Trust, led by the chief executive, and are responsible for the day-to-day management of the Trust.

Non-executive directors are not employees, but officers; they bring to the Board an independent perspective and it is their role to challenge decisions and proposals made by the executive directors, and to hold executive directors to account.

The role of the Board, led by the Chairman, is to provide effective and proactive leadership of the Trust; to set the strategic aims of the Trust, ensuring the quality, safety and effectiveness of the services provided and ensuring that the Trust is well-governed in every aspect of its activities.

The description below of each of the current directors' areas of expertise and experience demonstrates the balance, completeness and relevance of the skills, knowledge and expertise that the directors bring to the Trust.

The composition of the Board of Directors at 31 March 2019 is detailed below:

Non-Executive Directors	
Simon Lloyd	**Chairman**
Tony Nolan	Non-executive director
Andrew Blakeman	Non-executive director
Parmjit Dhanda	Non-executive director
Helen Smart	Non-executive director
Heidi Travis	Non-executive director
John Clapham	Non-executive director (representing the University of Buckingham)
Nicky McLeod	Non-executive director (appointed 1 February 2019)

Executive Directors	
Joe Harrison	**Chief Executive**
Lisa Knight	Director of Patient Care and Chief Nurse
Ian Reckless	Medical Director
John Blakesley	Deputy Chief Executive
Danielle Petch	Director of Workforce
Michael Keech	Director of Finance
Kate Jarman	Director of Corporate Affairs (non-voting)
Caroline Hutton	Director of Clinical Services
Emma Goddard	Director of Service Development (non-voting) (on secondment to the Bedfordshire, Luton and Milton Keynes Sustainability and Transformation Partnership from January 2017)

Other Board Members during 2018/19	
Robert Green	Non-executive director until December 2018
Ogechi Emeadi	Director of Workforce until July 2018

2.1.2 Biographies of Board Directors

Biographies for individuals who were serving as directors on the Board as at 31 March 2019 are detailed below. The Board of Directors is confident that it has within it the appropriate mix of skills and depth of experience to lead the Trust appropriately. The Board considers all the non-executive directors to be independent (with the exception of John Clapham) as they were appointed to their roles through open competition and are not employees of the Trust.

Simon Lloyd, Chairman

Simon joined the Trust in May 2015. He originally qualified as a solicitor and spent some years in private practice as a corporate lawyer. He moved from private practice to work for Lloyds as an in-house lawyer before joining Bristol & West plc as Company Secretary. During his time at Bristol & West, Simon took on a number of functional responsibilities for the Bank of Ireland in the UK, including HR and Premises and Shared Services. Simon joined Alliance & Leicester in 2003 as Group Secretary and became Group Secretary and HR Director in 2007. Simon has held the roles of People & Talent Director, Chief People Officer & General Counsel and General Counsel & Chief Administrative Officer at Santander UK. He retired in December 2016.

Simon was appointed as Acting Chairman of the Trust in January 2017, following the death of Baroness Margaret Wall. He was appointed to the role substantively following an open competition in November 2017. He lives in Milton Keynes.

Andrew Blakeman, non-executive director *(Senior Independent Director from 1 March 2018) (Chair, Audit Committee)*

Andrew joined the Trust in February 2016. He is a Chartered Accountant and has worked for BP for over 20 years in a variety of senior financial roles, most recently as Chief Financial Officer for BP's UK petrol station business. Andrew was a non-executive director on the board of NHS Blood & Transplant from 2008 to 2016 and was Chair of the Governance and Audit Committee, which covered audit, risk, quality and clinical governance. He also sits on the Quality and Clinical Governance Committee of Public Health England. He lives in Oxfordshire

Tony Nolan, non-executive director
(vice chairman with effect from February 2019)
(Chair, Workforce and Development Assurance Committee)

Tony joined the Trust in March 2014. He is a senior strategy and transformation executive, focused on delivering business performance improvement. He originally trained as a chartered engineer, gained an MBA from INSEAD and has over 30 years of international experience across multiple sectors obtained in senior consulting and executive positions. Tony is currently Vice President of Transformation for Platinum Equity. He lives in Buckinghamshire.

Parmjit Dhanda, non-executive director

Parmjit joined the Trust in 2017. He is a former MP and served in three government departments as a minister. He has worked as a senior trade union negotiator and served as Chair of the Allied Health Professions Federation, which represents over 150,000 health workers. He has helped to build new social housing and care schemes as a non-executive director of the Hanover, Swan and Longhurst housing associations and worked on major regeneration schemes as a founder member of an urban regeneration company. Parmjit is currently Executive Director of the campaign to build the world's largest privately funded infrastructure project, the new runway at Heathrow.

Helen Smart, non-executive director
(Chair, Quality and Clinical Risk Committee)

Helen joined the Trust in March 2018. A nurse and health visitor by background, she has worked across the NHS since 1986, and has held a variety of senior Executive roles, including as Executive Director of Nursing and Operational Director for Learning Disability Services at Northamptonshire Healthcare Trust, Deputy Director of Commissioning for Primary Care at NHS Bedfordshire and Director of Community Services and Lead Nurse for South Essex Partnership University NHS Foundation Trust, a role she retired from in July 2017. Since then, Helen has been operating in an interim consultancy capacity, working with the North Central London STP as Programme Director for the Care Closer to Home programme across five CCGs, and is currently at Hertfordshire Partnership Foundation Trust. She has also worked for the Department of Health, and in advisory roles for the CQC and at a Governmental level. She lives in South Northamptonshire.

Heidi Travis, non-executive director
(Chair, Finance and Investment Committee)

Heidi joined the Trust in March 2018. She joined Sue Ryder in March 2010 as Director of Retail and took on the role of Chief Executive in September 2013. Previously, Heidi had worked as a business consultant developing small businesses. Before that, she spent 25 years at Marks & Spencer, most recently as an executive in group planning and strategy as well as managing a buying group. Heidi also worked as a lay member of the Aylesbury Vale CCG until 2013. She became a non-executive director for Bucks PCT (now Bucks NHS) in 2008 and chairs a Bucks speech and language therapy group. She lives in Milton Keynes.

John Clapham, non-executive director

John is a Pro Vice Chancellor of the University of Buckingham, and he represents the university on the MKUH Board. He has a background of working in the higher education industry and in biomedical research within the pharmaceutical industry. One of the founder team of the University of Buckingham Medical School, he has expertise in project management, pharmaceutical research, biomarkers, molecular biology, biotechnology, and people management. He is a strong research professional with a PhD focused on Biochemistry and Molecular Biology from Birkbeck College, University of London.

Nicola (Nicky) McLeod, non-executive director

Nicky joined the Trust in February 2019. She qualified as a general nurse in London, and later went on to work in sales and marketing roles within the pharmaceutical industry. 11 years later, she moved back into direct healthcare, taking up a role in Cygnet Health Care, an independent mental health care provider. After 11 years in that organisation, she became its Chief Operating Officer, with responsibility for 22 hospitals nationally. Nicky has a focus and a passion for organisational culture based on values and extensive experience in in-patient specialist mental health services. She lives in Northamptonshire.

Executive Directors

Joe Harrison, Chief Executive

Joe joined the Trust as chief executive in February 2013. He was formerly chief executive at Bedford Hospital, and has over 30 years' experience of working in the acute sector of the NHS, covering both big teaching hospitals and district general hospitals. He has a track record of improving patient safety and the quality of services, using technology to enable the workforce and support patients.

John Blakesley, Deputy Chief Executive

John has over 40 years' experience in the healthcare sector, with over 30 in the NHS. His career started in pathology, before moving into general management. He has over 20 years of experience at director level including roles as director of performance and delivery and deputy chief executive as well as director of market management (commissioning for a large PCT). In addition, John has experience of the commercial sector both in management consultancy and as Chief Operating Officer to a specialised surgical company. He has a particular interest in using data and information systems to improve patient care and decision-making.

Kate Jarman, Director of Corporate Affairs

Kate has substantial experience as a communications professional and company secretary and has worked on and with boards in the acute health sector and police and criminal justice agencies. Before joining Milton Keynes University Hospital as director of corporate affairs with responsibility for integrated governance and assurance, membership and corporate communications, Kate spent a number of years at Bedford Hospital, latterly as associate director of corporate affairs and communications and company secretary. Kate is passionate about staff and patient engagement, leadership, culture and about developing integrated governance systems to support the delivery of safe, effective, high quality care.

Mike Keech, Director of Finance

Mike joined the Trust as Director of Finance in December 2016. He is a qualified Chartered Accountant (ACA) and is a member of the Institute of Chartered Accountants in England and Wales (ICAEW). Mike has significant experience of NHS finances, having started his career as an external auditor of NHS foundation trusts before taking on a range of finance and strategy roles at the healthcare regulator NHS Improvement (previously Monitor). Prior to arriving at the Trust he was heavily involved in supporting challenged health economies in developing plans to return to a sustainable position. His roles have included leading on the financial analysis across Sustainability and Transformation Plan (STP) footprints and supporting NHS Improvement's work in a number of NHS organisations.

Danielle Petch, Director of Workforce

Danielle joined the Trust as Director of Workforce in July 2018 from Rotherham NHS Foundation Trust. She has also previously worked at a PCT, a mental health and community Trust and a London teaching hospital. Danielle is a member of the CIPD, holds an MBA from Durham University, a BSc (Hons) in computer science from the University of St Andrews, and has completed the NHS Leadership Academy's Nye Bevan programme. Throughout her career, Danielle has led on a variety of initiatives to maximise workforce efficiency and staff experience. She is passionate about creating a diverse, inclusive and rewarding work environment and is committed to the efficient delivery of HR services, including making the best use of technology to drive service development. Danielle won an HPMA Award in 2018 for this work. Her strategic focus is to recruit, develop and retain the workforce required today and for the future.

Caroline Hutton, Director of Clinical Services

Caroline joined the Trust in 2013 to lead on transformation and was appointed substantively to the role of director of clinical services, responsible for operational management, in October 2014. She is a registered nurse with over 30 years' NHS experience and has held a number of senior positions both operationally and clinically, working across all healthcare sectors, including the leadership and delivery of complex cross-organisational projects and programmes across London and the South of England. Caroline also has significant experience of working in partnership with private sector organisations and commercial and legal teams from her leadership positions with the National Programme for IT. She is passionate about encouraging collaborative teamwork to develop and implement new and innovative approaches to the delivery of patient care, harnessing the benefit of technology to improve healthcare and encouraging a data driven approach to operational planning and delivery.

Emma Goddard, Director of Service Development *(on secondment to the BLMK ICS from November 2016)*

Emma was appointed in December 2014 as director of service development. She has held various senior operational posts across a number of NHS hospitals, and has significant experience of clinical services within the acute sector, and partnership working with commissioners, primary care services and the private sector. Prior to joining Milton Keynes University Hospital, Emma spent some years working as chief operating officer at Bedford Hospital. She also spent some time working as interim director of operational performance, responsible for the day to day running of the sites and supporting the Foundation Trust applications at Hillingdon Hospitals.

Lisa Knight, Chief Nurse and Director of Patient Care

Lisa was appointed as chief nurse and director of patient care in October 2012.

She brought a wealth of experience gained from a range of nursing disciplines. Having trained and spent the first few years of her career at hospitals in north London, Lisa spent a year at an acute medical oncology unit in Toronto. On her return to the UK, Lisa pursued her interest in burns and plastic surgery care, working in units at University College Hospital and the Royal Free Hospital, utilising her postgraduate diploma in this specialty.

She worked as operations manager for surgery at Chase Farm Hospital, covering anaesthetics, operating theatres and intensive care. This was followed by roles at North Middlesex as senior nurse for the A&E and medicine; interim deputy chief nurse at Epsom and St Helier; and interim chief nurse at Addenbrooke's. Her particular nursing interests include developing effective pathways for the care of the elderly, safeguarding adults and managing the needs of patients with dementia.

Dr Ian Reckless, Medical Director

Ian was appointed as Medical Director in April 2016. He trained at St George's Hospital Medical School, London and undertook postgraduate training in the Oxford area. Ian worked as Special Adviser to the Healthcare Commission in 2004, and was Special Assistant to the Chief Medical Officer in 2005/06. He was appointed Consultant Physician and Senior NIHR Research Fellow at the Oxford Radcliffe Hospitals NHS Trust, and he later held the roles of Associate Medical Director (Quality) and Clinical Director, Neurosciences at the successor Oxford University Hospitals NHS Foundation Trust. He continues to undertake clinical work both at Milton Keynes and in Oxford, where he remains Honorary Consultant Stroke Physician / Senior Clinical Lecturer at the John Radcliffe Hospital. He also has experience working with commissioning organisations, having served as secondary care doctor on the Governing Body of the Isle of Wight Clinical Commissioning Group until 2017. Ian has a particular interest in postgraduate education, having previously served as Training Programme Director, and has authored books on general medicine, and the interface between medicine and the law.

Members of the Board who also served in 2018/19

Robert Green, *(Non-executive director until December 2018)*

Robert joined the Trust in January 2013 on a four-year appointment. He was reappointed in February 2017 for a two-year term. He is a Chartered Accountant having trained with PwC. Robert has over 30 years board and senior financial experience mostly in the UK, but also in the Far East and US. He was Group Finance Director of Wilson Connolly, a FTSE 250 company based in Northampton. He has an MA in Mathematics from Oxford University and has lived in Milton Keynes for 17 years.

Ogechi Emeadi, *(Director of Workforce until July 2018)*

Before joining the Trust in March 2014, Ogechi was Deputy Director of Human Resources at North Middlesex University Hospital. She has over 20 years' experience working in HR in the NHS, during which time she has delivered on strategic and operational human resources initiatives and on the organisational development agenda. Ogechi is passionate about improving staff health and wellbeing and driving forward staff development.

2.1.3 Balance of Board Members and Independence

At the end of the financial year 2018/2019, the Board of Directors comprised:

- Chairman of the Trust
- Seven further non-executive directors
- The chief executive
- Six further Executive directors
- Two non-voting directors (one who has been on secondment out of the Trust for the duration of the reporting period)

As at 31 March 2019, 47% of the Board of Directors were female (there were eight female and nine male Board members). The Board of Directors reviewed and confirmed the independence of all the non-executive directors (with the exception of John Clapham who represents the University of Buckingham) who served during the financial year 2018/19.

The Board of Directors also considers that the balance of skills and experience of its members is complete and appropriate to address the operational and economic challenges the Trust expects to face over the next few years.

2.1.4 Non-Executive Director Appointments

In December 2018, the second term of office of Robert Green came to an end. All non-executive directors are eligible to serve two terms of office, provided that their maximum tenure does not exceed six years, and Mr Green has therefore left the Board.

The appointment of non-executive directors of the Trust is the responsibility of the Council of Governors. A Non-Executive Appointments Committee of the Council has been established, and for the purposes of the exercise to fill these vacancies its membership comprised of:

- Alan Hastings (lead governor, publicly elected) (Chair)
- Peter Skingley (publicly elected)
- Andrew Buckley (appointed, Milton Keynes Council representative)
- Clare Hill (publicly elected)
- Simon Lloyd (Chairman of the Trust)

The recruitment process commenced in September 2018. An advertisement was placed on the NHS Improvement website inviting applications, and by the time it closed in November 17 applications had been received.

Following a shortlisting meeting, 5 candidates were invited to interviews scheduled for 5 December. All the members of the Non-Executive Appointments Committee were in attendance and they were supported as independent assessor, by David Moore, a non-executive director at Northampton General Hospital NHS Trust, and a former NED of this Trust. On the day of the interviews, all the candidates also took part in stakeholder panel discussions with a number of executive directors and other members of the Council of Governors who were not on the Appointments Committee.

Following this process, the Non-Executive Appointments Committee recommended to the Council of Governors that Nicky McLeod be appointed as a non-executive director of the Trust. This recommendation was accepted and the appointment took effect from 1 February 2019.

During February 2019, the Chairman recommended to the Council of Governors that Andrew Blakeman whose first three year term of office ended on 15 March be reappointed to the Board for three further years. The Council of Governors were cognisant of the guidance set out in the NHS Foundation Trust Code of Governance as below:

> *"B.7.1. In the case of re-appointment of non-executive directors, the chairperson should confirm to the governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role."*

This recommendation was accepted.

A non-executive director may resign from their roles by giving the agreed period of notice in writing to the Chairman and the Council of Governors, and the Chairman may resign by giving notice to the Council of Governors. In addition, the Chairman or any non-executive director may be removed from office on the approval of three quarters of the members of the Council of Governors.

2.1.5 Board, Board-level Committee and Directors' Performance and Effectiveness Review

The Board of Directors meets regularly and has a formal schedule of matters specifically reserved for its decision. This includes high-level items relating to the Trust's strategy and how this is operationalised, its business plans and budgets, regulations and control, and the annual report and accounts. The Board delegates other matters to

the executive directors and senior management as appropriate.

Meetings of the Board of Directors follow a formal agenda, which includes reports and updates on operational performance and against quality indicators set by the Care Quality Commission (CQC), NHS Improvement and by management, strategic issues, financial performance, and clinical governance. The performance measures include the amount of time that patients are required to wait to be treated at the emergency department, lengths of stay, the effectiveness of processes for infection control, patient experience measures, including the timeliness within which complaints are handled, and the results of the Friends and Family Test. The Board also benchmarks its performance against that of other Trusts of a similar size and configuration.

The executive and non-executive Directors recognise the importance of evaluating the performance and effectiveness of the Board of Directors as a whole, the sub-committees of the Board of Directors, and of individual directors. The performance of individual directors is assessed over the course of the year in terms of:

- Attendance at Board and Board committee meetings,
- The independence of individual non-executive directors,
- The effectiveness of the contributions of each executive and non-executive director to the business of the Board and its committees, both in and out of meetings,
- The Board's effectiveness in providing a strategic direction to the Trust and its ability to provide the lead requisite leadership.

In respect of individual appraisals:

- The Chairman undertakes the appraisal of the chief executive and non-executive directors;
- The Chief Executive undertakes the appraisal of the executive directors;
- The Senior Independent Director undertakes the appraisal of the chairman, having sought feedback from the rest of the Board of Directors, the Trust Secretary and from the Governors and key stakeholders
- The Chief Executive discusses and reviews the executive directors' appraisals with the Chairman and the Remuneration Committee.

The process for the appraisal of the chairman and the non-executive directors has been approved by the Council of Governors. Governors evaluate the performance of the Board of Directors as a whole in terms of meeting its targets and communicating with its staff, members and stakeholders.

The evaluation of the Board of Directors' performance in respect of the year ended 31 March 2019 is in process. Evaluation of the committees indicates that they are working well, and the appointment of new Chairs to the Quality and Clinical Risk and Audit Committees has led to a refocusing of both Committees' approach to seeking and gaining assurance on the Board's behalf as to the quality of the services that the Trust provides, and how effectively it manages risk. Improvements made to the overall quality of information provided have led to richer and more in-depth discussions on the key issues, and a greater level of assurance to the committees and the Board.

The Board of Directors ensures that the principles set out in the Well-Led Framework not only inform their work but are also embedded across the organisation. For example, the Board receives regular reports on all aspects Trust performance and ensures that these address each of the eight Key Lines of Enquiry as set out in the Framework. Further detail about the Trust's approach to ensure that its services are Well-Led is set out in the Annual Governance Statement later on in this report.

2.1.6 Attendance at Board meetings

	Board of Directors 12	Audit Ctte 5	Charitable funds Ctte 4	Fin & Invest Ctte 12	Quality & Clinical Risk Ctte 4	Remuneration Ctte 2	Workforce Development Assurance Ctte 4	Council of Governors 5
Andrew Blakeman	10	5			4	2	4	1
John Blakesley	10	2		3				
John Clapham	9					2	2	
Parmjit Dhanda	10		4		3	2		2
Ogechi Emeadi	6					1	1	
Emma Goddard*								
Robert Green	9	4				1		3
Joe Harrison**	10	1		9	1	2	1	4
Caroline Hutton	7				1			
Kate Jarman	9	5	4		4			1
Mike Keech	11	5	4	12				2
Lisa Knight	10				3			2
Simon Lloyd	11		3	11	1	2	3	5
Tony Nolan	12			10		2	4	1
Ian Reckless	11			7	4		3	2
Helen Smart	9	4			4	2		2
Heidi Travis	10		4	12		2		4
Danielle Petch	7				1	1	3	2
Nicky McLeod (from Feb 2019)	2				1	1		

**On secondment to BLMK STP from November 2017. There is no expectation that Emma Goddard will attend any MKUH board or committee meetings during the course of this secondment.*

*** As Chief Executive, Joe Harrison is only invited to attend 1 Audit Committee meeting a year, for the sign-off of the Annual Report and Accounts*

2.1.7 Detail of Company Directorships and Other Significant Interests Held by Directors or Governors

During 2018/19, the following Board members held other company directorships or other significant interests:

- The Chairman, Simon Lloyd, was Chairman of Abbey National Treasury Services PLC.
- Three members of the Trust Board: John Blakesley, Ian Reckless and Mike Keech were directors of ADMK Ltd, the Trust's wholly owned subsidiary.
- Nicky McLeod held another NHS non-executive directorship, at Northamptonshire Healthcare NHS Foundation Trust.
- Tony Nolan held directorships of Cathedral Homecare Ltd and UK Business Transformation Ltd.

2.1.8 Board Register of Interests

The Trust maintains three registers of interests. The first includes interests of all directors; the second interests of the Council of Governors, and the third relates to members of staff regarded as Decision Makers within the organisation but are not members of the Board of Directors. The register relating to Decision Making staff contains only their job titles and not their names. All three registers are held on the Trust website.

An annual report is made to the Trust Board regarding the interests of executive directors and non-executive directors. In addition, executive and non-executive directors are required to declare any potential conflict of interest that they may have in respect of any item on a Trust Board or Board Committee agenda. In the event that it is decided either by the Trust chairman or the chair of the committee that a conflict does in fact exist, the Board or committee member would be instructed to excuse themselves from the discussion of that particular item.

2.1.9 Audit Committee

The Audit Committee's key role is to ensure that the Trust has an adequate and effective system of internal controls. The Committee focuses on the establishment and maintenance of controls that are designed to give the Board reasonable assurance that the Trust's resources are safeguarded, waste and inefficiency limited, and that reliable information is produced to demonstrate that value for money is constantly sought.

The key responsibilities delegated by the Board to the Committee are to:

- Ensure the effectiveness of the organisation's governance, risk management and internal control systems,
- Ensure the integrity of the Trust's financial statements, the Trust's Annual Report and in particular the Annual Governance Statement, and
- Monitor the work of internal and external audit and ensure that any actions arising from their work are completed satisfactorily.

The Audit Committee is chaired by Andrew Blakeman, a non-executive director of the Trust. As indicated above, Mr Blakeman has relevant financial experience, and therefore has the skills and knowledge to effectively perform this role. During the course of 2018/19, the other permanent members of the Committee were Robert Green, who chaired the Committee until his departure from the Board in December 2018, and Helen Smart. The Committee met five times during 2018/19, and at each meeting it considered the work of the internal audit function, the work of the external auditors, including the framework within which they conduct the audit of the Trust's financial statements and its Quality Report indicators, and any issues that they wished to raise both in the course of the audits and following the conclusion of their work. The Committee also considered the work of the Trust's counter-fraud team, taking account of fraud trends that the Trust needs to be aware of, and steps being taken to raise fraud awareness across the Trust. It also considered a list of all debts that are to be written off; updates to the International Financial Reporting Standards and accounting policies, and the Trust's overall approach to risk management, including consideration of the board assurance framework and corporate risk register.

During the course of the year, the Trust engaged the services of RSM as its internal audit provider, and the Audit Committee agreed the internal audit work plan as put forward by the firm. It also received draft and final reports of their reviews, including reviewing management responses, and it ensured that recommendations arising out of reviews carried out by the previous internal audit providers were being carried forward. With regard to the external audit function, the Committee agreed with the external auditor the nature and scope of the of the audit as set out in their annual plan, discussed the auditors' evaluation of the audit risks and assessment of the Trust, and the impact of this on the audit fee set.

During the course of the year, the Committee maintained its focus on quality of the data that the Trust generates and relies in support of its operational activities. At each of its meetings in 2018/19, the Committee received and gave detailed consideration to updates received on the steps being taken to improve the accuracy of Referral to Treatment (RTT) counting, and the recording of pathway clock stops, and the correctness of the clock start and stop times for patients attending the Accident and Emergency Department. This was in line with the action plan emerging from findings from the external audit providers in their testing of performance indicators as mandated by NHS Improvement.

The Audit Committee received regular updates from the Trust's counter-fraud providers during 2018/19. The particular focus was on fraud prevention, the building up of awareness among staff as to what constituted fraud, and steps to be taken to combat it. The Trust also continued to develop a more proactive approach to ensuring that payment is recovered from overseas patients who are not entitled to free care. In addition, in 2018/19, the Audit Committee reviewed arrangements that allow staff and other individuals to raise concerns that they might have about possible improprieties in matters of financial reporting and control, clinical quality, patient safety and other matters. Further details of this aspect of the Committee's work is included in the Quality Report at page 122.

The Audit Committee received assurance through the Head of Internal Audit Opinion on the Trust's internal control environment and approach to identifying, assessment and mitigation planning to risks. This was supported by in year and year end reviews.

The Audit Committee reviews auditor independence both as part of its scrutiny of the annual report and accounts, and as part of its annual review of the auditors' work. The Committee has also engaged regularly with the external auditors throughout the year, including in private session. The Committee is satisfied that to the best of its knowledge, there are no issues that compromise the external auditors' independence. The Chair of the Committee regularly discusses the effectiveness of both internal and external auditors with the Director of Finance, and as part of this process, the Chair of the Committee has also met privately with the external auditors during the course of the year.

Deloitte have provided external audit services to the Trust since April 2012 when it was engaged on a five-year contract. In December 2016, the Council of Governors commenced the process, through an open procurement competition, of appointing new auditors. In May 2017, the Council of Governors agreed that Deloitte would be reappointed as the Trust's external auditors with effect from July 2017.

For the 2018/19 audit, the Trust incurred statutory audit fees of £70,000 (excluding VAT) and an additional fee of £5,000 (excluding VAT) for the quality accounts limited assurance work. No additional auditor remuneration was incurred during the year.

The following steps were taken during 2018/19 to ensure that auditor objectivity and independence is safeguarded:

- At each meeting of the Audit Committee attended by the external auditors they were asked to declare any interests that they may have in any of the items on the agenda. No such declarations were made.
- The external auditors have confirmed their compliance with the APB Ethical Standards for Auditors, and do not consider that their professional judgement or objectivity has been compromised.
- The Trust and the auditors ensured that fees for the provision of non-audit services by the external auditors did not exceed 70% of the audit fee, as mandated by the updated Auditor Guidance Note 1 issued in December 2016. The external auditors also did not perform any of the prohibited non-audit services set out in the guidance note. Details of the fees that were charged for non-audit work have been disclosed in the external auditors' report, and no further fees were charged.
- The external auditors have continued throughout the year to review their independence and ensure that appropriate safeguards are in place. These include the involvement of additional partners and professional staff to carry out reviews of the work performed and to advise as necessary.

2.1.10 Remuneration Committee

The Remuneration Committee is a sub-committee of the Trust Board. It is chaired by the Trust Chairman and comprises all the non-executive directors. The Committee meets as required, but its terms of reference recommend that this should be at least twice a year. Its main role is to agree the salaries and remuneration packages of the chief executive and the executive directors. The chief executive and the director of workforce attend the meeting but leave when discussions about their own positions are to be held.

The Remuneration Committee met on two occasions in 2018/19.

2.2

Council of Governors

The Council of Governors is responsible for representing the interests of NHS Foundation Trust members, the public, and members of staff, and together with partner organisations of the Trust, it shares information about key decisions with the membership.

The Board of Directors reports to the Council of Governors on the performance of the Trust and its progress against agreed strategic and corporate objectives, and consults on its future direction. In particular, the Council of Governors holds the non-executive directors to account for the performance of the Board.

Governors report matters of concern or interest raised at local health events or constituency meetings to their counterparts and to the directors. Members of the public have the opportunity to raise questions addressed to the Governors, directors or any other staff members in attendance at the local health events or Council of Governor meetings.

All non-executive and a number of executive directors are asked to attend the Council of Governors' meetings to gain an understanding of Governors' and Members' views, answer questions raised and also to update Governors about the activities of the Board and its Committees. Other staff are often also attend to provide assurance or to report on progress on matters of interest.

Developing and maintaining effective relationships with the non-executive directors has remained a key priority in 2018/19. In November 2018, a joint training session, delivered by NHS Providers, and focusing on the respective roles and responsibilities of Governors and non-executive directors, was held, and this was well received.

The Council of Governors is responsible for non-executive director appointments, and during 2018/19, they appointed one new Non-Executive Director, Nicky McLeod. They also approved the appointments of Tony Nolan and Andrew Blakeman as vice-chairman and Senior Independent Director respectively.

The Council of Governors also contributed to and gave initial approval for a number of changes to the Trust's Constitution. Final approval was subsequently given at the Annual Members Meeting held in September 2018.

To enable the Council of Governors to effectively exercise their statutory duties, the Board of Directors ensures that the Council receives the Annual Report and Accounts, is consulted on the content of the Quality Account and receives management reports detailing Trust performance in all areas. Presentation of the 2017/18 Annual Report and Accounts took place at the Council of Governors' meeting in July 2018.

During 2018/19, the Council of Governors took advantage of a number of formal and informal opportunities to engage with the Trust membership, with a view to seeking their views on the Trust's performance, plans and priorities. For example, in July 2018, a 'Meet the Members' event was hosted by the Council of Governors and staff, the focus of which was on eCare, the hospital's electronic patient record system and the improvements that this system is expected to introduce to the effectiveness and safety of patient care.

Feedback received by governors from these and other interactions with Trust members and the public was reflected in their comments on the Trust's Annual Plan and the Patient Experience Strategy.

2.2.1 Membership of the Council of Governors

The Council of Governors is chaired by the Trust chairman. It consists of 15 governors elected by public members of the Trust (one vacancy as at 31 March 2019), each representing a geographic constituency, seven governors elected by staff of the Trust (three vacancies as at 31 March 2019), and six appointed governors (two vacancies as at 31 March 2019). The roles and responsibilities of the Council of Governors are set out in the Trust Constitution and in the Council of Governors' Standing Orders.

The table at Appendix 2 lists the governors and their attendance record at the five Public Council of Governors meetings that took place in the year.

In light of its status as a University Trust, the Constitution has been updated to allow for a representative from the University of Buckingham to join the Council of Governors as an appointed governor.

2.2.2 Register of Governors' Interests

A register of governors' interests is maintained by Milton Keynes University Hospital NHS Foundation Trust and is published on the Trust website.

2.2.3 Lead Governor

The Council of Governors are required nominate one from among their number to take on the role of Lead Governor. The Lead Governor's formal role is to act as a point of contact with NHS Improvement in the extreme and unlikely event that serious concerns emerge about the board leadership of the Trust, or the processes used for appointing the chairperson or non-executive directors, such that NHS Improvement is contemplating using its formal powers to remove the chair person or non-executive directors. At MKUH, the lead governor also acts as vice-chair of the Council of Governors and may chair meetings of the Council in the Chair's absence. The lead governor normally also chairs the Non-Executive Appointments Committee. Alan Hastings, a publicly elected governor representing the Bletchley constituency was nominated as lead governor in May 2018 on an 18-month tenure.

2.2.4 Elections

In 2018/19 elections were held for the following seats on the Council of Governors.

The Trust commissioned the services of UK Engage to undertake the election process. 2018/19 saw a continued rise in the number of contested elections and overall turnout.

Date	Constituency (see Appendix 1 for key)	Result
April 2018	**PUBLIC:** Bletchley & Fenny Stratford, Denbigh, Eaton Manor and Whaddon	Alan Hastings (re-elected)
November 2018	**PUBLIC:** Stantonbury, Stony Stratford and Wolverton	Carolyn Peirson (re-elected)
November 2018	**PUBLIC:** Walton Park, Danesborough, Middleton and Woughton	Clive Darnell (elected)
November 2018	**PUBLIC:** Hanslope Park, Olney, Sherington, Newport Pagnall	Brian Lintern (elected)
November 2018	**PUBLIC:** Linford South, Bradwell and Campbell Park	Ekroop Kular (elected)
November 2018	**STAFF:** Non Clinical (Admin & Clerical, Estates, Finance. HR, Management).	Michaela Tait (nominated)

2.2.5 Governor Development

Milton Keynes University Hospital NHS Foundation Trust is committed to supporting the members of the Council of Governors in carrying out their roles effectively. In addition to the joint Governor and Non-Executive Director training event in November 2018, governors were provided with other development and knowledge-building opportunities during the year. These included a presentation on cyber security delivered by the Associate Director of IT in July 2018, and a session on eCare in the same month. In addition, the Trust has supported engagement by the current lead governor with his counterparts across the East of England region, with a view to gaining and sharing best practice and new ideas, particularly in relation to member engagement and development.

The format for the Council of Governors meetings has continued to develop and in 2018/19 has included presentations on topical issues within the Trust. Governors receive summary reports of the deliberations at Board Committee meetings and are updated on key messages from Management Board meetings. Verbal updates from the Chairman and Chief Executive also highlight key messages from Board meetings and keep governors abreast of important developments within the wider NHS.

In the course of the year, governors have maintained their interest in understanding the experience of patients who use the hospital's services, with many taking part in '15 steps challenge' visits in which the quality of care provided is assessed from a patient and carer's perspective.to clinical areas. Several governors have also become involved with and contribute to groups across the hospital who are seeking to improve the experience of patients with specific needs, including those with a learning disability and others with impaired mobility. Several governors have also taken part in Patient-Led Assessments of the Care Environment (PLACE) assessments.

Governors are encouraged to attend external events and in 2018/19, a number of governors attended events hosted by Healthwatch Milton Keynes. In the intervals between formal Council meetings, governors meet informally as an engagement group, specifically to develop their approach to engaging effectively with Foundation Trust members within their constituencies and help grow the overall size of the Trust membership. There is an Engagement Strategy in place, for which the group is responsible, and members of Trust staff may be called upon to help support its implementation.

2.2.6 Attendance at Council of Governor Meetings

The Council of Governors has met formally five times during the year, (six including the Annual Members' Meeting held in September 2018). This is in line with the Trust's Constitution and is sufficient to discharge the Council's duties. Following each meeting, the approved minutes are formally presented to the Board. Details of governors' attendance at the five Council of Governors meetings held in 2018/19 are included in Appendix 2.

2.3

Membership

Milton Keynes University Hospital NHS Foundation Trust is committed to establishing and growing an effective membership, and during 2018/19, a number of additional steps have been taken to improve engagement and increase membership.

In 2018/19 extensive work has continued to secure the Trust's membership community by addressing natural attrition and increasing its demographic diversity. Efforts continue to ensure that the database properly reflects the true number of eligible staff and public members. This has enabled efficient, effective communication to be made in the most convenient way to members and broadened the involvement of the public membership.

In 2018/19 the Meet the Members events, which have proved popular for members, were continued. The 'Member's News' a free newsletter, providing a brief summary of key events at the hospital, giving dates of events and meetings and providing details of all publicly elected, staff and appointed governors, was also published in June 2018.

2.3.1 Number and Analysis of Members

	2017/18	2018/19
Public constituency		
At year start 1 April	5536	5550
New members	101	15
Members leaving	87	101
At year end 31 March	5550	5464
Staff constituency		
At year start (1 April)	2821	2927
At year end (31 March)	2927	2722
Public constituency: Age (years)		
0-16	1	6
17-21	46	29
22+	2101	2102
Not declared	3402	3327
Public constituency: Ethnicity		
White	4350	4284
Mixed	94	81
Asian or Asian British	374	387
Black or Black British	247	249
Other	52	39
Not declared	433	424
Public constituency: Gender		
Male	2180	2144
Female	3370	3320

2.3.2 Membership Constituencies

The Trust has staff and public constituencies and has also appointed a number of governors to represent local stakeholders with whom it works in partnership. The Trust Constitution enables all members of staff who have been appointed to a post for a minimum of twelve months to automatically become members unless they decide to opt out of membership. Members of the public living within the Trust's catchment area who are over the age of 14 and not employed by the Trust are entitled to become public members, and the Trust has been actively working to attract as many local residents as possible to become members and have an involvement with the hospital. To stand for election to become a Governor, applicants must be aged 16 years or over.

The areas of the public constituency and the number of current members are shown below:

Public Constituency	Members
Bletchley and Fenny Stratford, Denbigh, Eaton Manor and Whaddon	1077
Emerson Valley, Furzton, Loughton Park	794
Linford South, Bradwell, Campbell Park	816
Hanslope Park, Olney, Sherington, Newport Pagnell North, Newport Pagnell South, Linford North	658
Walton Park, Danesborough, Middleton, Woughton	834
Stantonbury, Stony Stratford and Wolverton	755
Outer catchment area: - (Buckingham, Winslow, Leighton Buzzard, Linslade, Woburn Sands, Hanslope, Old Stratford, Beachampton, The Horwoods, The Brickhills, Woburn)	405
Extended catchment area, that includes the remainder of the county area of Northamptonshire, Buckinghamshire and Bedfordshire (not already covered in the outer catchment area) the unitary council area of Luton and the district council areas of Cherwell, Oxford City and South Oxfordshire.	125
Total	**5,464**

The Trust currently has 5464 public members and 2927 staff members on its membership register. The total membership is therefore 8391.

2.3.3 Membership Recruitment and Engagement

The Trust has continued to make efforts to grow and engage with its membership, with members of the Council of Governors, through their Engagement, taking an active role in recruiting new members.

2.3.4 Contacting the Council of Governors

Anyone wishing to contact the Council of Governors or enquire about becoming a member can do so in writing or by using a dedicated membership email address Foundation.Members@mkuh.nhs.uk. Contact can also be made directly by telephoning the Trust Secretariat Office on 01908 996234.

2.4

Patient Care

The Trust has continued to improve care quality and patient services, with examples in the performance and quality reports. The Trust monitors quality and key targets closely, with detailed narrative and data available in the performance report and dashboard.

2.5.1 Care Quality Commission Inspections and Action Plans

The Trust had an unannounced focused CQC inspection on 12, 13 and 17 July 2016 to check how improvements had been made in urgent and emergency care, end of life care and maternity services.

The other areas of Surgery, Critical Care, Children's Services and Outpatients were not inspected and so their ratings remain from the previous inspection in October 2014. All of these services were rated as "Good" at that time.

Overall Ratings for Milton Keynes University Hospital:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires improvement	Good	Good	Good	Good	Good
Medical care	Requires improvement	Good	Good	Good	Good	Good
Surgery	Good	Good	Good	Good	☆ Outstanding	Good
Critical care	Good	Good	Good	Good	Good	Good
Maternity and gynaecology	Good	Good	Good	Good	Good	Good
Services for children and young people	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	Not rated	Good	Good	Good	Good
Overall	Requires improvement	Good	Good	Good	Good	Good

Key findings from the report:

- All staff were compassionate about providing high quality care
- The emergency department was meeting the four hour target with clear escalation processes to allow for proactive plans to be put into place for patient flow.
- The HSMR 9 Hospital standardised mortality (ratio) was significantly better than the expected rate.
- Improvements had been made in the completion and review of patients "do not attempt cardio pulmonary resuscitation" forms.
- There was a lower rate than the average of neonatal deaths. The Maternity Improvement Board was monitoring this to make further improvements to the service.
- Staffing levels were appropriate and met patients' needs at the time of the inspection
- Staff morale was positive and staff spoke highly of the support from their manager
- Local ward leadership was effective and ward leaders were visible and respected.

Areas of outstanding practice:

The Medical Care Service had a proactive elderly care team that assessed all patients over 75 years old.

The Medical Care Service ran a dementia café to provide emotional support to patients living with dementia and their relatives.

Ward 2 had a dedicated bereavement box that contained soft lighting and furnishings to provide a homely environment for patients requiring end of life care.

Areas of compliance or enforcements actions:

The Trust received no notifications of compliance or enforcement actions as a result of this report.

Areas were identified for improvement, and the Trust took immediate action to ensure those recommendations were acted upon:

- The emergency department did not comply with guidance relating to both paediatric and adult mental health facilities
  The Trust has built a dedicated mental health assessment room and improved its security to the paediatric emergency department.
- Staff patients and visitors did not appear to observe the handwashing protocols in the emergency department
  The Trust has introduced more regular audit of the handwashing protocols in the department
- The non-invasive ventilation policy was out of date
  This has been re written and approved
- The Medical Care Service did not have a policy for dealing with outlying patients
  This has been updated due to recent ward reconfigurations.
- In the maternity service examples were shared of inappropriate behaviours and lack of teamwork at consultant level in the service. These behaviours were not observed during the inspection
  The Trust has invested in multi-disciplinary leadership and human factors training which includes all of the consultant body. In addition timetables have been rescheduled to allow for team meetings and more multi-disciplinary ward rounds
- Not all medical staff in maternity had completed the required level of safeguarding children's training
  Compliance is presently over 90%
- There was poor compliance with assessing the risk of venous thromboembolism in the maternity service.
  A new process is now in place.

2.5.2 Improvements in Patient/ Carer Information

The Trust has adopted the Patient Accessible Information Standard and continually seeks opportunities to improve patient and carer information to improve access to care and services and support decision-making.

2.5.3 Information on Complaints Handling

The Trust has a complaints and patient advice and liaison service to co-ordinate the investigation, response and resolution of complaints within statutory timeframes. The Trust is continually seeking to improve the way in which complaints and issues are managed, particularly in involving and empowering patients and families more effectively through the complaints process.

2.5.4 Stakeholder Relations

The Trust's policy is to engage, involve and consult with the public, patients, carers and other stakeholders on improving the care we provide. We do this by finding out what our patients and other stakeholders think about the care they have received and, through our Council of Governors, asking for views on our longer-term plans. Members are not just informed of issues regarding the Trust but are actively involved in shaping services.

While the main forum for representing the interests of patients, carers, employees and the local community is through the Council of Governors, we have started a number of initiatives to open up channels for the wider community. For example, we held our first Big Conversation which provided both staff and local residents the opportunity to hear first-hand what is happening at the hospital as well as an opportunity to ask executives questions on current issues and developments.

Milton Keynes Clinical Commissioning Group

The Trust has established a working relationship with the CCG for contract negotiations and longer term health care planning.

Health and Adult Social Care Select Committee

The chief executive, the chairman and governors have continued to keep the elected representatives of Milton Keynes Council and in particular, the Health and Adult Social Care Committee appraised of service issues at the Trust. The Council have continued to support the strategic direction of the Trust. In addition, the Council has a representative on the Council of Governors, Councillor Andrew Buckley.

Health and Wellbeing Board

The Chief Executive represents the Trust on the Health and Wellbeing Board and reports any issues back to the Trust Board and governors, as appropriate.

Milton Keynes Adult Safeguarding Board

The Trust is an active member of the Milton Keynes Safeguarding Adults Board, the local group responsible for overseeing Safeguarding. It is a multi-agency group with representatives from the council, health services, police, voluntary sector and independent inspection and regulation services.

Healthwatch Milton Keynes

Throughout 2018/19 collaboration continued as appropriate between the Council of Governors and Healthwatch Milton Keynes. The remit of both the Council of Governors and Healthwatch is complementary; both bodies representing the health interests and concerns of and people of Milton Keynes and surrounding areas. The Chief Executive of Healthwatch Milton Keynes is an appointed member of the Trust's Council of Governors and another governor is a co-opted member of the Healthwatch Milton Keynes Management Board. Participation has been undertaken in various events including involvement from Healthwatch at the Governors' Annual Members' Meeting and Governors involvement in the Health event held at the centre: MK with stalls on diagnostic services, patient experience and membership.

2.5.5 Other Patient and Public Involvement Activity

The Trust has a diverse range of patient and public involvement activity and has significantly developed opportunities for involvement throughout the year. Examples include the '15 Steps Challenge initiative; the Big Conversation; engagement workshops and public meetings on the ICS; PLACE assessments; and patient and carer stories at the Board and Council of Governors.

Political and Charitable Donations

There have been no political donations made by the Trust or charitable donations of the nature specified in the regulations made during the financial year. The Trust continues to benefit from charitable donations from its charity, Milton Keynes Hospital Charity, and is grateful for the efforts of fundraisers and members of the public for their continued support.

Better Payments Practice Code and Public Contracts Regulation

The Trust's policy is to pay its suppliers in accordance with its contractual terms and has, in most cases, complied with the Better Payments Practice Code. Whilst the Trust's achievement of the BPPC target has reduced in the year, invoices paid within 33 days were 89% (61,731 in volume) and 92% (£116,745,270 in value). The split between NHS and non-NHS invoiced is detailed in the tables below.

Income Disclosures Required by Section 43(2A) of the NHS Act 2006

Income disclosures are included in the notes to the accounts.

The Trust can confirm that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purpose. This is in accordance with Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

2.6. Statement as to Disclosure to the Auditors

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is not aware. They also confirm that they each have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that Deloitte LLP is made aware of such information.

For the Year Ended 31st March 2019			
	Number of Invoices Paid within 30 days	**Total Number of Invoices Paid**	**% Number paid within 30 days**
NHS	1,234	2,205	56%
Non NHS	50,820	67,381	75%
Total	**52,054**	**69,586**	**75%**
	Value of Invoices Paid within 30 days	**Total Value of Invoices Paid**	**% Value paid within 30 days**
NHS	4,079,965	7,275,273	56%
Non NHS	104,673,879	120,165,368	87%
Total	**108,753,844**	**127,440,641**	**85%**

For the Year Ended 31st March 2018			
	Number of Invoices Paid within 30 days	**Total Number of Invoices Paid**	**% Number paid within 30 days**
NHS	1,325	1,986	67%
Non NHS	69,061	75,470	92%
Total	**70,386**	**77,456**	**91%**
	Value of Invoices Paid within 30 days	**Total Value of Invoices Paid**	**% Value paid within 30 days**
NHS	3,239,141	5,558,063	58%
Non NHS	115,288,635	121,843,697	95%
Total	**118,527,776**	**127,401,761**	**93%**

The Trust did not pay any interest under the Late Payment of Commercial Debts (Interest) Act 1998; the requirements under Section 113(7) of the Public Contract Regulations are available on the Trust's website.

2.7

Remuneration Report

The Remuneration Report describes how the Trust applies the principles of good corporate governance in relation to directors' remuneration, as required by the Companies Act 2006, Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, and the NHS Foundation Trust Code of Governance.

The Remuneration Report comprises three parts:

1. Annual statement on remuneration
2. Senior managers' remuneration policy
3. Annual report on remuneration

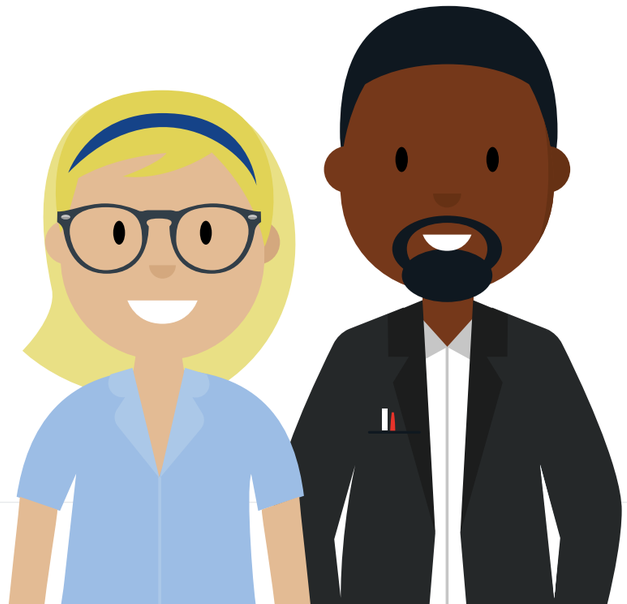
2.7.1 Annual Statement on Remuneration

For the period until 31 March 2019 there were no Trust Board members employed via non-payroll means.

Several Board level changes took place in 2018/19. Ogechi Emeadi left her role as Director of Workforce in July 2018 and was replaced by Danielle Petch who came into post on 10 July 2018 initially on a fixed terms basis and then substantively in January 2019. Emma Goddard continued her secondment to the BLMK ICS, now in the role of Acting Managing Director. As a result of the change to her role from Programme Director, the Remuneration Committee agreed to an increase in salary. Ms. Goddard's total remuneration continues to be recharged to the BLMK ICS.

There were eight non-executive and nine executive directors on the Board of Directors in 2018/19. Robert Green left the Board in December 2018 having completed two full terms totaling six years, and Nicky McLeod was appointed as non-executive director on 1 February 2019.

In line with the Secretary of State for Health's request in his letter of 2 June 2015, the Chief Executive personally scrutinised and approved the remuneration of very senior managers (executive directors) to ensure that they are necessary and justifiable.



2.7.2 Senior Managers' Remuneration Policy

Future Policy Table					
Item	**Salary/Fees**	**Taxable Benefits**	**Annual Performance Related Bonus**	**Long Term Related Bonus**	**Pension Related Benefits**
Support for the short and long term objectives of the Foundation Trust	Ensure the recruitment and retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	None paid	None paid	Ensure the recruitment and retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Paid in even twelfths	None disclosed	None paid	None paid	Employee and employer contributions
Maximum payment	As set out in the Accounts	None disclosed	None paid	None paid	Not applicable
Framework used to assess performance	Trust appraisal system	None disclosed	None paid	None paid	Not applicable
Performance measures	Tailored to individual posts	None disclosed	None paid	None paid	Not applicable
Amount paid for minimum level of performance and any further level of performance	Salaries are agreed on appointment and set out in the contract of employment	None disclosed	None paid	None paid	Not applicable
Explanation of whether there are any provisions for recovery of sums paid to directors or provisions for withholding payments	Any overpayments may be recovered	None disclosed	None paid	None paid	Not applicable

Non-executive Directors are appointed on fixed terms contracts, normally three or four years in length, and they do not gain access to the Pension Scheme as a result of this engagement.

The fee payable to Non-executive Directors is set out in the table on page 56. They do not receive any other payments from the Trust.

2.7.2.1 Service Contract Obligations and Policy on Payment for Loss of Office

All executive directors are employed on permanent or fixed term contracts and are required to give six months' notice to terminate their contract. In line with NHS Employers' guidance, the notice period for the trust's very senior managers (VSMs) is six months. Terms of each of the non-executive directors are given in the details of the Board members below.

Payment for loss of office is covered within contractual notice periods and standard employment policies and legislation. The Trust has made no provision for compensation for early termination and no payment for loss of office for senior managers.

2.7.2.2 Trust's Consideration of Employment Conditions

Other members of staff who are not Board members are employed on agenda for change terms and conditions and any percentage pay increases are applied in accordance with national agreements. The Remuneration Committee agrees senior managers pay and conditions following consideration of benchmarking information on comparable roles. It is through this benchmarking that the pay for senior managers above the level of £150,000 was maintained for 2018/19. Employees of the Trust are not consulted on senior manager remuneration.

2.7.3 Annual Report on Remuneration

The Remuneration Committee is a sub-committee of the Trust Board. It is chaired by the Trust Chairman and comprises all the non-executive directors (names of non-executive directors are listed in the table below). The Committee meets as required, but its terms of reference recommend that this should be at least twice a year. Its main role is to agree the salaries and remuneration packages of the chief executive and the executive directors. The Chief Executive and the Director of Workforce attend the meeting but leave when discussions about their own positions are to be discussed.

The Remuneration Committee met on two occasions in 2018/19. Information on attendance is contained within the Directors' Report.

The Trust reviewed its remuneration practice relating to executive directors during 2018/19 and has agreed a remuneration policy and strategy. The policy reflects recent practice of not linking director pay progression to individual performance and of not having performance related bonuses. Both local and national benchmarking information regarding remuneration will continue to be provided to the remuneration committee. Further, in line with the Secretary and State for Health's letter of 2 June 2015 to chairs of NHS Trusts, the Trust reviews the amounts paid to directors to ensure that they are necessary and justifiable. The Chairman personally scrutinises and approves any new very senior manager appointment in the Trust.

2.7.4 Tenure and notice periods of Board of Directors

Non-Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Simon Lloyd	Chairman	May 2015	April 2021	1 month
Tony Nolan	Non-executive director	March 2014	Feb 2020	1 month
Andrew Blakeman	Non-executive director	Feb 2016	Mar 2022	1 month
Parmjit Dhanda	Non-executive director	March 2017	March 2020	1 month
Helen Smart	Non-executive director	March 2018	Feb 2022	1 month
Heidi Travis	Non-executive director	March 2018	Feb 2021	1 month
John Clapham	Non-executive director	March 2018	Feb 2020	1 month
Nicky McLeod	Non-executive director	February 2019	Jan 2022	1 month

Executive Directors

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Joe Harrison	Chief Executive	Feb 2013	N/A	6 months
Lisa Knight	Director of Patient Care and Chief Nurse	Oct 2012	N/A	6 months
Ian Reckless	Medical Director	April 2016	N/A	6 months
John Blakesley	Deputy Chief Executive	Apr 2014	N/A	6 months
Danielle Petch	Director of Workforce	July 2018	N/A	6 months
Mike Keech	Director of Finance	Dec 2016	N/A	6 months
Kate Jarman	Director of Corporate Affairs	May 2014	N/A	6 months
Caroline Hutton	Director of Clinical Services	Oct 2014	N/A	6 months
Emma Goddard	Director of Service Development	Dec 2014	N/A	6 months

Other Board members during 2017/18

Name	Appointment	Date of Appointment	Unexpired Term	Notice period
Robert Green	Non-executive director	January 2013	Tenure ended in December 2018	1 month
Ogechi Emeadi	Director of Workforce	March 2014	Resigned in July 2018	6 months

Details of remuneration, including salaries and pension entitlements of the board of directors are published in section 4.5 in the annual accounts. Details on the median/mid-point and highest paid director are included in this section of the annual accounts. The banded remuneration of the highest paid director in the Trust in the financial year 2018/19 was £200,000-£205,000 (2017/18 £175,000-180,000). This was 6.60 times (2017/18 5.89 times) the median remuneration of the workforce, which was £30,376, (2017/18 £30,424).

The details of other remuneration, travel and assistance for directors and non-executive directors are attached in table 1.

The only non-cash element of the senior managers' remuneration packages are pension related benefits accrued under the NHS Pensions Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme, which apply to all NHS staff.

With the exception of benefits payable under the NHS pension scheme in respect of early retirement (whether this might be actuarially reduced, or ill-health related), no further benefit is payable to a senior manager in the event of their early retirement. Furthermore, no service contract obligations apply which could give rise to, or impact on, remuneration payments or payments for loss of office.

The Trust notes that NHS Pensions are still assessing the impact of the McCloud judgement in relation to changes to benefits in the NHS 2015 Scheme. The benefits and related Cash Equivalent Transfer Values (CETVs) set out on page 60 of this report do not allow for any potential future adjustments that may arise from this judgement.

In preparing its senior managers' remuneration policy, the Trust has benchmarked itself against other medium sized acute trusts and has taken account of national guidance on senior managers' pay.

The Trust's normal disciplinary policies apply to senior managers, including the sanction of summary dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff

The Trust has a policy in place that reviews the employment status of contractors to assess if the contractor is an employee or self-employed as per HMRC's assessment criteria; this has been updated in year to take account of HMRC's amendment to the 'IR35' (personal service company) regulations. The Trust's policy is not to employ anyone through their own company if they do not meet the self-employment status.

2.7.5 Governor Expenses

Governors are permitted to claim an allowance of £10 for any meeting of the Council of Governors they attend or an external meeting that they attend on behalf of the Trust e.g. Healthwatch Milton Keynes Executive. Details of the claims made in 2018/19 are attached at table 2. Details of Governors who held office in 2018/19 are given at Appendix 1.

Salaries & Expenses - Directors Remuneration Statement 2018/19

Name and Title	Year Ended 31 March 2019					
	Salary (bands of £5,000) £000	**Taxable Benefits** (To the nearest £100) £000	**Annual Performance Related bonuses** (Bands of £5,000) £000	**Long term Performance Related bonuses** (Bands of £5,000) £000	**Pension Benefits** (Bands of £2,500) £000	**Total** (Bands of £5,000) £000
Joseph Harrison Chief Executive Officer	200-205	0	0	0	0	200-205
Mike Keech Director of Finance	125-130	0	0	0	20-22.5	150-155
Lisa Knight Director of Patient Care / Chief Nurse	115-120	0	0	0	85-87.5	205-210
John Blakesley Deputy Chief Executive	150-155	0	0	0	0	150-155
Ogechi Emeadi (to July 18) Director of HR & Workforce Development	30-35	0	0	0	75-77.5	105-110
Danielle Petch (from July 2018) Director of HR & Workforce Development	80-85	0	0	0	0	80-85
Ian Reckless Medical Director	190-195	0	0	0	202.5-205	395-400
Emma Goddard Director of Service Development	115-120	0	0	0	32.5-35	145-150
Kate Jarman Director of Corporate Affairs	90-95	0	0	0	32.5-35	125-130
Caroline Hutton Director of Clinical Services	130-135	0	0	0	37.5-40	170-175
Simon Lloyd Chairman	45-50	0	0	0	N/A	45-50
Tony Nolan Non Executive Director	10-15	0	0	0	N/A	10-15
Robert Green Non Executive Director (to 31 December 2018)	5-10	0	0	0	N/A	5-10
Andrew Blakeman Non Executive Director	10-15	0	0	0	N/A	10-15
Parmjit Dhanda Non Executive Director	10-15	0	0	0	N/A	10-15
Helen Smart (from March 2018) Non Executive Director	10-15	0	0	0	N/A	10-15
Heidi Travis (from March 2018) Non Executive Director	10-15	0	0	0	N/A	10-15
John Clapham (from March 2018) Non Executive Director	10-15	0	0	0	N/A	10-15
Nicola McLeod Non Executive Director (from Feb 2019) Non Executive Director	0-5	0	0	0	N/A	0-5

Name and Title	Year Ended 31 March 2018					
	Salary (bands of £5,000) £000	**Taxable Benefits** (To the nearest £100) £000	**Annual Performance Related bonuses** (Bands of £5,000) £000	**Long term Performance Related bonuses** (Bands of £5,000) £000	**Pension Benefits** (Bands of £2,500) £000	**Total** (Bands of £5,000) £000
Joseph Harrison Chief Executive Officer	175-180	0	0	0	50-52.5	225-230
Mike Keech Director of Finance	115-120	0	0	0	25-27.5	145-150
Lisa Knight Director of Patient Care / Chief Nurse	110-115	0	0	0	32.5-35	140-145
John Blakesley Deputy Chief Executive	150-155	0	0	0	N/A	150-155
Ogechi Emeadi Director of HR & Workforce Development	100-105	0	0	0	30-32.5	130-135
Ian Reckless Medical Director	165-170	0	0	0	117.5-120	285-290
Emma Goddard Director of Service Development	110-115	0	0	0	27.5-30	140-145
Kate Jarman Director of Corporate Affairs	85-90	0	0	0	52.5-55	140-145
Caroline Hutton Director of Clinical Services	130-135	0	0	0	150-152.5	280-285
Simon Lloyd Chairman	45-50	0	0	0	N/A	45-50
Tony Nolan Non Executive Director	10-15	0	0	0	N/A	10-15
Robert Green Non Executive Director	10-15	0	0	0	N/A	10-15
David Moore (to 18th February 2018) Senior Independent Director	10-15	0	0	0	N/A	10-15
Andrew Blakeman Non Executive Director	10-15	0	0	0	N/A	10-15
Parmjit Dhanda Non Executive Director	10-15	0	0	0	N/A	10-15
Helen Smart (from 1st March 2018) Non Executive Director	0-5	0	0	0	N/A	0-5
Heidi Travis (from 1st March 2018) Non Executive Director	0-5	0	0	0	N/A	0-5
John Clapham (from 1st March 2018) Non Executive Director	0-5	0	0	0	N/A	0-5

Name and Title	Year Ended 31 March 2019	
	Other Remuneration (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Joseph Harrison Chief Executive Officer	700	2,000
Mike Keech Director of Finance	0	0
Lisa Knight Director of Patient Care / Chief Nurse	0	100
John Blakesley Deputy Chief Executive	0	0
Ogechi Emeadi (to July 2018) Director of HR & Workforce Development	0	0
Danielle Petch (from July 2018) Director of HR & Workforce Development	0	0
Ian Reckless Medical Director	700	1,100
Emma Goddard Director of Service Development	0	1,400
Kate Burke Director of Corporate Affairs	0	0
Caroline Hutton Director of Clinical Services	0	0
Simon Lloyd Chairman	0	0
Tony Nolan Non Executive Director	0	500
Robert Green Non Executive Director	0	0
Andrew Blakeman Non Executive Director	0	0
Parmjit Dhanda Non Executive Director	0	800
Helen Smart Non Executive Director	0	0
Heidi Travis Non Executive Director	0	0
John Clapham Non Executive Director	0	0
Nicola McLeod Non Executive Director (from Feb 2019) Non Executive Director	0	0

Name and Title	Year Ended 31 March 2018	
	Other Remuneration (To the nearest £100) £	Travel & Subsistence (To the nearest £100) £
Joseph Harrison Chief Executive Officer	1,400	2,700
Mike Keech Director of Finance	0	0
Lisa Knight Director of Patient Care / Chief Nurse	0	1,700
John Blakesley Deputy Chief Executive	0	0
Ogechi Emeadi Director of HR & Workforce Development	0	200
Ian Reckless Medical Director	800	2,600
Emma Goddard Director of Service Development	0	800
Kate Jarman Director of Corporate Affairs	100	100
Caroline Hutton Director of Clinical Services	0	500
Simon Lloyd Chairman	0	500
Tony Nolan Non Executive Director	0	700
Robert Green Non Executive Director	0	0
David Moore (to 18th February 2018) Senior Independent Director	900	800
Andrew Blakeman Non Executive Director	0	0
Parmjit Dhanda Non Executive Director	0	400
Helen Smart (from 1st March 2018) Non Executive Director	0	0
Heidi Travis (from 1st March 2018) Non Executive Director	0	0
John Clapham (from 1st March 2018) Non Executive Director	0	0

Salaries and Allowances 2018/19

Name and Title	Real increase in pension at pension age (Bands of £2.5k) £000	Real increase in pension lump sum at pension age (Bands of £2.5k) £000	Total accrued pension at pension age at 31st March 2019 (Bands of £5k) £000	Lump sump at pension age related to accrued pension at 31st March 2019 (Bands of £5k) £000	Cash Equivalent Transfer Value at 31st March 2018 (Bands of £1k) £000	Real Increase in Cash Equivalent Transfer Value (Bands of £1k) £000	Cash Equivalent Transfer Value at 31st March 2019 (Bands of £1k) £000	Employer's contribution to stakeholder pension (Bands of £1k) £000
Joe Harrison Chief Executive Officer	-	-	30-35	65-70	948	121	1,069	20
Mike Keech Director of Finance	0-2.5	0	5-10	N/A	25	22	47	17
Lisa Knight Director of Patient Care / Chief Nurse	2.5-5	7.5-10	45-50	120-125	771	175	946	16
Ogechi Emeadi ** Director of HR & Workforce Development	0-2.5	0-2.5	35-40	90-95	584	45	719	15
Caroline Hutton Director of Clinical Services	0-2.5	0	40-45	100-105	730	108	839	19
Kate Jarman Director of Corporate Affairs	0-2.5	0-2.5	15-20	25-30	153	52	204	13
Emma Goddard * Director of Service Improvement	0-2.5	0	15-20	N/A	130	35	177	16
Ian Reckless Medical Director	2.5-5	10-12.5	45-50	115-120	524	116	754	12

NOTES
** The cash equivalent transfer value as at 31 March 2019 is calculated in accordance with the 1995 section of the NHS pension scheme rules under which pension entitlement is based on the highest pensionable salary in the last three years.*
*** Ogechi Emeadi left the Trust 31st July 2018*
**** Emma Goddard is in the 2008 pension scheme for which there is no information available relating to lump sum and opted out of the scheme 31st December 2018*

Salaries and Allowances 2017/18

Name and Title	Real increase in pension at pension age (Bands of £2.5k) £000	Real increase in pension lump sum at pension age (Bands of £2.5k) £000	Total accrued pension at pension age at 31st March 2019 (Bands of £5k) £000	Lump sump at pension age related to accrued pension at 31st March 2019 (Bands of £5k) £000	Cash Equivalent Transfer Value at 31st March 2018 (Bands of £1k) £000	Real Increase in Cash Equivalent Transfer Value (Bands of £1k) £000	Cash Equivalent Transfer Value at 31st March 2019 (Bands of £1k) £000	Employer's contribution to stakeholder pension (Bands of £1k) £000
Joe Harrison Chief Executive Officer	2.5-5	0-2.5	55-60	140-145	970	0	920	20
Mike Keech Interim Director of Finance (from 1.12.16)	0-2.5	0	0-5	0	9	14	23	17
Lisa Knight Director of Patient Care / Chief Nurse	0-2.5	0-2.5	40-45	110-115	675	71	746	16
John Blakesley ** Deputy Chief Executive	0	0	0	0	964	0	0	0
Ogechi Emeadi Director of HR & Workforce Development	0-2.5	0-2.5	30-35	85-90	508	57	565	15
Caroline Hutton Director of Clinical Services	7.5-10	15-17.5	40-45	100-105	549	157	706	19
Kate Burke Director of Corporate Affairs	2.5-5	2.5-5	10-15	20-25	109	37	146	13
Emma Goddard * Director of Service Improvement	0-2.5	0	15-20	N/A	100	23	123	16
Ian Reckless ** Medical Director	0	0	0	0	421	0	0	0

NOTES
** Emma Goddard is in the 2008 pension scheme for which there is no information available relating to lump sum.*
*** Ian Reckless opted out of the pension scheme Dec 16 ** John Blakesley opted out of the pension scheme Dec 17*

Governor Expenses 2018/19

Governor	Amount £
Siddhartha Nandi-Purkayastha (Governors' meeting)	20.00
Alan Hastings	37.25
Douglas Campbell	90.00
Carolyn Peirson	60.00
Total	**207.25**

Governor Expenses 2017/18

Governor	Amount £
Douglas Campbell	70.00
Alan Hastings	49.87
Total	**119.87**

Joe Harrison
Chief Executive

Date: 24 May 2019

2.8

Staff Report

This section of the report provides information on staff, including staff numbers, costs and key workforce performance information.

2.8.1 Analysis of Staff Costs (subject to audit)

Staff Costs	Permanently Employed £0	Other £0	Total £0
Employee expenses - staff	153,375	11,348	164,723
Employee expenses – executive directors	1,397	0	1,397
Total	**154,772**	**11,348**	**166,120**

Staff costs			2018/19	2017/18
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	125,669	1,672	**127,341**	120,462
Social security costs	13,887	0	**13,887**	13,121
Apprenticeship levy	654	0	**654**	616
Employer's contributions to NHS pensions	14,562	0	**14,562**	13,672
Pension cost - other	-	-	**-**	-
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	-
Temporary staff	0	9,676	**9,676**	11,452
Total gross staff costs	**154,772**	**11,348**	**166,120**	**159,323**

2.8.2 Analysis of Average Staff Numbers

The table below shows a breakdown of our average workforce by staff group as at 31 March 2019.

Average headcount - 2018/19 (subject to audit)

	Assignment Category				
Staff Group	Fixed Term Temp	Non-Exec Director / Chair	Permanent	Zero Hour Locum / Bank	Total Headcount
Add Prof Scientific and Technic	2	-	98	34	135
Additional Clinical Services	11	-	599	579	1,189
Administrative and Clerical	60	7	689	109	865
Allied Health Professionals	3	-	170	27	200
Estates and Ancillary	5	-	347	41	393
Healthcare Scientists	1	-	83	22	105
Medical and Dental	157	-	265	285	708
Nursing and Midwifery Registered	25	-	1,010	269	1,304
Grand Total	**264**	**7**	**3,261**	**1,366**	**4,898**

Average number of employees (WTE basis) (subject to audit)

			2018/19	2017/18
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	416	29	**445**	445
Ambulance staff	-	-	**-**	-
Administration and estates	372	65	**437**	441
Healthcare assistants and other support staff	1,020	177	**1,197**	1,149
Nursing, midwifery and health visiting staff	850	196	**1,046**	1,025
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	290	15	**305**	297
Healthcare science staff	25	7	**32**	31
Social care staff	-	-	**-**	-
Other	13	1	**14**	8
Total average numbers	**2,986**	**490**	**3,476**	**3,396**

The following is a breakdown of staff by gender:

Staff	Female	Male	Total
	Other Number	Total Number	Total Number
Senior Managers	8	9	17
Other Senior Managers	0	0	0
Employees	2846	711	3557
Total average numbers	**2854**	**720**	**3574**

As at 31 March 2019, the Trust Board comprised; eight Non-Executive Directors (five male and three female) and nine Executive Directors (four male and five female).

2.8.3 Absence rate for year 01/04/2018 to 31/03/2019:

Trust Absence 12 months to 31 March 2019	Cumulative Abs (WTE)	Cumulative Avail (WTE)	Cumulative % Abs Rate (WTE)	Short Term % Abs Rate (WTE)	Long Term % Abs Rate (WTE)	No of Episodes
All Staff Groups	43,899	1,109,712	3.96%	1.72%	2.24%	6,697

Sickness Absence 2017/18

Trust Absence 12 months to 31 March 2018	Cumulative Abs (WTE)	Cumulative Avail (WTE)	Cumulative % Abs Rate (WTE)	Short Term % Abs Rate (WTE)	Long Term % Abs Rate (WTE)	No of Episodes
All Staff Groups	44,654	1,081,392	4.13%	1.80%	2.33%	7,052

The top ten reasons for Trust sickness absence are now reported routinely to the Trust's Management Board across a number of levels for visibility and action planning. Work has commenced, to improve the level of 'unknown' absence through an improved return to work process and stronger procedural guidance in our revised Sickness Absence and Attendance policy which launched in December 2018 following extensive consultation.

The health and wellbeing of staff continues to be a top priority for the Trust, in terms of improving workforce effectiveness and its effect on patient care. By focusing on 'hotspot' areas of sickness absence, we have been able to bring about conclusions to long term individual cases, reduce intermittent absence levels and identify areas of best practice to champion and from which to learn. As at the end of March 2019, the Trust's sickness absence level was below its target of 4%; in 2018/19, this figure has consistently been below that of the previous two financial years.

The absence rate figures set out in the above relate to the 12 months to March 2019 and are based on Trust data. The Trust is required by the Department of Health and Social Care to publish centrally provided data which is calculated on a calendar month basis to December 2018. On this measure, the Trust recorded 43,247 WTE absence days against 1,105,960 cumulative available WTE giving a 3.91% cumulative absence rate.

2.8.4 Expenditure on consultancy

The Trust spent £17,000 on consultancy in 2018/19.

2.8.5 Staff Policies and actions applied during the Financial Year

Workforce strategy (2018 to 2021)

To deliver the Trust's challenging agenda in line with the Five Year Forward View, an integrated approach to patient care, workforce management, organisational development and workforce planning is essential. Approved in October 2018, the Trust's Workforce Strategy and Plan set out the strategic framework for various aspects of the MKUH workforce and plan for delivery, ownership and governance, respectively. On an annual basis, objectives for the year ahead are agreed with Trust Board, in line with the Workforce Strategy, with time bound activities to support their delivery.

Achievement of the key themes will **improve workforce effectiveness and engagement,** resulting in an improved staff experience, which, in-turn leads to an improved patient experience.

The Trust's Workforce Strategy identifies three key themes to support the achievement of the Trust's strategy and mission statement. Achievement of the key themes will improve workforce effectiveness and engagement, resulting in an improved staff experience, which, in-turn leads to an improved patient experience in line with the projected growth of the Milton Keynes healthcare economy. These themes also align to our Trust values and ensure that quality and patient care remain at the centre of everything we do:

1. Attract, recruit, retain and develop talented staff who embody our values
2. A healthy workplace with effective employee engagement and wellbeing
3. Maximise productivity through innovative & efficient workforce and infrastructure

A work plan underpins each of the key themes to ensure timely and planned delivery and progress is reported formally on a quarterly basis to the Trust's Workforce Board and the Workforce and Development Assurance Committee.

The Recruitment and Selection policy ensures that we are able to give full and fair consideration to applications for employment made by disabled persons. All of our jobs are advertised on the national NHS jobs website and via our electronic recruitment system, TRAC, which not only promotes equal opportunities at recruitment stages, but also allows disabled candidates to declare known or suspected conditions and how we might overcome these by adjusting our selection activities. Such conditions are made known to recruiting managers by the recruitment team after the shortlisting process has taken place to ensure that no discrimination can occur, whether direct or indirect.

The Trust has various means of supporting employees to continue their employment and receive training and retraining in the event that they should become disabled persons during their Trust employment. A comprehensive Sickness Absence and Attendance policy and 'Working with Disabilities' guidance provide policy and procedural guidance in this regard and managers, colleagues and interventions, such as adjustments to working roles and redeployments, are supported and facilitated by specialist Occupational Health, HR Advisor and HR Business Partner input. External agencies, such as Access to Work and Remploy are also engaged on a case-by-case basis, where it is believed that the Trust, its managers or its colleagues could

benefit from expert technical or financial support. The Trust is an accredited 'Disability Confident' Employer and was an active participant in the formative stages of the Workforce Disability Equality Standard which is due to apply to Trusts in April 2019. Furthermore in 2018/19 the Trust has launched a Disability Network to support staff engagement and ensure that underrepresented colleagues can have peer support and a collective voice within the organisation.

The Trust's Appraisal and Statutory and Mandatory training framework provide that training, career development and promotion of disabled employees are facilitated through individualised actions and personal development plans that are aligned to the Trust's core values. Such an approach promotes equal opportunities through promotion of learning and development and it also seeks to reduce the impact of potential inequalities caused by the condition or disability of an individual in a supportive way. All Trust policies have an Equality Impact Assessments undertaken during the policy consultation process, ensuring that the Trust has due regard of particular issues and has considered implementation of mitigating actions in respect of all protected characteristics.

In terms of engagement, the Trust uses various means of communicating matters of concern to its workforce. Such an approach ensures no group is left without receiving key messages. The discussions and outcomes of Trust meetings, such as Management Board, are cascaded through to colleagues in person and via email, monthly newsletters are produced and the intranet and Workforce website are increasingly being used for this purpose, in addition to the staff forum/bulletin board. In 2018/19, the Trust's co-developed Bank Staff Booking app, Ryalto, has been developed further to provide another accessible platform for information sharing, networking and engagement with push notification functionality. In 2018/19 the Trust has increasingly used payslip attachments as a means of reaching its staff; bi-annual free coffee 'thank you' vouchers from the Chief Executive have proved most popular. 'All acute users' emails are routinely used in addition to a variety of on-site and web based seminars, such as the Chief Executive's Roadshows and the Chief Executive's Leadership Forums. More recently, the Trust has made more use of local surveys via its web based applications, e.g. health and wellbeing and staff benefits surveys, Staff Friends and Family test. With the addition of the second annual Event in the Tent in May 2018, such engagement activities have become increasingly important in 2018/19 as the Trust has sought to celebrate its successes, meaningfully engage its staff and ensure that mission critical information is disseminated at scale and pace.

The Trust has a long standing Recognition Agreement with Staff Side partners, the terms of which were reviewed in 2018/19 and updated to include greater participation from Management Side colleagues. The Recognition Agreement provides the governance framework for the monthly Joint Consultative and Negotiation Committee (JCNC) meetings which are chaired on an alternate basis by the Staff Side Chair and the Director of Workforce. The Medical and Dental Joint Local Negotiating Committee (JLNC) also falls under the governance framework of the JCNC.

A full and comprehensive review of all workforce policies and procedures commenced in 2016/17 under the guidance of the JCNC to ensure that we seek to align to regional policy/direction or differentiate in order to set us apart, depending on specific need/aim or purpose (e.g. becoming an employer of choice in the region). In 2018/19 the Trust reviewed and/or approved 7 of its 38 Workforce, Education, Learning and Medical and Dental policies. 9 further new workforce policies are currently under development as we seek to support and develop our workforce further in-line with the Workforce Strategy and Trust Objectives.

Furthermore, the Trust's Management of Organisational Change Policy provides framework agreed in partnership with Staff Side colleagues for consultations where organisational change is required. In this way, early Staff Side involvement in organisational change programmes is sought, in order to capitalise on consultation opportunities in a meaningful way with our colleagues and their representatives. Staff Side colleagues are also involved and engaged in key Trust activities such as the Equality, Diversity and Inclusion network, the On-Call working group, job matching panels and our Staff Engagement networks, and We Care steering group.

Together these ensure that we seek the views of our workforce in a holistic and inclusive way, demonstrating our ongoing commitment to partnership working.

The Trust has numerous policies and procedures with regard to countering fraud and we work routinely with Counter Fraud specialists to support our efforts in this regard. The Trust has a comprehensive set of Standing Financial Instructions (SFIs) and a standalone counter fraud and reporting policy, including the involvement and roles of internal and external auditors. Separate to these, the Trust has its own Gifts, Donations and Hospitality Declarations policy in addition to specific clauses in the standard Trust contract of employment covering this area.

In line with critical national requirements, in 2018/19 the Trust also continued to support key employee relations activity by promoting its Freedom to Speak Up Guardians (Raising Concerns), Guardian of Safer Working (Medical and Dental colleagues) and ongoing participation in its Junior Doctors forum.

2.8.6 Staff side time spent on union facilities

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force in April 2017. The regulations require that NHS employers publish certain information about trade union officials and facilities time. The following tables show facilities activity and cost among the unions that are recognised by the Trust over the course of 2018/19. These figures are collated and reported to the Trust's Joint Consultative and Negotiation Committee (JCNC).

Table 1 – Relevant union officials

Table 1 outlines the total number of MKUH employees who were relevant union officials during 2018/19.

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
28	25.42

Table 2 – Percentage of time spent on facility time

Table 2 outlines the number of MKUH employees who were relevant union officials employed during the 2018/19 who spent (a) 0%, (b) 1%-50%, (c) 51%-99% or (d) 100% of their working hours on facility time.

Percentage of time	Number of employees
0%	6
1-50%	22
51%-99%	
100%	

Table 3 – Percentage of pay bill spent on facility time

Table 3 provides the percentage of the MKUH total pay bill spent on paying employees who were relevant union officials for facility time during 2018/19.

Description	Figures
Total cost of facility time	£29,421.87
Total pay bill	£1,831,211.67
Percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	1.61%

Table 4 – Paid trade union activities

Table 4 provides the number hours spent by employees who were relevant union officials during 2018/19 on paid trade union activities, expressed as a percentage of total paid facility time hours,

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:

(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

3.24%

2.8.7 Health and Safety Performance and Staff Health and Wellbeing

In line with the strategic workforce direction for 2018/19, a greater focus was placed on supporting staff through core Occupational Health services and Staff Health and Wellbeing' activities.

The SH&WB department undertakes both pre-employment and employment fitness for work assessments. It also provides an immunisation/screening programme to ensure staff are protected against infectious and communicable diseases in line with Department of Health guidance.

The service continues to support the Trust with the management of sickness absence and providing advice in relation to health conditions which may have an impact upon an individual's health at work or vice versa, Through an Employee Assistance Programme, the Trust offers a number of support to staff on a free and confidential basis, including; emotional and psychological support such as counselling and financial and legal advice. Following the approval of the Trust's first health and wellbeing strategy in 2016/17, several key features have been delivered including a staff physiotherapy early intervention service for colleagues suffering with musculoskeletal complaints, the service has been overwhelmingly well received by colleagues and helped many to return to work sooner than they would have done without such intervention, enabling the Trust to reduce its temporary staffing usage. The Trust has also, for the third consecutive year, successfully achieved its Flu immunisation target ensuring that almost 80% of its frontline health care colleagues were vaccinated against the flu virus. Weekly uptake of flu vaccinations was reported on a weekly basis to the executive team and socialised with the Trust via the CEO weekly newsletter (jab-o-meter) and Social Media channels.

The health and wellbeing steering group continues to meeting on a monthly basis, led by our Head of Staff Health and Wellbeing with quarterly reporting to the overarching senior workforce board and also to the sub-Trust Board, NED chaired, workforce and development assurance committee. In 2018/19 the group has enlisted more Health and Wellbeing Champions and sought to oversee delivery of the Trust's Health and Wellbeing Strategy.

The Trust has used various means of communicating developments (payslip attachments, email, health and wellbeing events, Event in the Tent, quarterly newsletter, workforce website) and the service has delivered a series of monthly activities in support of health and wellbeing education and prevention.

The Trust's 2018 National Staff Survey results confirm that it continues to improve the health and wellbeing of our organisation; an average of 6% increase in staff reporting that the Trust takes positive action on health and wellbeing in the last two years.

Critical to our health and wellbeing agenda, the strategy sets out our intent to engage with partners to ensure that the wellbeing of our workforce underpins excellent performance through education, prevention and effective management of health conditions.

2.8.8 Staff Survey Results

Statement of approach for staff engagement

The Trust takes staff engagement very seriously, recognising the importance of hearing directly from its about how the Trust can become a better place to work.

The 2018 national staff survey was undertaken between October and December 2018. For the fourth year running, the Trust selected Picker to administer its survey and undertake analysis on its behalf, providing the results for use by the Care Quality Commission (CQC) in their benchmark reports.

2018's survey was MKUH's fourth successive full census; 1476 (*1476 respondents from an eligible sample of 3378 staff*) colleagues returned their completed survey within the deadline requirement; a response rate of 43.7%, which increased slightly on the 2017 response rate and is slightly below the average for acute Trusts in England at 46.4%. It compares with 45% (n=1434) in 2016, 50% (n=1517) in 2015 and 49% in 2014 (sample based survey; 378 returns). Staff were encouraged to complete the survey with regular communications reminders, posters in staff rooms with answers to frequently asked questions, publicity at meetings, monitoring and chasing of non-return areas and all staff who completed the survey took part in a prize draw.

Summary of Performance – results from the 2018 staff survey

The 2018 Staff Survey is being reported differently this year, with new summary indicators, key findings replaced by themes, updated benchmark reports and for the first time, a 5 year trend analysis.

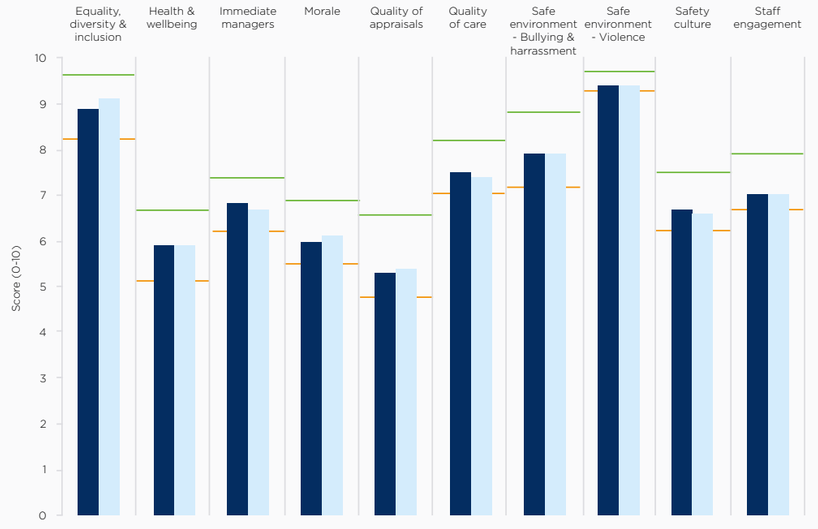
Themes will be scored on a 0-10 scale, with a higher score being a better result. All questions are now presented in the updated benchmark reports, so that questions can be viewed separately rather than summary indicator results.

The **staff engagement** score has been calculated using the same questions as in previous years but adjusted to a 0-10pt scale. Historical data has been re-calculated to use the new scale so that we are able to make comparisons with prior years more easily.

The staff survey in 2018 is reported using 10 themes: Equality, diversity & inclusion; Health & wellbeing; Immediate managers; Morale; Quality of appraisals; Quality of Care; Safe environment – Bullying & harassment; Safe environment – Violence; Safety culture; and Staff engagement.

The Trust scored above the national average in the following themes: Immediate managers; Quality of Care; and Safety culture. The Trust met the national average in: Health & wellbeing; Safe environment – Bullying & harassment; Safe environment – Violence; and Staff engagement.

	2018/19		2017/18		2016/17	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity & inclusion	8.9	9.1	9.0	9.1	8.9	9.2
Health & wellbeing	5.9	5.9	6.0	6.0	5.9	6.1
Immediate managers	6.8	6.7	6.8	6.7	6.7	6.7
Morale	6.0	6.1	Not asked	Not asked	1,197	1,149
Quality of appraisals	5.3	5.4	5.3	5.3	5.3	5.3
Quality of care	7.5	7.4	7.6	7.5	7.6	7.6
Safe environment – bullying & harassment	7.9	7.9	7.9	8.0	7.9	8.0
Safe environment – violence	9.4	9.4	9.3	9.4	9.3	9.4
Safety culture	6.7	6.6	6.6	6.6	6.6	6.6
Staff engagement	7.0	7.0	7.0	7.0	7.0	7.0



Best	9.6	6.7	7.3	6.7	6.5	8.1	8.5	9.6	7.2	7.6
Your Org	8.9	5.9	6.8	6.0	5.3	7.5	7.9	9.4	6.7	7.0
Average	9.1	5.9	6.7	6.1	5.4	7.4	7.9	9.4	6.6	7.0
Worst	8.1	5.2	6.2	5.4	4.6	7.0	7.1	9.2	6.0	6.4
Responses	1,449	1,456	1,457	1,443	1,218	1,259	1,441	1,440	1,452	1,462

The Trust's staff engagement score remained consistent with its 2017 level. The five key findings for which MKUH compares **most favourably** with other acute trusts are:

- ✓ **Q4f. Percentage of staff who have adequate materials, supplies and equipment to do their work - MKUH = 57.6%,** national average for acute trusts = 53.2%
- ✓ **Q9a. Percentage of staff who agreed that they know who senior managers are in the Trust – MKUH = 85.6%,** national average for acute trusts = 83.4%
- ✓ **Q11a. Percentage of staff who felt the organisation takes positive action on health and wellbeing – MKUH = 32.0%,** national average for acute trusts = 27.8%
- ✓ **Q12d. Percentage of staff reporting physical violence at work when they experienced it – MKUH = 69.8%,** national average for acute trusts = 65.6%
- ✓ **Q13d. Percentage of staff saying that they had reported any experience of harassment, bullying or abuse at work in the last 12 months – MKUH = 48.6%,** national average for acute trusts = 44.2%

The five key findings for which MKUH compares **least favourably** with other acute Trusts are:

- ✗ **Q10b. Percentage of staff working additional paid hours – MKUH = 44.6%,** national average for acute trusts = 37.1%
- ✗ **Q11d. Percentage of staff coming in to work in the last 3 months despite not feeling well enough to perform duties – MKUH = 60.0%,** national average for acute trusts = 56.9%
- ✗ **Q19e. Percentage of staff who had an appraisal at which organisation values were discussed – MKUH = 30.9%,** national average for acute trusts = 35.1%
- ✗ **Q22b. Percentage of staff agreeing they receive regular updates on patient/ service user experience feedback – MKUH = 57.5%,** national average for acute trusts = 60.7%
- ✗ **Q22c. Percentage of staff who agreed that feedback from patients/service users was used to make informed decisions – MKUH = 53.5%,** national average for acute trusts = 56.8%

NHS Staff Survey Results 2018

	2016	2017	2018	Benchmarking group	Trust improvement / deterioration
Response rate	45.2%	42.9%	43.7%	44.4%	Improvement of 0.8%

Top 5 ranking scores	2016	2017	2018		Trust improvement / deterioration
	Trust	Trust	Trust	Benchmarking group	
Q4f. Percentage of staff who have adequate materials, supplies and equipment to do their work	54.0%	56.2%	57.6%	53.2%	Improvement of 1.4%
Q9a. Percentage of staff who agreed that they know who senior managers are in the Trust	84.1%	84.2%	85.6%	83.4%	Improvement of 1.4%
Q11a. Percentage of staff who felt the organisation takes positive action on health and wellbeing	28.9%	41.3%	32.0%	27.8%	Deterioration of 9.3%
Q12d. Percentage of staff reporting physical violence at work when they experienced it	71.7%	75.9%	69.8%	65.6%	Deterioration of 6.1%
Q13d. Percentage of staff saying that they had reported any experience of harassment, bullying or abuse at work in the last 12 months	50.6%	46.5%	48.6%	44.2%	Improvement of 2.1%

Bottom 5 ranking scores	2016	2017	2018		Trust improvement / deterioration
	Trust	Trust	Trust	Benchmarking group	
Q10b. Percentage of staff not working additional paid hours	43.9%	45.3%	44.6%	37.1%	Improvement of 0.7%
Q11d. Percentage of staff coming in to work in the last 3 months despite not feeling well enough to perform duties	59.5%	60.5%	60.0%	56.9%	Improvement of 0.5%
Q19e. Percentage of staff who had an appraisal at which organisation values were discussed	29.3%	30.3%	30.9%	35.1%	Improvement of 0.6%
Q22b. Percentage of staff agreeing they receive regular updates on patient/ service user experience feedback	62.2%	61.8%	57.5%	60.7%	Deterioration of 4.3%
Q22c. Percentage of staff who agreed that feedback from patients/service users was used to make informed decisions	58.0%	57.4%	53.5%	56.8%	Deterioration of 3.9%

Action plans to address areas of concerns

The Trust was ranked 25th out of the 43 Trusts that ran the NHS survey with Picker in 2018 which is average. There were 43 questions on which the Trust improved the score compared to 2017, and 43 questions on which the Trust score was lower compared to 2017. The majority of these were a matter of less than 1%. The Trust has 47 scores that were better than the average for Acute Trusts and 48 scores which were lower than the average for Acute Trusts.

Statement of key priority areas and how they will be measured.

In 2019/20 The Trust will continue to promote to staff the importance of reporting any incidents of harassment, bullying, abuse or physical violence so that these can be investigated, and mitigating actions implemented where appropriate. (There has been an improvement in reporting this in the 2018 staff survey)

We will also ensure staff understands what constitutes harassment, bullying, abuse and violence so that these can be reported appropriately, and any victims of these incidents can be supported, and perpetrators can be managed. The Trust values have been refreshed and expected behaviours at work have been clearly described for all staff

Breakaway Training has recommenced in 2019 which enable staff to be more aware of how to protect themselves and others should a violent situation occur.

Learning from other organisations through the 'Tackling Bullying in the NHS, a collective call to action' document – The Trust will work through the 'good practice' checklist proposed in this document.

60% of staff said they have been coming to work when not feeling well enough to perform their duties, with the pressure to do this largely coming from themselves (92.1%).

The Trust will support staff with health issues to enable them to make the right choices about whether to come to work when feeling unwell.

The appraisal paperwork that is used is structured around the Trust's values, with staff asked to state how they have performed against the values and give examples. However, 30.9% said that values were not discussed as part of the appraisal process. It can be surmised from this that staff are not linking their appraisal discussions to the Trust values.

The Trust will ensure that staff are aware of the values and how these relate to the appraisal process through greater focus during appraisal training for managers, and by redesigning the documentation to provide greater clarity.

44.6% of staff said that they carry out additional paid hours, over and above their contracted hours, and 59.9% said they carry out additional unpaid hours. 30.7% of staff said there were enough staff in the Trust for them to do their job properly. Although there was an improvement on the 2017 scores, MKUH ranks near to the worst trusts for this measure (worst = 46.0%) 69.3% of staff report that there are not enough staff in the organisation for them to do their job properly. There has been and continues to be ongoing and sustained recruitment initiative's both for general roles and for hard to recruit to areas and the numbers of staff at MKUH is the highest it has even been.

The biggest deterioration in the bottom 5 ranking scores is that only 57.5% of staff said that they receive regular updates on patient/service user feedback, with 53.5% saying that this feedback was used to make informed decisions within their directorate/department. These have both dropped by 4% from 2017 levels. There is an active patient experience board which reviews all of the data and makes changes based upon patient feedback. We will ensure that this is cascaded to every area through team briefs and team meetings.

In 2018 new questions were asked regarding whether staff are planning to change jobs. The Trust will review measures for staff retention and provision of opportunities for career progression.

Performance against priority areas (against targets set)

Trustwide – we have

- Launched a dedicated health and wellbeing service
- Provided executive and senior management sponsorship for wards and clinical departments
- Developed a coaching service for staff
- Launched the Greatix service for recognising great work
- Created 4 bullying and harassment advisors
- Monitored patient flow throughout the organisation through Red2Green initiatives
- Delivered training for managers in tackling work related stress
- Held Event in the Tent
- We Care staff engagement forum

The newly defined Trust values have been disseminated to staff and roadshows and forums to promote the new values. Branding to promote the new values is in situ.

Divisional

The HR Business Partners produced a report for each Division identifying the key findings for their Division including areas for improvement. Each Division has been responsible for their specific improvement areas.

- Improve supportive measures for staff exposure to patients/service users where risk of violence is high
- Continue to improve communication to patients about delays
- Ensure that all staff are compliant with their conflict resolution training
- Ensure that staff report all incidents & DATIX
- Ensure that all staff know where to find clinical and non-clinical, HR policies and processes
- Continue to drive the ongoing educational plan and ensure that all staff have access to education resources and study sessions
- Renewed focus upon the need for managers to ensure that all staff have identified learning & development needs together with an individual performance development plan following an appraisal
- Renewed focus on the need for managers to undertake appraisals
- Review rostering to ensure most effective utilisation of staff and resources

Departmental

"Staff Survey Goes Large" meetings have taken place in the 7 areas where the survey results highlighted the greatest opportunity for improvement. This work is ongoing, and staff are asked to identify ideas for improvement plans are then developed to implement these.

Monitoring arrangements

Staff Survey action plans are monitored through the Workforce Board, Workforce Assurance Committee and reports are received to executive team meetings and Trust Board.

2.8.9 Off-payroll Engagements

The Trust has not engaged any off-payroll arrangements in 2018/19.

Table 1: For all off-payroll engagements as of 31 Mar 2019, for more than £245 per day and that last for longer than six months	2018/19 Number of engagements
No. of existing engagements as of 31 Mar 2019	0
Of which:	
Number that have existed for less than one year at the time of reporting	0
Number that have existed for between one and two years at the time of reporting	0
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	0

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2017 and 31 Mar 2018, for more than £245 per day and that last for longer than six months	2017/18 Number of engagements
Number of new engagements, or those that reached six months in duration, between 01 Apr 2017 and 31 Mar 2018	0
Of which:	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/ assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2017 and 31 Mar 2018	2018/19 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	18

The Trust has a policy of using its own payroll for the purposes of employment. Where engagement is required that is off-payroll, this is facilitated through national framework agency providers only. In the event that any further off-payroll arrangements are required, the Trust uses a comprehensive risk assessment form and the HMRC personal service company assessment tool which both seek to test the nature of the engagement, whether the individual is aware of their obligations in respect of payment of tax and require them to provide assurances in this regard before they are engaged. Following completion of the risk assessment, approval is sought of the Director of Finance and Director of Workforce in order to finalise the arrangement.

2.8.10 Exit packages

No exit packages were agreed by the Trust in 2018/19, whether through compulsory redundancy, voluntary redundancy, or any other type of agreed exit package.

2.8.11 Equality, Diversity and Inclusion

The Trust has a longstanding commitment to ensuring that our services and employment practices are fair, accessible and appropriate for all patients, visitors and carers in the community we serve, as well as the talented and diverse workforce we employ. The Trust Board receives a comprehensive annual report of equality and diversity information, the last of which was in 2018.

The Trust remains committed to providing an environment equally welcoming to people of all backgrounds, cultures, nationalities and religions. Our 'We Care' standards, behaviours and commitments have been developed into a suite of new values in 2018/19 to help us to achieve this aim.

The Executive Workforce lead and the patient services lead for Equality, Diversity and Inclusion are both members of the Workforce and Development Assurance Committee which is responsible for overseeing equality, diversity and inclusion for the Trust.

Supporting the local staff survey outcomes, regional and national requirements (Workforce Race Equality Standard and Equality Delivery System 2) and Public Sector Duties of the Equality Act 2011, an equality, diversity and inclusion forum was established in 2015 which oversees matters in this sphere of activity and acts as a steering group for both our workforce and patient care and experience. Engagement with Milton Keynes Council and Milton Keynes CCG has been built into the terms of reference of the group and mutual benefits have already resulted from our approach in this regard.

In 2018/19 the Trust has achieved the 'Employer' standard for the government's Disability Confident scheme, undertaken further organisational assessment of the Workforce Disability Equality Standard (WDES) grown its '*Pride@MKUH*' staff network; commenced inclusive staff networks for Women, Disabled and Black and Minority Ethnic groups. In line with statute, the Trust also collated and published its Gender Pay Gap data report in support of improvement. The equality, diversity and inclusion agenda of the Trust supports all of the protected characteristics and is recognised as being critical to retention and the experience of our staff.

2.8.12 Workforce Resourcing

The Trust has developed and delivered a number of key initiatives and activities to support the recruitment and retention of its workforce over the course of the past year, including:

- Undertaken bespoke regional #TeamMKUH recruitment events with a professionally filmed recruitment video for job fairs, events, Social Media and the Trust website.
- Refinement and improved visibility of recruitment metrics to monitor activity and areas for improvement
- Introduced and revised enhanced recruitment and retention premia for 'hard to recruit and/or retain' posts.
- Formulated recruitment plans for high attrition areas and roles and hard to recruit and/or retain posts.
- Developed a retention as a key area for delivery under the Workforce Strategy
- Introduced fluid evidence based enhanced bank rates in critical areas in order to reduce reliance on high cost agency alternatives
- Improved vacancy and temporary staffing requests and management information systems in order to ensure compliance with NHS Improvement agency rules and weekly reporting obligations.
- Collaboration with the East Midlands NHS streamlining recruitment network to improve time to hire and reduce resourcing inefficiency.
- Enhanced use of social media to increase visibility and reach of our recruitment campaigns, open days and the #TeamMKUH brand.

Furthermore, the Trust's Recruitment Strategy enables the Trust to position itself uniquely in the context of a highly competitive regional employment market and strive for further enhancements to the Trust's reputation as an employer of choice.

Through a sustained programme of improvement, the Temporary Staffing function has supported a number of actions within its function, enabling the Trust to achieve its agency ceiling financial target for throughout 2018/19, through; improved use of the e-rostering system, extended hours working (weekends and bank holidays), reduced agency rates for nursing and midwifery agency colleagues and more staff groups being placed on the Trust's weekly paid internal bank.

2.9 2.10 2.11 2.12 2.13

2.9 Code of Governance disclosures

Monitor Code of Governance

Milton Keynes University Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The Board of Directors considers that it was compliant with the provisions of the revised Monitor NHS Foundation Trust Code of Governance, with the following three exceptions:

Provision	Explanation for non-compliance
A.5.6 The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.	The Council of Governors raise concerns at their regular meetings which members of the Board of Directors attend. In addition, the lead governor meets with the chairman and can raise issues on behalf of the Council. The senior independent director also meets informally with governors to discuss issues and governors can raise concerns through these meetings.
B2.4 The chairman or an independent non-executive director should chair the nominations committee.	The Council of Governors believe that the Non-Executive Director appointment committee (formally the Nominations Committee) should be chaired by a member of the Council of Governors, as the Council of Governors has a responsibility for the appointment of Non-Executive Directors. This has been in effect since 2008/9 and is reflected in the Trust's Constitution.
B2.9 An independent external adviser should not be a member of or vote on the nominations committee(s)	The Nominations Committee has always valued the input of the independent external adviser, particularly as the Trust has usually selected a serving Chair or non-executive director of another trust to act in this capacity.

As per 'The NHS Foundation Trust Code of Governance' (updated July 2014), *'the board of directors is a unitary board. This means that within the board of directors, the non-executive directors and executive directors make decisions as a single group and share the same responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy.'*

2.10 Single oversight framework

NHS Improvement's single oversight framework provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability (well-led).

Based on information from these themes, providers are segmented from 1 to 4, where 4 reflects providers receiving the most support, and 1 reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

2.11 Segmentation

As of April 2019, the Trust is in segment 2. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

2.12 Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the single oversight framework, the segmentation of the trust disclosed above might not be the same as the overall finance score here.

		Score	
Area	**Metric**	**Year End 2018/19**	**Year End 2017/18**
Financial sustainability	Capital service capacity	4	4
	Liquidity	4	4
Financial efficiency	Income and expenditure margin	4	4
Financial controls	Distance from financial plan	1	1
	Agency spend	1	1
Overall Scores		**3**	**3**

2.13 Statement of the chief executive's responsibilities as the Accounting Officer of Milton Keynes University Hospital NHS Foundation Trust

Statement of the chief executive's responsibilities as the Accounting Officer of Milton Keynes University Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the National Health Service Act 2006, has given accounts directions which require Milton Keynes University Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Milton Keynes University Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Joe Harrison
Chief Executive

Date: 24 May 2019

2.14

Annual Governance Statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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.

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 Milton Keynes University Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Milton Keynes University Hospital NHS Foundation NHS Trust for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

Leadership of the risk management process:

Board of Directors

The Board of Directors (Board) has overall responsibility for the identification and effective management of principle risks to the achievement of the Trust's strategic objectives. These risks are captured on and managed through the Board Assurance Framework (BAF). The Trust has ten primary strategic objectives; namely:

1. Improving patient safety
2. Improving patient experience
3. Improving clinical effectiveness
4. Deliver key targets
5. Develop a robust and sustainable future
6. Develop robust and innovative teaching and research
7. Become well-governed and financially viable
8. Improve workforce effectiveness
9. Make the best of the estate
10. Develop as a good corporate citizen

The breadth of these objectives mean that the BAF contains a broad spectrum of risks of which the Board has oversight.

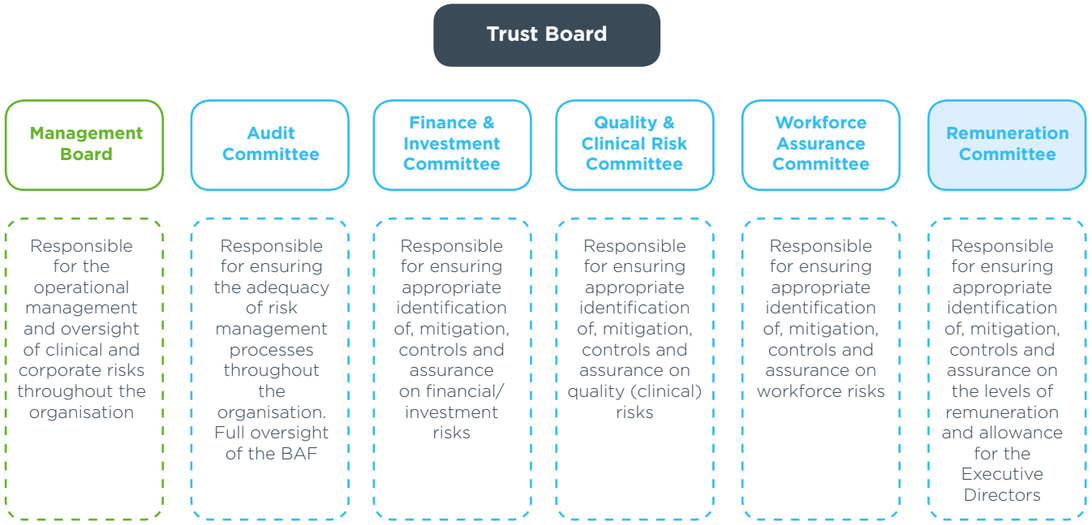
Board Sub Committees

The Board delegates the testing of assurance and management controls on the BAF to its sub-committees. Each Committee is responsible for risks to the achievement of objectives within its terms of reference. In addition, the Quality and Clinical Risk Committee has a wider oversight role on the effective management of clinical risk.

The Audit Committee has a wider oversight role on the effective management of corporate risk and provides assurance to the Board on the adequacy of the systems and processes surrounding the management of risk throughout the organization as a whole.

Executive Leadership and Management Oversight

The Director of Corporate Affairs is the executive lead for risk management. The Trust's Senior Information Risk Owner (SIRO) is the Deputy Chief Executive, who is responsible for, and oversees all information risks within the Trust. The Trust's Caldicott Guardian is the Medical Director, who is ultimately responsible for the correct use of patient identifiable information. Both the SIRO and the Caldicott Guardian have undertaken the



required training to discharge their responsibilities effectively.

All directors and divisional managers have a leadership responsibility for risk management within their own areas and are accountable to the trust Board via general and specific reports.

The Trust has established a Risk and Compliance Board (RCB) which meets monthly and is chaired by the Director of Corporate Affairs. The RCB reviews risks rated 15 and above on the significant risk register (SRR). It challenges the control measures and actions being taken; assesses risk score; approves corporate risks; reviews linked risks across specialties/ departments and divisions; reviews the aggregated risk profile; and reports each month to the Management Board.

Divisional and departmental risk registers are also reviewed on a rotational basis to ensure that the risks are relevant and appropriate; that risks are being effectively identified, assessed, mitigated and managed. The RCB receives reports on the number of overdue incidents, audit compliance, trust documentation and reports on other compliance reports e.g. CQC/ regulatory guidelines and NICE guidelines, NCEPOD, and other relevant statutory, legislative, or regulatory compliance requirements or guidance.

Equipping and Training Staff to Manage Risk and Learning from Good Practice

Equipping and Training Staff to Manage Risk

The identification, assessment and management of risk is the responsibility of all staff. The Trust's mandatory training programme, which forms part of the staff induction, includes responsibilities and processes relating to risk management which encompasses fire safety, health and safety and clinical risk. Levels of compliance with mandatory training are reported to the Board as part of the monthly performance dashboard. Further guidance on risk management issues is disseminated to staff through briefing systems either electronically including the intranet or via meetings.

Learning from Good Practice

The Trust's central risk management team work effectively with the Trust's internal auditors to continually challenge and improve risk management processes as part of the annual development and audit programme. The central risk team holds regular dedicated sessions on improving practice; using external reports on good practice and industry recommendations to facilitate ongoing improvements to risk management. This includes and involves divisional risk and governance leads.

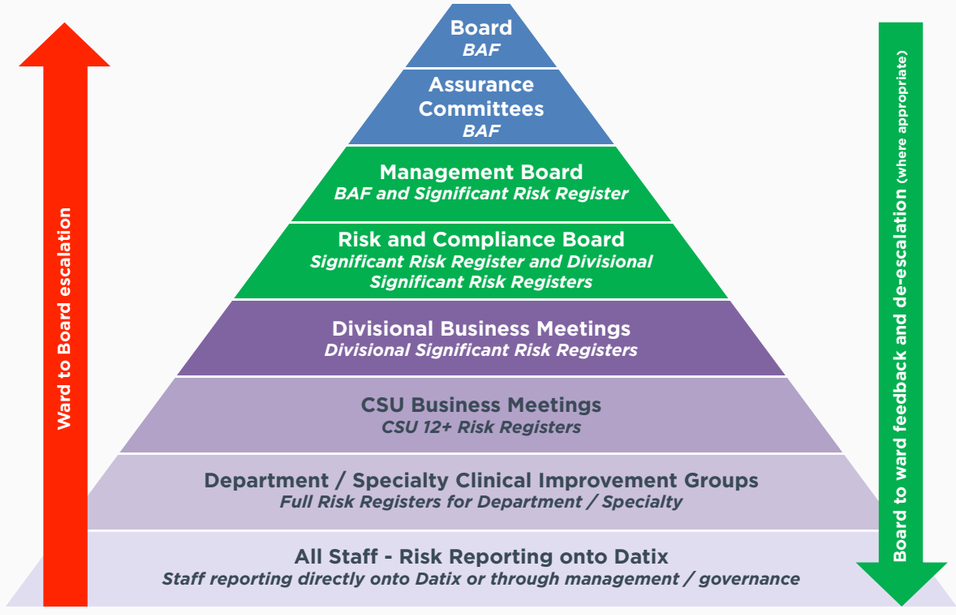
Organisationally, good practice and learning identified through risk assessments and incidents is shared through routine communications, training, meetings, briefing and de-briefing sessions and committees. A standardised learning audit cycle is being introduced to ensure recommendations to changes in practice or policy are sustained.

The Risk and Control Framework

Risk Management Strategy

Risk management is an integral part of the Trust's management, governance structure and internal control processes. It is the process through which the Trust identifies, assesses and analyses the risks inherent to and arising from its activities; whether clinical or non-clinical, including strategic, financial, workforce or any other; and ensures robust and effective controls and assurances are in place.

The Trust has a Risk Management Strategy (updated and approved in the reporting period), which sets out a delegated governance structure through which risks are monitored and managed. It sets out a systematic process for the identification, recording and management of risk through its specialty, divisional and significant risk registers and clearly defines the escalation and de-escalation of risk as detailed in the following diagram:



The Risk Management Strategy sets out how risk appetite is determined, with the Board of Directors setting *risk appetite* against the Trust's ten strategic objectives during annual risk appetite development and review.

Quality Governance Arrangements

The Trust operates within the NHS Foundation Trust statutory and regulatory environment and its quality governance arrangements are regularly reviewed to ensure compliance with relevant regulatory (and other legal or professional) standards. This includes the NHS Improvement and Care Quality Commission combined Well-Led Framework. The Trust has undertaken work with the Good Governance Institute and peer review against the Well Led Framework within the reporting period. The Trust had a Care Commission inspection at the end of the reporting period (notice of inspection in February 2019; core services inspected in April 2019 and well led assessment in May 2019).

The Trust has a well-defined quality governance structure in place, designed to provide 'ward to Board' visibility, reporting and assurance across the quality agenda.

The executive and the Trust Board seek information and assurance on compliance. An assurance rating against performance information reported to the Board, based on data quality confidence levels is reported monthly. The Trust also has an established Data Quality Compliance Board to provide scrutiny, challenge and assurance on all aspects of data quality which reports to the Audit Committee.

The Trust ensures compliance with CQC registration requirements is monitored and assessed through its governance structure. This includes compliance monitoring at the Risk and Compliance Board; proactive assessment through the Clinical Quality Board and Nursing and Midwifery Board; proactive assessment through the clinical divisional management; and independent peer review (e.g. Healthwatch *enter and view*). Compliance is assured through the Quality and Clinical Risk Committee.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

The Board has sought assurance on the management of risks to data security, with reports and presentations to the Audit Committee and to the Board during 2018/19. Data security (compromise through deliberate attack; and breach through inadequate controls) are risks on the Board Assurance Framework which are actively monitored and assurance-assessed through the Board sub-committees.

Major Risks

The Board Assurance Framework reflects the principal risks against the achievement of the Trust's strategic objectives, including clinical and non-clinical risk. The following risks were identified on the Board Assurance Framework at the end of the 2018/19 financial year:

Strategic objective	Risk Ref	Committee	Risk description	Proximity	Risk score: (consequence x likelihood)	
					Jan 18	Mar 19
SO1: Patient Safety	1-1	Quality and Clinical Risk	Strategic failure to manage demand for emergency care	Next 3 to 6 months	Not on BAF	**(3x4)=12**
SO1: Patient Safety	1-2	Quality and Clinical Risk	Tactical failure to manage demand for emergency care	Next 3 to 6 months	Not on BAF	**(3x4)=12**
SO1: Patient Safety	1-3	Quality and Clinical Risk	Ability to maintain patient safety during periods of overwhelming demand	Next 3 to 6 months	**(4x5) = 20**	**(4x3)=12**
SO1: Patient Safety	1-4	Quality and Clinical Risk	Failure to appropriately embed learning and preventative measures following Serious Incidents	Next 3 to 6 months	**(5x2) = 10**	**(5x2)=10**
SO1: Patient Safety	1-5	Quality and Clinical Risk	Failure to recognise and respond to the deteriorating patient	Next 3 to 6 months	**(4x3) = 12**	**(5x2)=10**
SO1: Patient Safety	1-6	Quality and Clinical Risk	Failure to manage clinical risks through the implementation of eCARE (go-live)	Next 3 to 6 months	Not on BAF	Risk closed
SO2: Patient Experience	2-1	Quality and Clinical Risk	Failure to provide an appropriate patient experience	Next 3 to 6 months	**(4x4) = 16**	**(4x4)=16**

Strategic objective	Risk Ref	Committee	Risk description	Proximity	Risk score: (consequence x likelihood)	
					Jan 18	Mar 19
SO3: Clinical Effectiveness	3-1	Quality and Clinical Risk	Lack of assessment against and compliance with best evidence based clinical practice through clinical audit	Next 3 to 6 months	(4x3) = 12	(3x4)=12
SO3: Clinical Effectiveness	3-2	Quality and Clinical Risk	Lack of assessment against and compliance with NICE guidance	Next 3 to 6 months	(4x3) = 12	(3x4)=12
SO4: Key Targets	4-1	Management Board	Failure to meet the 4 hour emergency access standard	Next 3 to 6 months	(4x5) =20	(4x4)=16
SO4: Key Targets	4-2	Management Board	Failure to meet the key elective access standards - RTT 18 weeks, non-RTT and cancer 62 days	Next 3 to 6 months	(4x3) = 12	(4x4)=16
SO5: Sustainability	4-3	Audit	Failure to ensure adequate data quality leading to patient harm, reputational risk and regulatory failure	Next 3 to 6 months	(4x5) = 20	(4x3)=12
SO5: Sustainability	5-1	Audit	Failure to adequately safeguard against major IT system failure (deliberate attack)	Next 3 to 6 months	(3x3) = 9	(5x2)=10
SO5: Sustainability	5-2	Finance	Failure to adequately safeguard against major IT system failure (inability to invest in appropriate support systems/ infrastructure)	Next 3 to 6 months	(3x3) = 9	(4x2)=8
SO5: Sustainability	5-3	Management Board	Failure to successfully deploy EPR in a way that diminishes disruption	Next 3 to 6 months	(5x3)=15	Risk closed
SO5: Sustainability	5-4	Management Board	Failure to maximise the benefits of EPR	Next 3 to 6 months	(4x3) = 12	(4x2)=8
SO5: Sustainability	5-5	Management Board	Failure to maximise the benefits of the Trust's digital strategy (patient access)	Next 3 to 6 months	Not on BAF	(4x3)=12
SO7: Finance and Governance	7-1	Finance	Inability to keep to affordable levels of agency and locum staffing	Next 3 to 6 months	(5x4)=20	Risk closed
SO7: Finance and Governance	7-2	Finance	Timing and release of capital and revenue funding	Next 12 months	(5x5) = 25	(4x3)=12
SO7: Finance and Governance	7-3	Finance	Inability to achieve the required levels of financial efficiency within the Transformation Programme	Next 12 months	(5x4) = 20	(4x3)=12
SO7: Finance and Governance	7-4	Finance	Disagreement with main commissioner over the level of performance that they are prepared to fund	Next 12 months	(5x4) =20	(4x4)=16
SO7: Finance and Governance	7-5	Finance	The Trust is unable to access £7.3m of Sustainability & Transformation Funding	Next 3 to 6 months	(5x5) = 25	(4x3)=12
SO7: Finance and Governance	7-6	Board	Failures in compliance leading to regulatory intervention (CQC)	Next 12 months	(4x3) = 12	(4x2)=8
SO8: Workforce	8-1	Workforce	Inability to recruit to critical vacancies	Next 3 to 6 months	(4x4) = 16	(4x3)=12
SO8: Workforce	8-2	Workforce	Inability to retain staff employed in critical positions	Next 3 to 6 months	(4x3) = 12	(4x3)=12
SO9: Estate	9-1	Finance	Insufficient capacity in the Neonatal Unit to accommodate babies requiring special care	Next 3 to 6 months	Not on BAF	(4x3)=12
SO10: Corporate Citizen	10-1	Charitable Funds	Failure to achieve the required level of investment (including appeal funds) to fund the Cancer Centre	Next 3 to 6 months	(4x3) = 12	(4x2)=8
SO10: Corporate Citizen	10-2	Board	Inability to progress the Milton Keynes Accountable Care System and wider ACS/STP programme	Next 3 to 6 months	(4x3) = 12	(4x3)=12
SO10: Corporate Citizen	10-3	Board	Insufficient preparedness for disruption to workforce or supplies (including medications) following withdrawal from the European Union	Next 3 to 6 months	Not on BAF	(5x2)=10

Detailed information on how risks are controlled (mitigated) and the assurance against the controls is contained within the Board Assurance Framework. This document is actively scrutinized in every Board sub-Committee and at the Board (every quarter). The Board holds a minimum of two risk and assurance plenary sessions every year to enable risk appetite to be effectively reviewed and assessed and for principle risks against the achievement of the Trust's strategic objectives to be assessed and reviewed holistically. This includes risks to compliance with the Trust's licence; and compliance assessments and risks are also embedded in Board reporting. The Board formally reviews compliance against its licence when making its annual declarations and in line with statutory and regulatory requirements. The Trust self certifies against the Corporate Governance Statement, required under NHS Foundation Trust Condition 4 (8) (b) based on information and assurance received at the Board and its sub-Committees.

Every principal risk has an executive risk owner, responsible for the active and ongoing management of that risk; including assessment of risk likelihood and severity (5x5 matrix), proximity, controls, assurance of controls (three lines of defence) and additional mitigating actions required. The executive director presents the risks that they have ownership of at the relevant Board sub-Committee (all risks are assigned to a sub-Committee). The sub-Committee chair includes his/ her views on assurance and any matters for escalation to the Board in the upward report from the sub-Committee to the Board. The Board then reviews both the sub-Committee reports on risk; the Board Assurance Framework and corporate risk profile and is able to challenge executive risk owners at each meeting. The Board Assurance Framework is reported to public meetings of the Board and is available for public scrutiny via the Trust's website.

Incident Reporting

In addition to the framework for risk management; the Trust places a strong emphasis on incident reporting; evidenced through a year-on-year improvement in the percentage of staff feeling confident to report incidents. The Trust has a Serious Incident Review Group, which meets weekly, to provide objective review of potential serious incidents and moderate harm incidents. The Trust has also established 'summits' for falls and pressure ulcers to ensure rapid dissemination of learning and understanding of causal or contributory factors. This is embedded in the Trust's governance structure; reporting upwards to Board sub-Committees (Executive Management Board; Quality and Clinical Risk

Committee) and to the Board; and downwards through the divisional and clinical specialty unit structures to ensure appropriate briefing and learning.

Stakeholder Involvement in Risk Management

The Trust recognises that effective risk management relies on contributions from outside the organisation as well as from within, and there are therefore arrangements in place to work collaboratively with key external stakeholders and partner organisations, including Milton Keynes CCG, Milton Keynes Council and the local Healthwatch Milton Keynes. The Trust also contributes to the identification and management of risk in the Bedfordshire, Luton and Milton Keynes Integrated Care System footprint. These arrangements cover operational and strategic issues such as service planning and commissioning, performance management and scrutiny, research, education and clinical governance. Commentary and issues arising from this engagement are captured within the Trust's risk processes and taken into account in the risk grading matrix referred to above.

These and other stakeholders have opportunities to raise issues relating to risks which impact upon them, including:

a. Patients and public

- Participation in the "15 steps" process (an assessment of patient areas by patients, non-executive directors and Governors)
- Involvement with and by the Milton Keynes Health and Wellbeing Board
- Attendance at the Trust's Annual Members' Meeting
- Structured and ad hoc engagement with and from Healthwatch MK
- Patient-Led Assessments of the Care Environment (PLACE)
- Representation from Milton Keynes Council, Healthwatch MK, MKCCG and community groups on the Council of Governors
- Patient stories delivered at Board meetings.

b. Staff

- Messages emerging from the annual staff survey
- Chief Executive led staff roadshows
- Questions submitted by members of staff to the Chief Executive via the "Ask Joe" section of the Trust intranet
- Quarterly staff magazine
- Annual Event in the Tent
- Appointment of Freedom to Speak Up Guardians in January 2017 as conduits through whom staff may raise concerns or make protected disclosures under the Public Interest Disclosure Act 1998.

c. Health partners

- Regular performance review meetings with the system partners, including other providers, CCGs, GPs, Ambulance Trusts and Local Authorities with whom the Trust has working relationships
- Active involvement in the Bedfordshire, Luton and Milton Keynes (BLMK) Integrated Care System, which involves all of the NHS commissioner and provider organisations, as well as local authority social care providers across the three areas.
- Attendance at the Milton Keynes Health and Wellbeing Board and Integration Board.

Workforce Strategies

The Trust's 2018-2021 Workforce Strategy focusses on recruiting and retaining the Workforce, providing a healthy engaged workforce and ensuring workforce efficiency is maximised. The Workforce Strategy is split into three key workstreams:

- Attract, recruit, retain and develop talented staff who embody our values
- A healthy workplace with effective employee engagement and wellbeing
- Maximise productivity through innovative & efficient workforce and infrastructure

The delivery of these is monitored by the Workforce Development and Assurance Committee, a sub-committee of the Trust Board, and by the HR Teams as part of the Workforce Strategy Delivery Programme.

The Workforce Strategy aims to ensure an engaged and well-trained workforce is available in the short, medium and long term. Alongside the Workforce Strategy delivery actions business as usual processes take place to ensure the right staff are available in the right place, at the right time.

The strategy and business as usual actions include:

1. Enhanced and focused recruitment campaigns to recruit hard to fill roles, as well as high turnover roles such as Health Care Assistants, Band 5 Nurses and administrative and clerical
2. Development and integration of new and emerging roles, such as Nursing Associates and Advanced Nurse Practitioners
3. Regular review and monitoring of safe staffing levels, including the use of the Safer Nursing Care Tool and BirthRate Plus for bi-annual establishment reviews
4. Robust rostering practices, including the use of Check & Challenge meetings to scrutinise rosters
5. Recording and monitoring of Care Hours Per Patient Day (CHPPD), reported to Board as part of the Board Nursing Staffing Report
6. Short, medium, and long-term workforce planning practices to develop and staff service models, now and in the future
7. Design and implementation of retention initiatives, including enhanced benefits offering
8. Enhanced well-being package, promoting and improving the health of our workforce
9. Comprehensive training packages and use of central funding and apprenticeships to ensure training is widely available

The above listed activities support the NHSI Developing Workforce Safeguard recommendations, ensuring the wards as staffed safely and that staffing levels are monitored and adjusted as required and that the Trust is managing not only the workforce of today but also planning for the workforce of tomorrow.

Conflicts of Interest

The trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. This is available at www.mkuh.nhs.uk

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.

Equality and Diversity

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with and that equality impact assessments are an embedded part of organisational governance processes.

Sustainability

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

We received
539 Freedom of Information requests
in 2018/19, which included
4,882 questions;
95% of responses met the timeframe of 20 days

Information governance

This year has seen significant changes within the Information Governance agenda and the Government legislation which underpins it.

The first significant piece of work was to ensure the Trust remained compliant with the new General Data Protection Regulations which came into force on 25th May 2018 and 12 significant steps were undertaken to meet this deadline or ensure work was underway to meet the new requirements. The Trust was in the excellent position of already having tackled quite a few of the steps on the run up to go live and therefore the process was smooth and seamless. Our Privacy Notice can be found on our website at https://www.mkuh.nhs.uk/about-you

The Trust still has an obligation to benchmark itself against the NHS Information Governance Toolkit as in previous years, however this year has seen a new toolkit called The Data Security and Protection Toolkit (DSPT). This new version went live in July 2018, and the first baseline assessment was submitted on 31st October. The DSPT is part of the Information Governance work program and is continuously monitored to ensure the Trust meets current requirements by evaluating and benchmarking itself against the assertions. The DSPT must be submitted to NHS Digital on or before 31st March 2019, once approved through the Trusts Audit Committee.

To ensure the Trust covers all areas of Information Governance under the Framework and the completes the assertions within the DSPT the function is overseen by the Information Governance Steering Group (IGSG)

Data security risks are managed in line with the trust's risk management policy. The policy sets out a structured approach to information risk management. This includes the appointment of the senior information risk officer (SIRO), information asset owners (IAOs) and information asset administrators (IAAs). Information risk identification is supported by the maintenance of an information asset register and regular information mapping exercises. Any significant risks identified from these processes are included on the Trust's risk register and will therefore be subject to the formal management attention commensurate with the assessed risk.

The Trust operates in a complex environment and exchanges data with a number of partner organisations. It therefore continues to prioritise its activities to reduce the risk of data loss or accidental disclosure of personal data. Information governance policy and guidance is continually reviewed and staff training on an annual basis on Information Governance and Awareness is mandatory for all Trust staff, agency, volunteers and others who carry out work within the Trust. Information governance training includes an assessment of understanding of key aspects of policy and assessment scores will indicate the success of our awareness raising activities. Strengthened technical controls will result in a reduction of risk of specific types of data loss, for example privacy impact assessments on all new systems and processes.

During 2018/2019 the Trust has had one serious information governance incident which related to: thirteen prescriptions and a registration form containing patient details were posted to Healthcare at Home using the company pre-paid envelope via Royal Mail, the only item received was the registration form, and the 13 prescriptions had been lost in transit. These contained sensitive personal data. The breach was reported to the ICO and duty of candour letters were sent to each patient.

Freedom of Information

The Trust has created a new disclosure log to help navigate requesters to view past requests via our website. Requests continue to increase in both numbers and complexity. Amount of requests received in 2018/19 is 539, which included 4,882 questions; 95% of responses met the timeframe of 20 days compared to 2017/2018, 514 requests received which included 3857 questions, 92% were answered with in the timeframe of 20 working days.

Annual Quality Account

The 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 following steps are in place to assure the Board that the quality report presents a balanced view and there are appropriate controls in place to ensure that the data produced is accurate.

- The Quality and Clinical Risk Committee has overseen the quality priorities set out in the Quality Account to ensure that they reflect the Trust's priorities. The Audit Committee ensures that the Quality Account complies with NHS Improvement's guidance.
- The Audit Committee also ensures that the system of internal control as described in the Quality Account accords with its knowledge and understanding of the system.
- The Council of Governors has been consulted on the Quality Accounts and has had an opportunity to comment on the quality priorities, including choosing one of them
- Members of the Executive Management Board were given the opportunity to comment on the content Quality Account
- Monitoring key quality metrics at the Executive Management Board and Board of Directors
- Monitoring key national performance indicators relevant to data quality through the national data quality dashboard produced by the NHS Information Centre

Appropriate controls in place to ensure the accuracy of data

There is inherent risk in data that is person-reliant. The Trust has undertaken an extensive programme of work over recent years to continue to strengthen the data control environment and improve data quality, including elective waiting time data.

In 2015/16, the Trust's external auditors had highlighted weaknesses in the Trust's data quality controls during its testing of mandatory and discretionary indicators, as a result of which the 4-hour A&E waits and 18 week RTT (incomplete) indicators were qualified. As a result, the Trust directed its internal auditors to undertake an audit into its data quality governance arrangements to help inform improvement and development plans and provide assurance on areas of good practice. That audit gave an assurance rating of 'partial assurance with significant improvement opportunities', and proposed four high priority, eight medium priority and two low priority recommendations.

In March 2017, the internal auditors reported to the Audit Committee that a significant amount of work had been done with a view to meeting the recommendations, including the establishment of a Data Quality Compliance Board to oversee the implementation of data quality across the Trust, implementing a robust data quality policy, highlighting key roles and responsibilities, and providing details of how data quality will be monitored and managed, and re-focusing the activities of the data quality team. Internal audit undertook a further advisory review of data quality arrangements, which did not have a formal rating, but set out four further priorities to address. However, following testing as part of the 2016/17 audit process, the 4 hour A&E and 18 week RTT indicators were once again qualified.

Further work within 2017/18 resulted in another advisory report from internal audit commending the work undertaken by the Trust and the much-strengthened governance arrangements for data quality.

During 2018 a review of administrative structures and staffing took place, along with a training programme and new practices and processes, including new outcome forms. This work was assessed and assured by the NHS Improvement Intensive Support Team during the year. There is a weekly operational management meeting

dedicated to elective waiting list management. Although the 2017/18 audit once again resulted in qualification of the 18 week RTT and 4 hour A&E indicators, recognition was given to the further improvements made to data quality across the Trust.

The Trust rolled out its electronic patient record system, eCARE (Cerner Electronic Patient Record) during May 2018. This was the most significant clinical and data/ information change programme that had ever been undertaken at the Trust. There has been robust governance around the eCARE programme, which continues post its successful roll out. The Trust is now proceeding to the next phase of the eCARE programme, which will include outpatients and other clinical areas, and is expected to have a positive long-term impact on data quality. Given the scale and pace of change, data quality remains a risk recorded on the Board Assurance Framework.

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 NHS 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 board, the audit committee [and risk/ clinical governance/ quality committee, if appropriate] and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The process of maintaining and reviewing the effectiveness of the system of internal control during 2018/19 was maintained and reviewed by the Board throughout the year via:

- Reliance upon the Audit Committee for assurances that the system of internal control is sound
- Assurances from the Quality and Clinical Risk Committee on issues relating to clinical governance, risk management and divisional clinical leadership
- The structure, nature and content of Board meetings during 2018/19 which enabled the Board to provide adequate challenge on and gain suitable assurance in relation to issues relating to performance, quality and safety within the Trust
- The effective engagement of internal audit and an internal audit plan directed at areas where the control environment can be further strengthened (including clinical audit)
- A prioritized clinical audit programme covering national statutory and mandatory audits, priority audits and local interest audits. Further detail of the 2018/19 programme is set out in the Quality Report at page 105.
- Engaging independent assurance throughout the year through peer review and regulatory review.

Continued improvement and development work in the control environment will be undertaken in 2019/20.

Board of Directors

The governance framework of the Trust is defined in the information on the Trust Board and its sub-committees and the Council of Governors in Section 2 of the Annual Report. It explains the scope of each committee and the issues reported to it. The attendance of non-executive directors and executive directors at Board and committee meetings is detailed on page 39 of the Report.

Monitor's Code of Governance

In July 2014, Monitor published the NHS Foundation Trust Code of Governance (replacing the 2010 version). The purpose of the Code of Conduct is to assist NHS Foundation Trust boards in improving their governance practices by bringing together best practice from the public and private sector corporate governance. The Code is issued as best practice advice but imposes some disclosure requirements which all foundation trusts are required to follow.

Milton Keynes University Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a 'comply or explain' basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

The table below explains the three points where the Trust does not comply with the code of governance, together with an explanation of why it does not.

Provision	Explanation for non-compliance
A.5.6 The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.	The Council of Governors raise concerns at their regular meetings which members of the Board of Directors attend. In addition, the lead governor meets with the chairman and can raise issues on behalf of the Council. The senior independent director also meets informally with governors to discuss issues and governors can raise concerns through these meetings.
B2.4 The chairman or an independent non-executive director should chair the nominations committee.	The Council of Governors believe that the Non-Executive Director appointment committee (formerly the Nominations Committee) should be chaired by a member of the Council of Governors, as the Council of Governors has a responsibility for the appointment of Non-Executive Directors. This has been in effect since 2008/9 and is reflected in the Trust's Constitution.
B2.9 An independent external adviser should not be a member of or vote on the nominations committee(s)	The Nominations Committee has always valued the input of the independent external adviser, particularly as the Trust has usually selected a serving Chair or non-executive director of another trust to act in this capacity.

The Audit Committee

The Audit Committee provides assurance to the Board on:

- The effectiveness of the organisation's governance, risk management and internal control systems;
- The integrity of the Trust's financial statements, the Trust's Annual Report and in particular the statement on internal control;
- The work of internal and external audit and any actions arising from their work.

The Audit Committee has oversight of the internal and external audit functions and makes recommendations to the Board and to the Nominations Committee of the Council of Governors where appropriate on their reappointment.

The Audit Committee reviews the findings of other assurance functions such as external regulators and scrutiny bodies and other committees of the Board.

The executive directors have provided all the information contained in the Annual Report and accounts. The non- executive directors have had an opportunity to comment on the draft document and the audit committee reviews the report and considers it fair, balanced and understandable.

The Finance and Investment Committee

The Finance and Investment Committee focuses on financial and investment issues and takes an overview of operational activity and performance against national and local targets.

Internal Audit

The Audit Committee agrees an annual risk based internal audit plan and receives reports on the outcomes of the reviews of the system of internal control during the course of the financial year.

RSM (appointed in May 2018) are the providers for internal audit and for 2018/19 the Head of Internal Audit opinion was that the organisation has an adequate and effective framework for risk management, governance and control. However, the internal auditors' work identified further enhancements to the framework of risk management, governance and control to ensure that it remains adequate and effective.

In 2018/19 RSM completed 12 internal audit reports. The areas the reports covered included:

- Management of conflicts of interests
- Risk management
- Payroll
- Appraisals
- Financial planning and budgetary control
- Key financial controls

External Audit

Deloitte LLP, the external auditor provides assurance to the Trust on an ongoing basis by attending all Audit Committee meetings and by undertaking the annual audit of the accounts and Annual Report and a limited assurance review of the Quality Account. For 2018/19, the external auditor has concluded that:

- The financial statements give a true and fair view of the state of the Trust's affairs, and have been properly prepared in accordance with the accounting policies directed by NHS

Improvement, and in accordance with the National Health Services Act 2006;

- Their opinion in respect of the use of resources is to be qualified on the basis that the steps taken by management during 2018/19 to improve governance over the quality of its data have not had a full year effect, and the Trust incurred a deficit of £9.5m to the year ended 31 March 2019, and has a planned surplus of £6.8m for 2019/20;
- His limited assurance opinion in respect of his review of the Quality Report 2018/19 is to be qualified in relation to the A&E 4 hour wait and 62-day cancer indicators.

Conclusion

Based on my review, I am aware of on-going internal control issues regarding financial sustainability and data quality. The Trust is committed to the continuous improvement of its processes for internal control and assurance, and this has already led to the lifting by NHS Improvement of historical conditions that had been placed on the Trust's licence. Although the Trust remains in deficit, it has met and exceeded its control total, and robust governance arrangements are now in place to continue to assure data quality across the organisation. I am confident that these will lead to continued sustainable improvements in 2019/20, building on work in the prior year.

Joe Harrison
Chief Executive

Date: 24 May 2019

As Accountable Officer, I am satisfied that the Accountability Report is a fair and balanced account of the areas that it covers.

Joe Harrison
Chief Executive

Date: 24 May 2019

3. Quality Report

1

The Quality Account

1.1 Introduction

Milton Keynes University Hospital NHS Foundation Trust (referred to as 'MKUH' or 'the Trust') is a district general hospital providing a broad range of general medical and surgical services, including A&E, maternity and paediatrics. We continue to develop our facilities to meet the needs of our rapidly growing local population.

The Trust provides services for all medical, surgical, maternity and child health emergency admissions. In addition to delivering general acute services, the Trust increasingly provides more specialist services, including cancer treatments, neonatology, and a suite of medical and surgical specialisms.

We aim to provide quality care and the right treatment, in the right place, at the right time. The Trust's strategic objectives are focused on delivering quality care, with the first three objectives being:

1. Improving patient safety
2. Improving patient experience
3. Improving clinical effectiveness

To support our framework for quality we have a rigorous set of standards for monitoring our performance against local and national targets, which helps us to identify and address any issues as they arise.

We are proud of our professional, compassionate staff and of our strong relationships with local stakeholders. The involvement of patients, the public, governors, Healthwatch, and health and care system partners is integral to our development.

Our governors are involved throughout the year in monitoring and scrutinising our performance. The governors continue to demonstrate their commitment to fulfilling their role as the elected representatives of patients and the public, through their direct contacts with members of the community, as well as their participation in a range of community forums, including Milton Keynes Healthwatch and various patient participation groups. An elected governor also attends, in an observer capacity, meetings of the Quality and Clinical Risk Committee, which monitors the performance of the hospital against quality indicators and delivery of quality priorities, including those set in the Quality Account.

During the year, we have continued to actively engage with the Milton Keynes Council Health and Adult Care Select Committee and the Health and Wellbeing Board on quality matters concerning the Trust as an acute hospital and those affecting the wider health and care system.

This Quality Report is an annual report to the public about the quality of our services; it outlines our measures for ensuring we continue to improve the quality of care and services we provide; and outlines progress and achievements against previous quality priorities.

Specifically the purpose of the Quality Report is to enable patients and their carers to make well informed choices about their providers of healthcare; the public to hold providers to account for the quality of the services they deliver; and Boards of NHS provider organisations to report on the improvements to their services and to set out their priorities for the following year.

One of the requirements in compiling the Quality Report for the previous financial year (2018/19) is to select at least three quality priorities for the year ahead (2019/20). These priorities are included in Part 2 of the Quality Report.

"Once again we have continued to invest in the development of our staff, our services and the estate itself with the aim of further improving both quality of care and the availability of services to the people of Milton Keynes and surrounding areas."

In selecting quality priorities, the following criteria should be satisfied:

- The quality priority should be determined following a review of the quality of service provision
- The quality priority should reflect both national and local indicators
- The quality priority should be aligned with the three domains of quality: patient safety, clinical effectiveness and patient experience.

Once agreed the Quality Report must indicate how the priorities will be met, monitored, measured and reported by the Trust. The Quality Report provides an evaluation of progress in meeting the quality priorities set for 2018/19 and gives a general overview and evaluation of how well the Trust has performed across a range of quality metrics throughout the year.

In addition, the Trust was required to select 3 indicators in respect of which its performance is to be subjected to testing by the external auditors. Two of these indicators - the percentage of patients with a total time in the Accident and Emergency Department of four hours or less from arrival to admission, transfer or discharge, and the maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers – are mandated by NHS Improvement. The other indicator, which was selected by the Council of Governors, was around the Trust's performance against the Summary Hospital-level Mortality Indicator. The outcome of the auditors' testing is set out at Annex 3 of the Quality Report.

1.2 Statement on quality from the Chief Executive

It is my privilege to introduce this year's Quality Account for Milton Keynes University Hospital NHS Foundation Trust.

This important document gives us the opportunity to reflect on all we have achieved in improving the quality of care provided to our patients during 2018/19. It also allows us to identify where we will focus our efforts next year in order to make the care and experience we provide as safe, as positive and as effective as it can be.

Each year, we set out objectives as a hospital and each year our top three objectives are: improving patient safety, improving patient experience and improving clinical effectiveness. These three objectives remain at the heart of everything we do and everything we are here to deliver, every day. That is the case for every single one of the thousands of people we care for, every single year.

It has been a very exciting year of developments at the hospital. Once again we have continued to invest in the development of our staff, our services and the estate itself with the aim of further improving both quality of care and the availability of services to the people of Milton Keynes and surrounding areas.

One of the biggest investments we made in 2018/19 was the introduction of eCARE, our £33m electronic patient records system. This was a major undertaking and required immense planning and practice before being implemented in most areas of the Trust during May 2018.

This digital system will significantly improve the way patients are seen and treated. It allows our staff to treat patients more effectively by providing them with easier access to up to date information that can be shared in real time across all departments. The system is capable of suggesting plans of care, supporting clinical decision-making and ensuring that patients are receiving the treatment they require. eCARE is more than just a computer system, it is a new way of working – giving staff access to improved up to date information so they can deliver safer and more efficient care.

Our IT teams and supporting groups worked tirelessly to ensure the new paperless system worked effectively and safely. Many staff groups undertook detailed and extensive training in order to be fully proficient on the new system which in part involved direct inputting of patient information and treatment plans into our new Workstations on Wheels. We are at the very forefront of technology in this respect and I am very proud of how well our staff have adapted to

Results of our cancer and maternity patient surveys have **significantly improved** and our inpatient survey results were the **third most improved Trust** in the country.

using this new system. During 2019/20, we will continue to roll out eCARE to the remaining areas of the Trust, including Paediatrics.

We have also invested in several other technological tools. MyCare is our patient portal which allows patients direct access to cancel or change appointments without the need for a lengthy telephone call. We also introduced two new apps in maternity, one for patients with hypertension and another for patients with gestational diabetes. These allow patients to carry out checks via the app from the comfort of their own homes and transfer the information to midwives on site, who can follow up the results if needed.

In terms of developing our estate to support better patient care and experience, the highlight of the year has been the commencement of building work on what will be our new Cancer Centre. This will open in December 2019 and will locate oncology, clinical haematology and cancer-related chemotherapy under one roof. The £15m development will mean that the hospital can offer improved cancer services, help increase capacity, establish new emergency care pathways and support the future demand for cancer services in Milton Keynes.

To support this, work is also due to start on a new aseptic suite, conveniently located adjacent to the new Cancer Centre. In the coming year, work is also due to start on the development of a new Pathway Unit, on the improvement and expansion of our Neonatal Unit and on a new diagnostic centre.

In order to maintain the level of car parking provision, we built and opened a second multi-storey car park on site. This opened in May and is designated for staff use. To cope with some of our busiest periods, we also negotiated with Milton Keynes Council for permission for our staff to park off site in Peartree Bridge, which is a short walk via footpaths and underpass to the hospital site.

In late 2018, we officially opened of our new dedicated paediatric Emergency Department. This means children needing emergency care have a separate entrance and waiting area, so that parents and carers bringing in sick children do not have to be processed through the adult Emergency Department. It offers a bright, colourful and welcoming environment to young people and their families while they wait to be assessed and treated. To that end, we also moved the Adults' ED to a new larger area that can accommodate better facilities and clinic rooms.

In January 2019 we opened a new eight-bedded ward, to be used as an escalation ward during the busy winter period to enable us to continue to provide high levels of care to all of our patients during the busy winter period.

Demand on the hospital's services continued to increase during 2018/19. We received 2.9% more GP referrals than had been planned for, and demand on the Emergency Department was 0.3% higher than in 2017/18, with increasingly complex and acutely unwell patients. The impact of the increase in demand has been that the Trust has accommodated a growing number of emergency admissions, and yet accepted 6.1% more elective admissions than it did in 2017/18.

The increase in demand for our services has had an impact on our performance in the latter half of the year against the national standard for consultant-led Referral to Treatment Waiting Times. RTT performance improved from 84% in 2017/18 to 89% in 2018/19. This remains an area of focussed effort for the Trust. The number of operations that had to be cancelled reduced considerably year on year.

Our quality metrics are published at every public Board meeting so that any member of the public can see and scrutinise our performance against a range of national, internal and peer-benchmarked metrics. This quality and performance dashboard includes national access targets, as well as quality indicators like mortality measures, numbers of serious incidents and never events, rates of infection and pressure ulcers and more.

We are committed to continuing to improve the quality of the care we provide. Each year we challenge ourselves to do better so that our patients get the best possible care, treatment and experience whilst in our care or using our services. We are aware that in 2018/19 we received around 9.3% more complaints about our services than we did in the previous year. We welcome the feedback and the opportunity to do better for our patients. We are working hard to improve the experience that our patients receive when they use our services and this will continue to be our priority in 2019/20. Results of our cancer and maternity patient surveys have significantly improved and our inpatient survey results were the third most improved Trust in the country.

We have been working during 2018/19 on the actions that need to be taken to enable the trust to meet the clinical standards developed in 2013 for seven day services within hospitals. The steps that need to be taken to meet the requirements of the four priority standards have been identified and the additional investment that will be required has been quantified. Those interventions that have been identified as first order priorities are to be progressed, subject to approval through the trust's normal governance mechanisms, during the course of 2019/20.

1.3 Statement of Assurance

There are a number of inherent limitations in the preparation of Quality Accounts which may impact the reliability or accuracy of the data reported. These include:

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits programme of work each year.
- Data is collected by a large number of teams across the Trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably have classified a case differently.
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ.
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.

During the year, we have continued to be actively engaged with the Milton Keynes Council Health and Adult Care Select Committee and the Health and Wellbeing Board on subjects of importance to the community.

This report also outlines our measures for assuring and sustaining performance for the future, recognising that there are areas requiring improvement.

The Trust and its Board have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognises that it is nonetheless subject to the inherent limitations noted above. Following these steps, to the best of my knowledge, the information in the document is accurate, with the exception of ongoing data quality issues identified in the Annual Governance Statement.

Joe Harrison
Chief Executive

Date: 24 May 2019

2

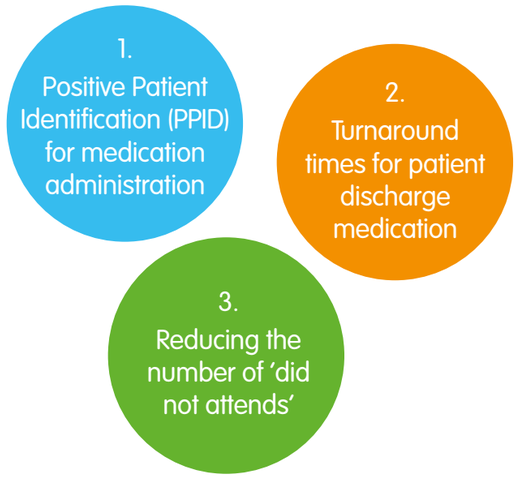
Priorities for improvement and statements of assurance from the Board

2.1 Priorities for Improvement in 2019/20

This section of the Quality Report describes the areas we have identified for improvement in 2019/20. These priorities have been shared with and agreed by our Board of Directors (Trust Board) and Council of Governors – a body made up of elected members of staff, members of the public and nominated stakeholder representatives.

In selecting these priorities, both the Board and the Council of Directors were mindful of feedback that the Trust has received from patients about aspects of their experience that could be improved. Feedback from patients and their carers through various surveys have particularly highlighted delays effecting discharge and problems with communication as areas for improvement. In addition, the Trust's is clear about its ambition to make use of technological innovations to improve the quality and efficiency of its services, and their user-friendliness. The first priority, the scanning of patients for drug rounds, is an area that has the potential to provide significant improvements in patient safety. Slow turnaround times for patient discharge medication can cause frustration for patients and clinicians alike, unnecessarily preventing patients from leaving hospital and affecting the ready availability of beds. High numbers of 'did not attends' (DNA) make it difficult to effectively plan and deliver outpatient activity and are a significant cause of waste in the hospital. It is an area in which major improvements in efficiency can be made.

Priorities for 2019/20:



Priority 1: Positive Patient Identification (PPID) for Medication Administration

Description of the priority

We will monitor our compliance with Positive Patient Identification (PPID) following implementation of the Electronic Health Record (EHR) to ensure that the scanning of the patient's wristband prior to medication administration is completed on all possible occasions.

Why have we selected this as a priority?

Patient misidentification has been recognised as an error that can lead to administration of medication to the wrong patient and therefore constitutes a serious risk to patient safety. The ability to correctly identify the patient is the first step in reducing patient mismatch errors.

Scanning the patient's wristband prior to medication administration ensures that the patient and the drug chart that is open are a match and supports the 5 rights of medication administration- Right patient, Right medication, Right dose, Right time and Right route.

What is our past performance in this area?

Positive Patient Identification is completed for over 75% of administrations in those areas live with the EHR with some areas achieving over 90%.

How will we monitor and measure our performance in 2019/20?

- Report monthly quantitative data of patient scanning.
- Report monthly quantitative data of mismatch records.
- Review medication administration workflows to ensure they support the use of PPID.
- Work with colleagues across the trust to identify areas of improvement for departments or individuals.

How will we report our progress against this priority?

We will provide a detailed narrative report on our progress against the goals set out in June 2020. We will also report monthly to Nursing, Midwifery and Therapies Board (NMTB) throughout the year.

Priority 2: Turnaround Time for 'To Take Out' Drug Prescriptions

Description of the priority

Hospital inpatients are often prescribed drugs for when they are discharged. This prescription, in hospital shorthand, is called a 'TTO' – 'To Take Out'.

There can be a delay in receiving these TTOs leading to a delay in the patient being discharged from hospital. The TTO process is complex and delay can be caused at any stage of the process – at the prescribing stage, the validation stage and the distribution stage.

Why have we selected this as a priority?

The delays at any stage of the process can cause difficulties for the patient, carers and/or relatives, transport and the hospital wards - for the patient as they are anxious to be discharged, for the carers and/or relatives as the uncertainty may require changes in logistics, transport arrangements may need to be changed or even abandoned and for the hospital wards as there may be other patients awaiting that hospital bed.

What is our past performance in this area?

There has been some previous manual data collection, but this is being further developed from eCare data. For instance, we have data that shows that 41% of TTOs are prescribed the day before discharge, and that it takes an average of 2 hours for the pharmacists to validate the prescription.

How will we monitor and measure our performance in 2019/20?

- We will develop a hospital wide project to agree the methodology for quantitative reporting in relation to the TTO prescription process.
- This will incorporate data collection and analysis utilising our eCare system.
- We will pilot improvements on 2 wards and then roll this out across the hospital.
- We will also pilot improvements in the process in the Patient Discharge Unit.
- An overall aim will be to increase the prescribing of TTOs the day before discharge to over 50%

How will we report our progress against achieving this priority?

We will develop a project dashboard incorporating the above measures and will report progress into the Length of Stay Programme Board and the hospital wide Transformation Programme Board.

Priority 3: Reduction in Did Not Attend (DNA) Rates

Description of the priority

Did Not Attend (DNA) rates relate to the proportion of patients booked to attend an outpatient clinic who do not attend and have made no contact with the Trust. This results in wasted clinic slots which could potentially have been utilised by another patient. DNAs therefore impact negatively on the Trust in terms of clinic efficiency, financial loss and add to waiting

Why have we selected this as a priority?

We want to ensure that patients have a positive experience and are able to access appointments effectively and efficiently. We also have a statutory duty to manage the time patients wait for treatment under the NHS Constitution. Over the past year we have seen a rise in the numbers of patient who do not attend appointments that the hospital expects them to attend. We want to reverse this trend to ensure we are using our clinical resources as effectively as possible; that patients are not waiting for treatment longer than necessary; and that we manage our waiting lists and clinical capacity as efficiently as possible.

What is our past performance in this area?

Between April 2017 and March 2019, DNA rates overall appear to have increased from around 5.5% just over 7%. Detailed analysis to understand the reasons that may lie behind this increase to ensure that interventions to support a reduction in DNA rates are targeted and appropriate.

How will we monitor and measure our performance in 2019/20?

We will work with the Information Department to develop a DNA rate report, enabling us to monitor DNA rates on a weekly basis and make appropriate interventions to reduce appointments where patients do not attend. This will be monitored at a weekly operational meeting and through the Patient Access Board, reporting to the Executive Management Board and Quality and Clinical Risk Committee of the Trust Board (up to Trust Board). The DNA rate is also reported to the Trust Board at every meeting as part of the integrated performance report.

How will we report our progress against achieving this priority?

We will provide a detailed narrative report on our progress against the goals set out above in our 2019/20 Quality Account in June 2020. We will also report progress to the Clinical Quality Board and the Quality and Clinical Risk Committee (a sub-Committee of the Trust Board) throughout the year. The DNA rate is also reported to the Trust Board at every meeting as part of the integrated performance report.

2.2 Our Performance against Priorities for Improvement in 2018/19

In this section we set out the priorities for improvement included in last year's Quality Account (for the financial year ending in March 2019) and how we performed against them throughout the year.

The priorities for improvement for 2018/19 as set out in the 2017/18 Quality Account were:

1. Improving patient safety through the effective management of the World Health Organisation (WHO) surgical checklist
2. Improving patient experience by delivering the Gold Standard Framework for end of life care
3. Improving clinical effectiveness by improving processes in the Outpatients Department

2.2.1 Priority 1 - Improving patient safety through the effective management of the WHO checklist

2.2.1.1 Description of the priority

Compliance with the WHO surgical checklist supports the Trust's drive to ensure that the environment and culture within theatres places patient safety front and centre. The checklist is completed in the vast majority of relevant cases, but completion alone does not guarantee that a safety culture is in place.

2.2.1.2 Why did we select this priority?

The central tenet of medicine is 'first, do no harm'. Many of the interventions that are undertaken in modern healthcare are complex and therefore prone to error. Two fundamental steps in maximising the safety of complex processes in medicine are standardisation and communication. The WHO surgical safety checklist supports both standardisation of practice in the theatre environment and improved teamwork and communication.

2.2.1.3 Did we do what we said we would and what was our performance against this priority in 2018/19?

ACTION: We will revise and agree the methodology for quantitative reporting in relation to the use of the WHO surgical safety checklist.

The process of auditing the qualitative and quantitative reporting has been reviewed in the Theatre Improvements Group.

At MKUH, we currently undertake 2 audit processes measuring compliance with the 5 steps to safer surgery (5SSS) in the operating theatre suite and a rolling audit measuring compliance in the endoscopy suite:

1. Quantitative audit – this audit answers the question "has the WHO process taken place for this patient?" This data is from where the Trust's performance dashboard is gathered. The compliance rate for this analysis has been consistently near to 100% for the past 12 months.
2. A qualitative internal Theatres' audit is carried out each month, which audits 60 forms across all 12 theatres. This audit focuses on 'correct' completion of the form.
3. The endoscopy department WHO checklist audit samples all patients having invasive procedures undertaken in the endoscopy unit over a period of a randomly selected week. This audit is presented within the team and escalated via the Clinical Board and MAC.

Headline findings from the quantitative audit are that each operating theatre patient does have a 5SSS checklist undertaken. The qualitative audit also highlighted that all selected patients had had a WHO checklist document completed. The rates of incorrectly completed documentation were between 9% and 3% in 2018. The incorrectly completed forms did not originate from a single theatre or single surgical specialty. The 'Sign Out' domain is the least well completed domain. The other repeated omission is the signature confirming completion of the domains.

The 07/2018 endoscopy audit demonstrated that the full completion compliance was 96%. 93% of the forms were signed by the doctors. 7% of the forms were not dated by the doctors.

ACTION: We will work with the regional Patient Safety Collaborative and others to design a mechanism through which we can obtain regular objective feedback about the conduct of the checklist and our overall safety culture.

We have undertaken a staff survey interrogating opinions and improvement suggestions for the 5steps for surgical safety and the WHO checklist in the operating theatres and are liaising with the Royal Berkshire Hospitals and the PSC to look at shared learning.

ACTION: We will establish a working party, a sub-group of the Theatres Improvement Group, to look at measures to optimise patient safety in the theatre environment

A patient safety sub-group has recently been established from members of the Theatres Improvement Group, which has been re-invigorated with improved support from the Transformation team, and a more rigid agenda which includes patient safety as a standing agenda item.

ACTION: We will adopt 'Greatix', a technique known as appreciative enquiry, in order to ensure that we learn from best practice within the organisation

Greatix has been adopted into theatres practice as well as across the surgical division. There were a number of Greatix submitted for theatre staff in 2018/19, as well as commendations from the CEO for theatre staff in the monthly newsletter.

ACTION: We will invest in our theatres environment to improve 'safety by design'.

The anaesthetic rooms have been re-designed to have a consistency across the whole department.

We have invested in new electronic operating tables, removing the manual tables.

We have invested in new anaesthetic monitors and anaesthetic machines to have modern and up-to-date equipment for the delivery of safe anaesthesia.

We have invested in 'staff friendly' patient trolleys to reduce the burden of manual handling.

ACTION: We will work with colleagues outside the surgical environment to ensure that other procedures also adopt best practice in relation to checklists and communication

Patient safety checklist LocSips have been developed for use across the organisation. Checklists are used for invasive procedures undertaken in Cardiology, Endoscopy, Critical Care and Emergency Department.

Priority 2 – Improving the patient experience by delivering the Gold Standard Framework for end of life care

Description of the priority

National surveys suggest that people would prefer to die outside of hospital, but currently half of all patients who die in Milton Keynes die in hospital. Recent research (Clark 2014) shows that a third of all hospital inpatients are in the last year of their life and one in ten will die during their current admission. Many of these patients have repeated lengthy hospital admissions and the goals of treatment are sometimes unclear or unrealistic – adding to patient and carer distress. One reason for the unclear treatment goals, repeated admissions and people not dying where they would wish to is a lack of advance care planning.

Why did we select this priority?

Nationally there is a drive to improve end of life care and to empower all staff with the tools and knowledge they need to make the end of a patient's life comfortable, dignified and in accordance with their wishes. This approach – of treating patients with compassion and having open and honest conversations about their care and their goals or wishes – is an important priority.

The Gold Standard Framework is a programme that has been established for over 15 years. The programme involves staff in the community, nursing homes and in hospital settings, with the aim of improving the care of patients who are in their last year of life. The programme includes teaching and on-going support; and empowers staff to identify people likely to be in the last year of life. The programme enables staff to be confident in having discussions about individual needs with these patients exploring wishes and preferences, not just as a one off event, but as part of the culture of care they provide.

Evidence from other hospitals undertaking the programme shows that following the Gold Standard Framework teaching, more patients are offered Advance Care Planning (ACP) discussions - 95% of patients on hospital wards, thought to be in the last year of life, who have completed the Gold Standard Framework programme were offered an ACP and 35% completed them. Staff who completed the programme felt more confident having Do Not Attempt Cardio-Pulmonary Resuscitation (DNACPR) conversations and more patients were shown to have a DNACPR decision recorded.

The Gold Standard Framework improves coordination across care sectors and communication with patients and carers. Many GP practices across Milton Keynes have a Gold Standard Framework register and this programme will allow staff to use a common language across care settings.

The GSF programme was started in September 2017 and launched in the Trust in March 2018

Did we do what we said we would do and what was our performance against this priority in 2018/19?

There were 40 complaints about end of life care at the hospital between January 2018 and January 2019, compared to 30 in the previous 12 months. Common themes include poor communication and a lack of compassion and dignity.

We have increased the number of patients identified by GSF criteria and the number of advance care planning discussions as this audit of 3 wards in March and June 2018 shows. The documentation of DNACPR decisions in the discharge summary has significantly improved.

	March	June
Number of dc's for 3/18/19 (excluding inpt deaths and incomplete notes)	146	120
Average age of patient	68.7	74.28
GSF discussions in notes	10	13
Documentation of GSF paper work completed	1	1
GSF decision on TTO	1	5
DNACPR in place	36	28
DNACPR introduced in that admission	21	13
DNACPR decision on TTO	5	28
% of all patients with documented GSF discussion	6.8	10.8
% of GSF discussions put on TTO (of people who had discussions in notes)	10.0	38.5
% of DNACPRS in place put on TTO	13.9	100.0
Number of deaths that have happened since discharge that are documented (these are included in the above numbers)	17	10
Number of patients excluded as died in this addmission	10	3
Patient with incomplete notes / self discharges (and therefore excluded)	7	2

Priority 3 – Improving clinical effectiveness by improving processes in the Outpatients Department

Description of the priority

The Outpatients Department is the busiest part of the hospital, seeing hundreds of thousands of patients each year. Last year we committed to a programme of improvements to improve the overall effectiveness of the Outpatients Department, and the experience patients have of the service. This is a large-scale transformation programme, which will continue into 2019/20.

Why did we select this as a priority?

The Outpatients Department has the most patient contacts throughout the year – whether that is a visit to clinic, phone call, or correspondence. We set out to improve the experience our patients have of our Outpatients Department; and to ensure that this valuable clinical resource is used as efficiently and effectively as possible.

Did we do what we said we would do and what was our performance against this priority in 2018/19?

We delivered a programme of work in the Outpatients Department throughout the year which will continue throughout 2019/20. During 2018/19 we did the following:

- Introduced a patient portal (MyCare) to enable patients to make, change and cancel appointments on their phones or other digital devices. We believe we are the first hospital in the country to introduce a patient portal like this, giving patients more power over their own health care
- Introduced technology enabling patients to receive digital letters through the MyCare patient portal – available across specialties
- Centralised staffing structures to increase management oversight, provide more and more consistent training and development for staff
- Reduced the number of patients waiting longer than expected for their follow-up appointment (having previously been seen by a clinician in an outpatient clinic) from more than 13,000 to just under 8,000
- Revised our Access Policy
- Introduced new Standard Operating Procedures to support the effective running of services
- Upgraded digital/ technology platforms to increase efficiency, particularly in the production of letters

This remains a substantial programme of work, and a priority for the Trust. We will continue the programme in 2019/20, with governance through the Patient Access Board, reporting to the Executive Management Board and Quality and Clinical Risk Committee of the Trust Board (up to Trust Board).

2.3 Statement of Assurance from the Board of Directors

During 2018/19 Milton Keynes University Hospital NHS Foundation Trust provided and/or sub-contracted 37 relevant health services.

Milton Keynes University Hospital NHS Foundation Trust has reviewed all data available to them on the quality of care in 37 of these relevant health services.

The income generated by the relevant health services reviewed in 2018/19 represents 100% of the total income generated from the provision of relevant health services by Milton Keynes University Hospital NHS Foundation Trust for 2018/19.

2.3.1 Clinical Coding Audit

During 2018/19, Milton Keynes University Hospital was not subject to the Payment by Results clinical coding audit.

2.3.2 Submission of records to the Secondary Users Service

Milton Keynes University NHS Foundation Trust submitted records during 2018/19 to the Secondary Users Service for inclusion in the Hospital Episode Statistics which are included in the latest published data. Details of this submission can be found at page 117.

2.3.3 Information Governance Assessment Report

The Data Security and Protection Toolkit replaced the previous Information Governance toolkit from April 2018. Milton Keynes University Hospital NHS Foundation Trust submitted its baseline assessment against the requirements of the new toolkit in October 2018, indicating that it was meeting 26 of the 32 assertions across the 10 National Data Guardian Standards.

2.4 Participation in clinical audits

The Trust is committed to undertaking effective clinical audit within all of the clinical services provided. There is recognition that this is a key element in the development and maintenance of high quality patient-centred services.

2.4.1 During 2018/19, MKUH participated in 49 national audits, and 100% (3 out of 3) of national confidential enquiries in which it was eligible to participate.

2.4.2 2018/19 National clinical audit participation

No	2.3 Name of Audit	MKUHFT participate?	2.4 Data collection complete 2018/19	2.5 Participation
1	Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	No	Inconsistent data inputting therefore not full participation
2	BAUS Urology Audits: Female stress urinary incontinence	No	Participation suspended	Audit not undertaken at Trust at present
3	BAUS Urology Audits: Nephrectomy	Yes	No	Nil
4	BAUS Urology Audits: Percutaneous Nephrolithotomy	Yes	No	Nil
5	National Bowel Cancer Audit (NBOCAP)	Yes	Yes	Latest national benchmarking dashboard published and shared with leads
6	Cardiac Rhythm Management (CRM)	Yes	No	Not available
7	Case Mix programme (CMP) ICNARC	Yes	Yes	Quarterly reports published and disseminated
8	National Paediatric Diabetes Audit Diabetes (NPDA)	Yes	Yes	Unit specific headlines disseminated
9	Elective Surgery Patient Reported Outcome Measures (PROMs)	Yes	Yes	Not available
10	Endocrine and Thyroid National Audit	Yes	Yes	Not available
11	Falls and Fragility Fractures Audit programme (FFFAP)	Yes	Yes	Results shared with stakeholders
12	Fractured Neck of Femur	Yes	Yes	Results disseminated and action planning undertaken
13	Head and Neck Cancer Audit (HANA) (TBC)	Yes	Yes	Not available
14	Inflammatory Bowel Disease (IBD) programme	Yes	Yes	Not available
15	Learning Disability Mortality Review Programme (LeDeR)	Yes	Yes	Not available
16	Major Trauma Audit (TARN)	Yes	Yes	Nation benchmarking data shared
17	Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	Yes	The report was published on 01/11/2018
18	National Audit of Breast Cancer in Older Patients (NABCOP)	Yes		Not available

No	2.3 Name of Audit	MKUHFT participate?	2.4 Data collection complete 2018/19	2.5 Participation
19	National Audit of Dementia	Yes	Yes	The audit was completed in November 2018; results expected by June 2019
20	National Audit of Seizures and Epilepsies in Children and Young People	Yes	Completed for 2017-18 reporting period	Not available
21	National Cardiac Arrest Audit (NCAA)	No	Yes	Not available
22	National Chronic Obstructive Pulmonary Disease Audit programme (COPD)	Yes	Partial	Not available
23	National Comparative Audit of Blood Transfusion" 2018 Maternal Anaemia audit.	Yes	Yes –collection period was at the end of 2018	Report later this year.
24	National Diabetes Audit – Adults	Yes	Yes	Not available
25	National Emergency Laparotomy Audit (NELA)	Yes	Incomplete data returns	30/01/2019 - 73% patients seen under 14 hours of admission
26	National Heart Failure Audit	Yes	Yes	Not available
27	National Joint Registry (NJR)	Yes	Yes	We are at 100% in compliance rate for this month and overall at 98%
28	National Lung Cancer Audit (NLCA)	Yes	Partial	Not available
29	National Maternity and Perinatal Audit	Yes	Yes	National reports disseminated
30	National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	Yes	Yes	Actions identified and in process
31	Oesophago-gastric Cancer (NAOGC)	Yes		Not available
32	Paediatric Intensive Care (PICANet)	Yes		Not available
33	Pain in Children	No	Not identified as a QA audit for 2018-19	
34	Procedural Sedation in Adults (care in emergency departments)	Yes	No	QI identified
35	National Prostate Cancer	Yes	Yes	
36	Sentinel Stroke National Audit programme (SSNAP)	Yes	No	No report
37	Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Yes	Yes	Incidents analysed and reported on
38	UK Parkinson's Audit	Yes		
39	National Partial mammography Audit NHSBSP			
40	National Chronic Obstructive Pulmonary Disease (COPD) Audit programme (Pulmonary Rehabilitation work stream)	Yes	Yes	Results disseminated e.g. post rehab MRC recording
41	National audit of small bowel obstruction	No		
42	National Epistaxis Audit	Yes	Phase 1 in 2017/18 awaiting collection period for phase 2	Not published yet

No	2.3 Name of Audit	MKUHFT participate?	2.4 Data collection complete 2018/19	2.5 Participation
43	Noninvasive Ventilation	Yes	Ongoing	Report awaited
44	Adult Community Acquired Pneumonia	Yes	Yes	Report due late 2019
45	National Diabetes Foot Care Audit	Yes	Yes	
46	National care at end of life	Yes	Yes	Areas for improvement are perhaps earlier recognition of the dying patient to allow communication with the patient rather than the family, conversations about fluid and food and documenting the extent that the patient wishes to be involved in decision making.
47	National Audit of Pulmonary Hypertension	Yes	Yes	Not available
48	National Asthma and COPD Audit Programme (NACAP).	Yes	Yes	Not available
49	National cardiac rehab	Yes	Yes	Not available

2.4.3 During 2018/19 hospitals were eligible to enter data in up to 5 National Confidential Enquiry into Patient Outcome and Death (NCEPOD) studies. The Trust was exempt from participating in 2 of these. The table below summarises those studies that were applicable to and participated in by MKUH.

National Confidential Enquiry into Patient Outcome and Death Study Eligible 2018/19	Participated
Pulmonary Embolism	Yes
Acute Bowel Obstruction	Yes
Long Term ventilation Study	Yes
Number of cases submitted were the number requested by NCEPOD	

2.4.4 National audit reports review and actions

The Trust has reviewed 18 national audit reports in 2018/19 and the Trust intends to take the actions listed in the tables below to improve the quality of healthcare provided:

Title: ICNARC Annual Quality Report for the Case Mix Programme (CMP)
Recommendation(s)/Outcomes discussion points and actions we intend to take
All the measures are within 2SD from the comparator. Unit acquired infections are very low.
Unplanned readmissions are higher than the comparator. Delayed discharges have improved, but are still higher than comparator
Presentation to the Critical Care Governance Committee (4Cs) and at clinical improvement group (CIG). The multidisciplinary team (MDT) work is looking at delayed discharges and readmissions

Title: SSNAP (Sentinel Stroke National Audit Programme)
Recommendation(s)/Outcomes discussion points and actions we intend to take
Performance has improved and achieved and maintained a 'B' grade for 20 consecutive months, including since the launch of Hyper Acute Stroke Unit (HASU) services.
The pathway for each patient who fails the 4 hrs to ward, the standard is investigated, and action taken if appropriate.
The Core Clinical Services Clinical Service Unit (CSU) are reviewing the Speech and Language Therapy (SALT) staffing provided to the stroke unit. The team are working with the stroke consultants to reduce length of stay.
Ongoing challenges with timely (72h) access to SALT input
Continued monitoring with commissioners and CNWL partners. Liaison with Thames Valley peers in order to identify further improvement measures.

Title: National Paediatric diabetes
Recommendation(s)/Outcomes discussion points and actions we intend to take
Good HbA1c levels
Forwarding the data accurately to the national audit centre is challenging due to IT interface issues.
Slightly higher proportion of high BPs.
Median HbA1c has risen by 1% since the last audit but it is hoped that factors including nurse led high HbA1c clinics and use of Diasend (IT diabetes solution) will improve this.
There seems to be a high number of children with raised blood pressure (BP) which is being investigated. This may in part be related to how often this is done in clinic – it only needs to be done annually – doing a BP on every occasion increases the rush and stress in the nurses' office

Title: National Maternity and Perinatal Audit
Recommendation(s)/Outcomes discussion points and actions we intend to take
Relatively good benchmarked position in respect of post-partum haemorrhage rates are low at 1.6% (2.8%), low Apgar rate at 0.7% (1.2%), induction rate is lower at 21.3% (29.3%) and Caesarean section rate lower than national average at 24.8% (25.9%)
3rd and 4th degree tear is at 4.5% compared to the national average (3.7%). Undetected small for gestational age (SGA) is higher than the National average at 62.1% (55.3). Early elective delivery is higher than average at 31.3% (28.7). Low vaginal birth after a caesarean (VBAC) rate at 25.1% (24.7%). Low spontaneous vaginal delivery rate at 62.5% (61%). Episiotomy is at 23.7% (22.7%). Instrumental delivery is at 13.5% and the national average is (13%)
Undetected (SGA at 40 weeks is higher than average - SBLB expected to show improvement. Elective early delivery is above average so need to ensure robust indications are documented. To introduce mechanical methods of induction of labour (IOL) so as to increase VBAC rates
Await Obstetric Anal Sphincter Injury (OASI) care bundle integration in practice to see if 3rd and 4th degree rates fall. However, it was felt that this may be a symptom of good data recording
Post-partum haemorrhage (PPH) rate low therefore to contact coding to ensure proper entries and maybe carry out a random sample audit for a quality check

Title: National Neonatal Audit Programme (NNAP)
Recommendation(s)/Outcomes discussion points and actions we intend to take
Magnesium Sulphate (given for babies <30 weeks gestation within 24 hours of delivery) administration benchmarks poorly but significant improvement since 2016
Mother's milk at time of discharge (for babies born <33 weeks) below benchmark but significant improvement since 2016
Areas to be improved: recording of temperature on birth / admission (of babies <32 weeks gestation)
Working closely with Maternity to ensure protocol for Magnesium Sulphate is used. Incorporate in antenatal discussions & visit to Neonatal Unit (NNU) - information leaflet. Participation in the PReCePT trial. Temperature on admission -
Advanced Neonatal Nurse Practitioners (ANNPs) to be involved in SHO/Reg training/induction
Consider audit of Labour Ward temperatures compared to NNU admission temperature
Availability & use of transwarmers if needed
Education for staff around temperature taking skills - bite-size sessions for all neonatal nurses/midwives. Neonatal nurses to attend all preterm deliveries

Title: National audit of care at end of life (EOL)
Recommendation(s)/Outcomes discussion points and actions we intend to take
Areas for improvement are earlier recognition of the dying patient to allow communication with the patient rather than the family, conversations about fluid and food and documenting the extent that the patient wishes to be involved in decision making. Of the 9 carer surveys returned 2 felt the care/communication was poor, although 4 felt it was outstanding or excellent

2.4.5 Local Level 2 & 3 clinical audits

125 local level 2 & 3 audits were undertaken during the reporting period:

- Corporate 15
- Medicine 24
- Surgery 37
- Emergency Department (ED) 12
- Women's & Children 37

2.4.6 What actions do you intend to take to improve the quality of healthcare following the review of the local audit reports

1. Audit of Ward 5 paediatric prescriptions

Ward 5 quality of prescribing audit actions have been identified -

- 100% of prescription charts must have full patient details and patient's weight completed.
- 100% of prescription charts must have full allergy information completed.
- 100% of medication details must be completed on the prescription chart for individual prescription for regular medications.
- 100% of prescriber details must be included on the prescription chart.
- 100% of prescriptions must be correctly rewritten when necessary by being crossed off, signed and dated if discontinued

The steps to be taken to achieve these outcomes are in the process of being agreed and they will then be shared across the team.

2. Quality of alcohol history taking during acute medical admissions at MK hospital

An intervention template has been devised in accordance with the NCEPOD report to improve this process.

3. Preoperative fasting hours for clear fluids

The surgical specialties are meeting the criteria by allowing their patients to have clear fluids up to 2 hrs before surgery (rather than following a more restrictive regime).

Actions identified include –

- Nurses on the ward need to encourage clear fluids as per protocol.
- Formal letter sent to patients by the Trust needs to define 'clear fluids' for patients and Staff.

- Teaching/posters to remind nurses on the ward about clear fluids.
- Updating of guidelines for preoperative clear fluids in paediatrics.
- Better communication between anaesthetist and nurses (especially for afternoon patients).
- Trust to clarify the definition of clear fluids to the patients in the formal admission letter and emphasize the importance of being hydrated preoperatively.

4. Audit on outcome of focal macular laser procedure.

The current method of laser use is acceptable and appropriate.

Appointment system requires work to improve tracking of patients.

Early detection and treatment of diabetic maculopathy must be encouraged. Current laser settings shall be continued. Keep track of cases on appointments system.

5. Audit on adherence to NICE guidelines in glaucoma outpatient care

Introduction of proformas has markedly improved recording. Significant improvement in recording past medical history, family history, drug history, driving status, central corneal thickness (CCT), cup-to-disc ratio (CDR) & systemic lupus erythematosus (SLE). Standards met with NICE guidelines.

6. Re-audit of those patients registered on Audit base with temporary numbers.

Previous attempts at merging records has caused the Audit-base system to crash (this was identified at the last audit) and we are therefore unable to merge records due to the risk of crashing the system. We are therefore unable to correct the temporary record. Actions have been taken.

7. Audit of Post-operative wound infections following appendectomy.

Low infection rate (not including infections treated solely in the community).

Review / modify antibiotic guidelines, the infection rate may be higher than found in audit.

8. Audit of Airway equipment in adult resuscitation trolleys.

Most of the standards for airway equipment were met including oral & nasal airway, supraglottic airway and endotracheal tubes. Actions were that the Consultant Anaesthetists / Intensivists unanimously decided to change the Supraglottic airway to I-gels instead of laryngeal mask airway (LMA). The Trust guidelines should be updated by the Resus team. Training of ward nurses to stock up equipment as per the Trust guidelines.

9. Audit of Weekend Surgical TTO completion rate post eCare implementation.

Move to eCare which has made a marginal difference to the amount of TTOs written in the earlier part of the day. Action to Discuss with Pharmacy regarding extending opening hours. Avoid multiple disjointed ward.

10. Emergency Laparotomy leak rate.

Our rate is 3.6% - national rate between 1 and 19%. Action to further audit decision to anastomise in diverticulitis (complicated) patients.

11. Brain computerised tomography (CT) quality audit.

Audit had demonstrated that overall CT imaging of the brain is of a very high standard. With 100% of patients scanned, the base of skull to vertex was included.

Action to review whether high standards are maintained, with current and newly trained CT on-call staff over the next year.

12. Audit of negative laparoscopies for ectopic pregnancy carried out at Milton Keynes Hospital.

Having set up educational discussion and feedback meeting on all negative laparoscopy cases including scan reports and findings to doctors and sonographers. Following this, data was collected prospectively over five months to determine if the intervention was successful. Following intervention, 19 laparoscopies were carried out for suspected ectopic pregnancy over a five-month period in 2018. Of the 19 cases there were two negative laparoscopies (11%), a significant reduction when compared to the previous 45%. Furthermore, no (0%) laparoscopies were performed out of hours, compared to 7% in the previous audit.

13. Audit on the radiological investigation of suspected physical abuse in children, presented February 2019.

New Royal College of Radiologists /Royal College of Paediatrics and Child Health (RCR/RCPCH) guidelines published 2018. Guidelines now have 29 views on the skeletal survey and CT head for very young patients. To assess compliance according to guidelines. Standards are 100% compliance.11 cases over 11 months. Number of views taken: 100% adhered to 2008 guidelines but 0% to the 2018 guidelines

Results demonstrated that 100% had correct marker and documentation. 83% very young patients had a CT head. 60% had appropriate follow up imaging.

Actions: local protocol updated to reflect new guidance. Education to paediatric radiographer group to take required views. Education to paediatric clinical team to request neuroimaging and follow up imaging as appropriate. Re-audit in 12 months.

14. On the day cancellations in elective surgery – Survey and Audit

A survey conducted on doctor's views on criteria for cancellations due to Hypertension, Hyperglycaemia and errors with Anticoagulation. Survey showed a high variability in doctor's knowledge of our guidelines. Audit also done for data from May to August 2018. There were 368 patients cancelled on the day in that period. Only 22 of these were because of the 3 reasons being evaluated. Of the 22 cases data regarding reason for cancellation was available only for 12 cases. All 12 of these cancellations were appropriate. Auditor suggests starting a Proforma to be filled up on eCare when a patient is cancelled.

15. Enhanced Recovery after elective Caesarean Section audit

Audit demonstrated that about 50% of women went home next day after elective caesarean section (CS). There was a delay in removing urinary catheters. Enhanced Recovery Guideline was rarely used. Regular analgesia is not being prescribed e.g. Sevredol TTO not prescribed. Self-administration of medications did not happen. The plan is to re-launch and simplify Obstetric enhanced recovery pathway (ERP) . Remove self-administration of medications. Change TTO from Sevredol to Dihydrocodeine (acceptable in breast feeding and not a controlled drug). Plan to get an order set on eCare for TTO including Dihydrocodeine. Training Obstetric SHOs. Involve midwifes and nursing staff in the delivery of the program.

16. Audit on threshold for blood transfusion on the Department of Critical Care (DoCC)

In this audit, 107 transfusions were reviewed. Slightly more than 40% were inappropriate transfusions. 'Inappropriate' transfusions were when Hb was higher than recommended threshold or Hb was not recorded pre-transfusion. Suggested changes include training doctors and nurses about transfusion thresholds and one unit transfusions at a time. Prescription forms completion should be done better.

2.5 Participation in Clinical Research

The National Institute for Health Research (NIHR) which is mainly funded by the Department of Health and Social Care has as its main objective improvement of the nation's health and wealth through research. It plays a key role in the Government's strategy for economic growth, attracting investment by the life-sciences industries representing the most integrated health research system in the world.

MKUH is committed to delivering high quality clinical care with the aim to provide patients with the latest medical treatments and devices and offer them an additional choice where their treatment is concerned.

Patients who are cared for in a research-active hospital have better overall healthcare outcomes, lower overall risk-adjusted mortality rates following acute admission and better cancer survival rates. Furthermore, health economic data shows that interventional cancer trials are associated with reduced treatment costs, benefitting the NHS financially. These benefits may result from a culture of quality and innovation associated with research-active institutions. There is a reasonable further assumption that departments and clinicians within the hospital, who are research-active, provide better care. In turn, this suggests that it is desirable to encourage as many clinicians and departments to become research active as is practicable.

The number of patients receiving relevant health services provided or sub-contracted by MKUH in 2018/19 as of 11 March 2019, who were recruited to participate in National Institute of Health Research (NIHR) studies approved by a research ethics committee was 3,415 participants. In 2018-19 150 studies have contributed to the recruitment figures across most specialities in the Trust. These include 4 industry studies.

The Research and Development department had a budget of £715,000 for 2018/19, which has been used to provide support for portfolio studies across the Trust. This includes research nurses and the support services that are an integral part of the research process, namely pathology, pharmacy and radiology. This year the team has continued to grow to support the increasing research activity across the Trust. The budget award for 2019-20 is still to be finalised, however it is unlikely there will be an increase in funding for this financial year, which may require some new ways of delivering research to ensure that our patients continue to receive a first class service.

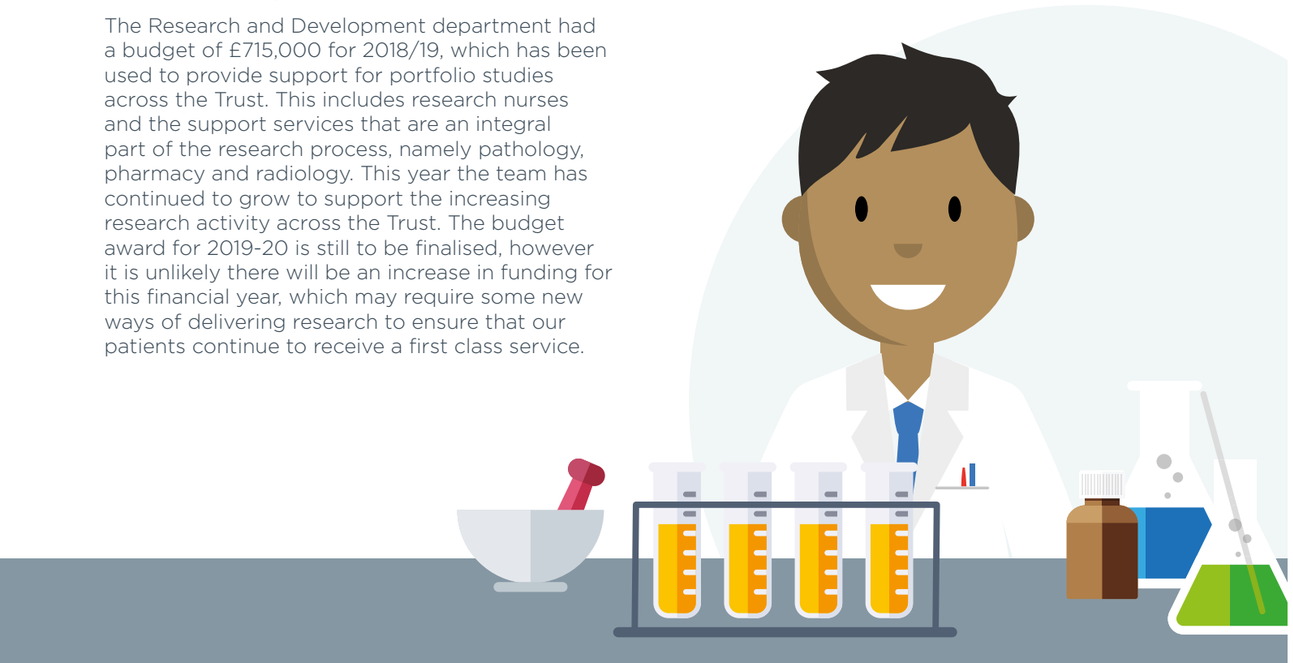
The department has supported and delivered training of new research staff at MKUH and through network supported training programmes. e.g. GCP training, Principle Investigator essentials training, and the industry workshop. These courses are open to our staff and other research staff across the Thames Valley and South Midlands Clinical Research Network. Five of our clinicians have been successful in securing 'green shoots' funding from the NIHR, Thames Valley and South Midlands. This is for new researchers to enable dedicated research time as Principal Investigators/research activity and deliver against our wide portfolio of studies, as well as developing new research areas. Funding will be provided for one year.

The Trust has continued to develop strong links with local universities and industry and in February 2018 partnered with the University of Buckingham, including the state-of- the-art Academic Centre allowing us to attract, train and retain the best clinical staff.

Our research activity has contributed to the evidence-base for healthcare practice and delivery, and in the last year 18 publications have resulted from our involvement in research, demonstrating our commitment to improve patient outcomes and experience across the NHS.

Raising the Profile of Research and Development (R&D)

Over the last 12 months the organisation has continued to identify new ways of raising the profile of research and development within the Trust and our local community. This has been achieved by supporting and working with local media, local events and using social media to publicise and educate about research and research opportunities. The team supports national events such as international Clinical Trials day, 'OK to ask' campaign and international nurses' day and local events such as the MKUH schools project, Event In The Tent, building relationships with research teams across the network and in primary care. Team members are being creative and finding new ways to raise awareness across the Trust, for example, 'bite size' research interviews from research teams to inform and educate patients and staff about research.



2.6 Goals agreed with Commissioners (CQUIN)

A proportion of Milton Keynes University Hospital NHS Foundation Trust income in 2018/19 was conditional upon achieving quality improvement and innovation goals agreed between Milton Keynes University Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2018/19 are listed below.

2.6.1 National Goals

2018/19 CQUINs for Milton Keynes University Hospital NHS Foundation Trust			
Indicator	**Indicator Name**	**High level detail**	**Expected delivery 2018/19**
1a	Improvement of health and wellbeing of NHS staff	Achieving a 5 percentage point improvement in two of the three NHS annual staff survey questions on health and wellbeing, Musculo-skeletal (MSK) and stress	The Trust delivered 50% of this CQUIN
1b	Healthy food for NHS staff, visitors and patients	Building on changes made relating to 2016/17 CQUIN including implementation of healthy food initiatives, including; the banning of price promotions and advertisements on sugary drinks and food high in fat, sugar and salt, ensuring 90% of drinks stocked at sugar free, 80% of confectionary does not exceed 250 kcal and 75% pre-packed meals contain 400 kcal or less	This CQUIN has been achieved in full.
1c	Improving the uptake of flu vaccinations for front line staff within Providers	Achieving an uptake of flu vaccinations by frontline clinical staff of 70%.	This CQUIN has been achieved in full. The Trust achieved a total frontline flu vaccination uptake of 77%.
2a	Timely identification for sepsis in emergency departments and acute inpatient settings	Demonstrating percentage of patients who met the criteria for sepsis screening and were screened for sepsis. This indicator applied to adults and child patients arriving in hospital as emergency admissions and to all patients on acute in-patient wards	The Trust delivered 55% of this CQUIN
2b	Timely treatment of sepsis in emergency departments and acute inpatient settings	Demonstrating the percentage of patients who were found to have sepsis in sample 2s and received IV antibiotics within 1 hour.	The Trust delivered 85% of this CQUIN.
2c	Assessment of clinical antibiotic review between 24-72 hours of patients with sepsis who are still inpatients at 72 hours	To demonstrating the percentage of antibiotic prescriptions documented and reviewed by a competent clinician within 72 hour with documented outcome of review recorded	The Trust delivered 50% of this CQUIN

2018/19 CQUINs for Milton Keynes University Hospital NHS Foundation Trust			
Indicator	**Indicator Name**	**High level detail**	**Expected delivery 2018/19**
2d	Reduction in antibiotic consumption per 1,000 admissions	There are three parts to this indicator: 1. Total antibiotic usage per 1,000 admissions 2. Total usage of carbapenem per 1,000 admissions 3. Increase usage of antibiotics with the Access group of the AWaRE Category >= 55% per 1,000 admissions	The Trust delivered 33% of this CQUIN.
4	Improving services for people with mental health needs who present to ED	There are two parts to this indicator: 1. Identify a new cohort of frequent attenders to ED who would benefit from mental health and psychosocial interventions and establish improved services to ensure this reduction is sustainable, whilst maintaining a reduction of 20% from the patients identified in 2017/18 cohort. 2. Ensure that mental health attendances into ED are recorded and submitted to the Emergency Care Dataset	This CQUIN has been achieved in full. The Trust delivered 71% of this CQUIN
6.	Offering advice and Guidance (A&G)	To set up and operate advice and guidance services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to secondary care.	The Trust delivered 55% of this CQUIN
9.	Preventing ill health by risky behaviours - alcohol and tobacco	There are five parts to this indicator: 1. Tobacco screening 2. Tobacco brief advice 3. Tobacco referral and medication offer 4. Alcohol screening 5. Alcohol brief advice or referral	The Trust delivered 71% of this CQUIN

2.6.2 Specialised Goals

Goal	Goal Name	High level detail	Performance 2018/19
1	Activation system for patients with long term conditions	1. To develop a system to measure skills, knowledge and confidence needed to self-manage long-term conditions (i.e. HIV) and use that information to support adherence to medication and treatment as well as improving patient outcomes and experience.	This CQUIN has been achieved in full.
2	Clinical Engagement	2. Improvement of NHS Dental services through engagement with specialty Manager Clinical Network (MCN) to review and improve pathways and outcomes for patients	This CQUIN has been achieved in full.

For 2018/19, the Trust reported achievement of £1.4m (excluding STP engagement payments) representing 70% overall of the value of all CQUINs. For 2017/18, the achievement was £1.7m which represented 64% of the value of all CQUINs.

2.7 Care Quality Commission (CQC) registration and compliance

Milton Keynes University Hospital NHS Foundation Trust is required to register with the Care Quality Commission and under its current registration status is registered to provide the following regulated activities:

- Urgent and emergency services
- Medical care
- Surgery
- Critical care
- Maternity and gynaecology
- Services for children and young people
- End of life care
- Outpatients and diagnostic imaging

Milton Keynes University Hospital NHS Foundation Trust has no conditions on its registration.
The Care Quality Commission has not taken enforcement actions against Milton Keynes University Hospital NHS Foundation Trust during the reporting period.

Milton Keynes University Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

2.7.1 Review of Compliance of Essential Standards of Quality and Safety

The Trust underwent an unannounced focused CQC inspection on 12, 13 and 17 July 2016 to check how improvements had been made in urgent and emergency care, end of life care and maternity services.

The other areas of Surgery, Critical Care, Children's Services and Outpatients were not inspected and so their ratings remain from the previous inspection in October 2014. All of these services were rated as "Good" at that time.

2.7.2 Overall Ratings for Milton Keynes University Hospital

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Requires Improvement	Good	Good	Good	Good	Good
Medical care	Requires Improvement	Good	Good	Good	Good	Good
Surgery	Good	Good	Good	Good	☆ Outstanding	Good
Critical care	Good	Good	Good	Good	Good	Good
Maternity and gynaecology	Good	Good	Good	Good	Good	Good
Services for children and young people	Good	Good	Good	Good	Good	Good
End of life care	Good	Good	Good	Good	Good	Good
Outpatients and diagnostic imaging	Good	Not rated	Good	Good	Good	Good
Overall	Requires Improvement	Good	Good	Good	Good	Good

2.7.3 Key findings from the report

- All staff were compassionate about providing high quality care
- The emergency department was meeting the four hour target with clear escalation processes to allow for proactive plans to be put into place for patient flow.
- The HSMR (Hospital standardised mortality ratio) was significantly better than the expected rate.
- Improvements had been made in the completion and review of patients DNACPR forms.
- There was a lower rate than the average of neonatal deaths. The Maternity Improvement Board was monitoring this to make further improvements to the service
- Staffing levels were appropriate and met patients' needs at the time of the inspection
- Staff morale was positive and staff spoke highly of the support from their manager
- Local ward leadership was effective and ward leaders were visible and respected.

2.7.4 Areas of Outstanding Practice

The Medical Care Service had a proactive elderly care team that assessed all patients over 75 years old.

The Medical Care Service ran a dementia café to provide emotional support to patients living with dementia and their relatives.

Ward 2 had a dedicated bereavement box that contained soft lighting and furnishings to provide a homely environment for patients requiring end of life care.

2.7.5 Areas of Compliance or enforcements

Milton Keynes University Hospitals NHS Trust received no notifications of compliance or enforcements actions as a result of this report.

Areas for improvement identified by the inspection are below. The action plans for all of these areas have been completed.

- The Emergency Department did not comply with guidance relating to both paediatric and adult mental health facilities
  The Trust has built a dedicated mental health assessment room and now has a purpose built paediatric emergency department with a separate entrance.
- Staff patients and visitors did not appear to observe the hand-washing protocols in the emergency department
  The ED has introduced more regular audit of the hand-washing protocols in the department
- The non-invasive ventilation policy was out of date
  Policy now in date
- The Medical Care Service did not have a policy for dealing worth outlying patients
  Policy now in place
- In the Maternity Service examples were shared of inappropriate behaviours and lack of teamwork at consultant level in the service. These behaviours were not observed during the inspection
  Invested in multi-disciplinary leadership and human factors training which includes all of the consultant body. In addition timetables have been rescheduled to allow for team meetings and more multi-disciplinary ward rounds.
- Not all medical staff in maternity has completed the required level of safeguarding children's training
  Compliance now remains over 90%
- There was poor compliance with assessing the risk of venous thromboembolism in the maternity service
  This continues to be a challenge however our new electronic tool for data collection goes live in May 2108

2.8 Data Quality

The Trust recognises the importance of data quality, particularly around the need to have good quality data to support informed decision-making. In addition, the Trust has received feedback from its external auditors in relation to their testing of mandatory and discretionary indicators about the improvements required to improve data quality. Further detail of this work is set out in the Annual Governance Statement at page 87 of this report. Consequently, the Trust has invested significant time and resources in strengthening existing management arrangements and developing new ones to improve data quality within the Trust. Some of the notable actions include:

1. The Data Quality Compliance Board (DQCB) is now embedded as a key governance committee which continues to review the data quality across the Trust. The DQCB continues to receive audit and compliance reports and additional reports highlighting the data quality underpinning key performance indicators enabling the triangulation of poor data quality and oversee actions plans to address them.
2. The establishment of a new dedicated Systems/Training team with a remit to provide expert advice and guidance on matters of system data quality and a dedicated, ongoing data quality training programme. The Systems/Training team receive feedback from compliance audit reports and areas of poor data quality otherwise identified and work with the Divisions to identify and training needs and support staff with system use. In addition, this team continues to develop supporting documentation and training resources to reduce the risks of poor data quality through poor data entry.
3. Updating the Patient Access Policy to reflect the national NHS Improvement Model Access Policy and strengthening the local guidance arrangements on long waiting (>30 weeks) patients. This includes better controls on the managing patients on inpatient waiting lists and communication to the patient's GP. These new updates are designed to support the existing clinical governance arrangements in place for patient review.
4. Fully developed system assurance reports covering key Trust systems used in support of patient care. Where areas of poor practice have been identified which have contributed to poor data quality, Executive Directors have developed action plans to address these shortcomings. The development of action plans and monitoring the delivery of actions is undertaken by the DQCB. The Trust has committed to expanding the delivery of system assurance reports to cover all Trust systems as part of ongoing improvements to data quality in the next financial year.
5. The centralisation of the administrative functions around the elective processes for both admitted and outpatient care. The purpose is to achieve a consistent approach and to ensure that the controls around data quality, particularly those in respect of the 18-week Referral to Treatment target are effective.

All of the above activities have been focused on continuous learning and development in a bid to improve data quality and not settling on the status quo. In addition, the Trust is actively engaged with its commissioners to monitor the quality of clinical services delivered through the delivery of local and national targets; these include both quality and performance indicators and hence data quality is important to ensure accurate reporting.

The Trust submitted data records during 2018/19 to the Secondary Uses Services (SUS) for inclusion in the Hospital Episode Statistics (HES). It has maintained data completeness over the national average across the activity areas of inpatients, outpatients and A&E for ethnicity and both outpatients and A&E for NHS number completeness. The NHS number completeness for admitted care is slightly below average but this is explained by an increased number of admissions but a similar number of records missing an NHS number. The table below provides further information on the data completeness for national indicators NHS number and ethnicity*, with national averages.

Data item	Admitted	Outpatients	A&E
Completeness NHS number	99.1 (99.4)	1. 99.6 (99.6)	97.7 (97.5)
Completeness ethnicity	99.2 (96.2)	2. 98.8 (94.1)	98.6 (93.8)
General Medical Practice Code	100 (100)	3. 100 (100)	100 (100)

**Figures from the SUS data quality dashboard M9 – national average in brackets was the latest set of information available at the time of writing this report.*

2.9 Qualitative information on deaths

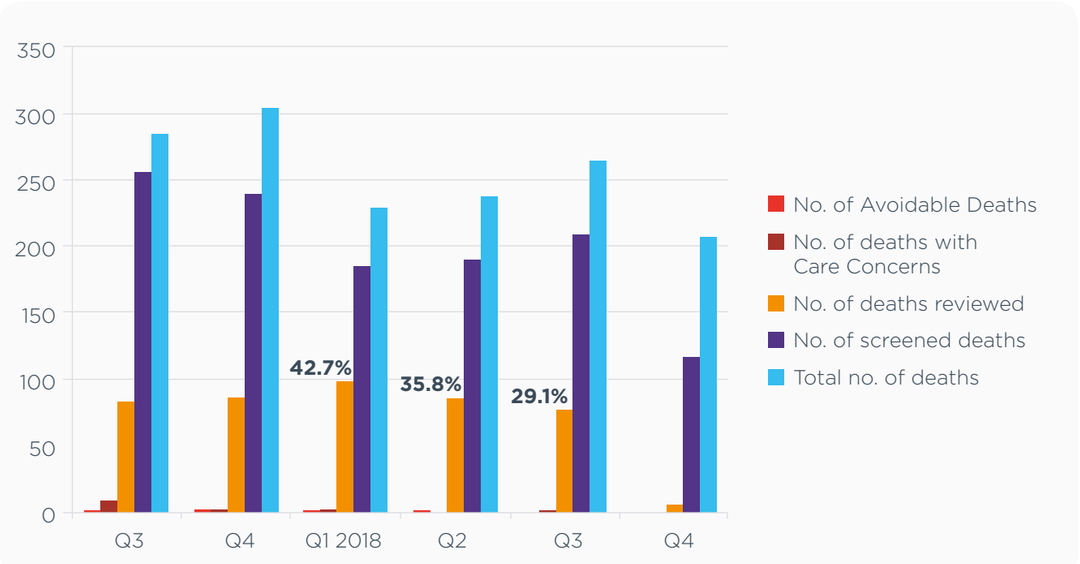
Investigations of Deaths

The data for Q1, Q2, Q3 and provisional Q4 of 2018/19 are illustrated in the graph below outlining the number of deaths within the Trust that have:

1. Been reviewed and assessed by the consultant responsible for the patient's care with the potential for the case to be 'screened out' of further formal review. This active case record review process recognises that in many cases death in hospital will have been inevitable and appropriate. The process assists in directing collective review efforts to those cases where multi-professional review is likely to lead to learning. A subset of those cases 'screened out' is subjected to formal review at random.
2. Undergone formal review – the Trust aims for around 25% of all deaths to undergo a formal review process however it is recognised that this figure may not been achieved for Q3 as winter pressures can lead to cancellation of some departmental M&M meetings. It should be recognised that deaths that occur within Q4 are still undergoing the process of formal review as per the Trust Mortality policy and more complete data will be available for Q4 at the next Trust Board meeting.
3. Judged as potentially 'avoidable' – using the current system of classification within the Trust this includes 'suboptimal care where different management MIGHT have changed outcome and 'suboptimal care where different management WOULD have changed outcome'
4. Judged as 'non-avoidable' but where there have been Care Quality concerns identified. This includes 'suboptimal care where different management WOULD NOT have changed outcome'.

	Q1	Q2	Q3	Q4	2018/19
No. of deaths	229	237	264	207	937
No. of deaths reviewed by responsible consultant (% of total)	185 (80.8%)	189 (90%)	209 (79%)	116* (56%)	699 (74.6%)
No. of investigations (% of total)†	98 (42.3%)	85 (37.8%)*	77 (29.1%)	6* (2.8%)	266 (28.4%)
No. of deaths with Care Quality concerns (%)	2 (0.87%)	1 (0.42%)	1 (0.37%)	0*	4 (0.42%)
No. of potentially avoidable deaths (%)	1 (0.43%)	2 (0.84%)	0	0*	3 (0.32%)

† All deaths that have been investigated have been through the initial case record review process
** Q4 data are provisional and are still subject to further modification (as formal review processes occur)*



2.9.1 Qualitative information of deaths

2018 Q1 Avoidable deaths or deaths where suboptimal care where different management MIGHT have changed outcome care

1. A woman in her 6th decade was referred with abdominal pain and discharged home following surgical evaluation with advice and plans for repeat bloods with GP the next day. Patient represented 6 days later with worsening symptoms and collapse and treated for sepsis by medical team. Imaging suggested intraabdominal pathology but following surgical review was not considered to be suitable for surgery. Patient deteriorated overnight and was transferred to the Department of Critical Care with evidence of multi-organ failure requiring intubation, renal support and inotropic support. Patient was subsequently taken to theatre and underwent a laparotomy and subsequent bowel resection of necrotic sections of bowel.

   Action and assessment of impact (*Italics*)

   Surgical division to Disseminate learning.
   This case was subsequently discussed at medical and surgical M&M meetings. Earlier imaging and consideration of earlier surgical exploration for the cause of deterioration were discussed as areas that might have changed outcome however delayed presentation noted as a possible contributory factor.

Q1 - Care Quality concerns that would not have changed outcome

1. Suboptimal care due to a delay in insertion of chest drain under ultrasound guidance. Chest drain subsequently inserted without radiological support by Level 2 trained senior doctor without incident.

   Action and assessment of impact (*Italics*)

   Plans to review possibility of increasing number of Level 2 trained doctors able to undertake chest drain insertion with ultrasound guidance.
   Training session organised for doctors

2. Patient given anticoagulant in Emergency Department for possible pulmonary embolus despite evidence of gastric bleeding. This complicated subsequent treatment of bleeding gastric ulcers that required an emergency laparotomy following an unsuccessful endoscopic attempt to stop bleeding. Patient death 8 days later was not associated with anticoagulation. It was agreed that patient had evidence of multi organ failure and should have been considered for ICU.

   Action and assessment of impact (*Italics*)

   Plans to disseminate learning
   Emergency Department M&M governance meeting

2018 Q2 Avoidable deaths or deaths where suboptimal care where different management MIGHT have changed outcome care

1. Patient in his late 50s with multiple co-morbidities was admitted following a fall. It is not clear how long he had been alone following the fall. Discussion was made with colleagues at Oxford for possible transfer due to extensive subdural haematoma. The patient's GCS dropped, and he was admitted to the ICU. A repeat CT showed worsening mass effect. A review was held with the patient's son who expressed that his father did not wish to be resuscitated. This patient was referred by the ITU registrar to Oxford, but a query from the neurosurgeon delayed the transfer. It is not clear whether this decision would have changed the outcome. The care in the ED was noted to be good. When discussed at M&M all present agreed that there were concerns of various aspects in the transfer pathway.

   Action and assessment of impact:

   Transfer Guideline to be reviewed

2. Patient with background of metastatic cancer who presented with shortness of breath required ITU admission. ITU team felt patient was not for intubation prior to Respiratory team. Respiratory team felt her condition was reversible.

   Action and assessment of impact

   For further discussion at 2nd SJR - *ongoing review*

   Disseminate improved communication between teams with documentation on E-care of any clinical decision. *Trust wide learning*

2018/19 Q3 - Care Quality concerns that would not have changed outcome

1. This patient needed fluids early on and was not picked up until patient was in established renal failure. Patient was delayed in A&E undergoing a CT Scan which was not required, and this delayed care. Suboptimal care due to delay in referral to Department of Critical Care and lack of Level 1 pathway early on. However, this patient was at high risk of mortality and it was agreed that death was unavoidable due to severity of the patient's condition.

   Action and assessment of impact:

   Division to disseminate learning points regarding assessment and fluid prescription.
   Fluid balance to be included in doctor simulation training

The Trust is in the process of validating the outcomes of the reviews carried out in Quarter 4 of 2018/19, and these will be reported through the Quality and Clinical Committee to the Trust Board during 2019/20. The National Medical Examiners' scheme is being implemented within the Trust in 2019/20, with 8 examiners having been recruited. The Trust is confident that this will lead to significant improvements in the process for gaining learning from deaths and sharing this across the hospital.

2.9.3 SHMI (Core indicators 12)

The latest SHMI published by HSCIC for the rolling 12 months to 30 September 2018 is 1.0466 which is within the 'as expected' banding range.

2.9.4 Palliative Care (Core indicators 13)

The palliative care coding rate was 5.30% against a national rate of 4.09%.

2.10 Seven Day Services

The 7-day service standards have been defined by NHS England and focus upon the care provided to patients admitted to hospital on an emergency basis. The ten standards are divided into 4 priority standards and six others. It is expected that organisations are compliant with the priority standards by April 2020. Work on the 7 Day Service (7DS) standards at MKUH is led by the Medical Director's Office. Progress against the 4 priority standards is now being measured through data arising from the weekly audit of 60 randomly selected patients discharged following an emergency admission in the prior week. Performance is now reported externally using a 'Board Assurance' framework.

The Board Assurance framework was reviewed by the Board of Directors at their meeting on 1 March 2019 and a return was made on this basis to the regulator (NHS Improvement).

Progress against all standards was described, with specific data for Standards 2 and 8 as follows:

	Weekdays	Weekend	Overall
Standard 2 (consultant review within 14h of admission)			73%
Standard 8 (consultant review at specified frequency during inpatient stay)	60%	1. 51%	

The Board assurance document described some of the challenges encountered, including those of being able to identify precise documentation within the electronic patient record (where the authorship of an entry is very clear, but the presence of others at a patient interaction may be less clear). Work continues to narrow the gap with full compliance.

2.11 Report by the Guardian of Safe Working Hours

In 2016 a new contract for doctors in training was introduced nationally by NHS Employers. This new contract placed several new requirements on the employing trust, including (but not limited to) changes to the rules on which rota designs could be based, the additional requirement for work schedules, the implementation of an exception reporting system, the appointment of a Guardian of Safe Working Hours and the setting up of a junior doctor forum to discuss these issues. The contract was then applied in a phased approach to different specialities and grades until August 2017 when the vast majority of doctors had moved over to the new contract.

Exception reporting is the process where a trainee doctor can raise issues with their educational supervisor in relation to one or more of: their hours of work; the level of support offered to them by senior colleagues; or, training opportunities which vary significantly from those described in their work schedule (supplied to them at appointment). The educational supervisor then reviews the exception report with their trainee and decides what action to take as a result. Exception reporting should then inform staffing, rota and training designs to improve the working conditions for doctors in training. The Guardian of Safe Working Hours governs this process ensuring exception reports are reviewed by both educational supervisors and service leads, and also that issues arising are feed directly to Trust Board through quarterly reports.

During the financial year April 1st 2018 – March 31st 2019 the following exceptions have been reported:

Specialty / Type	General medicine	General surgery	Otolaryngology (ENT)	Obstetrics and gynaecology	Accident and emergency	Acute Medicine	Anaesthetics	Paediatrics	Geriatric medicine	Haematology	Grand Total
Educational	7	1	1	10			4				23
Hours	116	56	33	16	18	10		3	2	1	255
Pattern	2		3	3	1						9
Service Support	6	4	5	1		1					17
Grand Total	131	61	42	30	19	11	4	3	2	1	304

The majority of exception reports have related to hours of work within General Medicine. Considerable effort has been focused by the service unit both on redesigning rotas and the recruitment process, both of which take time to take effect. It is hoped that the situation will be improved with a new staffing model from August 2019. Exception reporting continues to highlight issues to include in service design.

Other elements of the new contract, including the junior doctors' forum, are in place.

2.12 Opportunities for members of staff to raise concerns within the Trust

The Trust has paid close attention to developments nationally on how best to support colleagues in raising concerns that they may have, either in relation to patient safety, or their own or other colleagues' working conditions. Cognisance has been taken of the emerging guidance, particularly with regard to the need for Board members and senior managers to be familiar with their freedom to speak up (FTSU) responsibilities.

MKUH currently has two FTSU Guardians and colleagues across the hospital are familiar with them and have been speaking up when issues arise. MKUH already has an embedded learning culture, with staff raising areas for improvement as part of business as usual activities. In addition and taking account of the need for FTSU to be wider and about all levels of issues, not necessarily serious issues alone, the FTSU Guardians and the Director of Workforce as the executive lead, proposed the implementation of MKUH FTSU Ambassadors, an additional group of trained people with whom colleagues can also raise concerns and issues. The FTSU Guardians led the recruitment drive for those volunteers and provide full training and oversight of FTSU Ambassador processes and procedures. Any employee can volunteer to be a FTSU Ambassador but volunteers for existing support mechanisms, such as P2P, Bullying & Harassment Advisors, etc., were encouraged to adopt this new FTSU role in addition to their existing work, as it was felt there may be significant cross over between other support mechanisms and FTSU agenda.

The Executive Lead is the Director of Workforce and the Non-Executive Lead is the Senior Independent Director (SID). The Board receives a formal report twice annually, and one of the FTSU Guardians attends to present these. These reports cover the number and types of concerns received, their outcomes and any themes and learning emerging from them. The Audit Committee also receives quarterly updates on concerns raised, and periodically reviews the appropriateness of the systems that the Trust has in place.

2.13 Reporting against core indicators

Set out in the table below are the quality indicators that Trusts are required to report in their Quality Accounts.

Additionally, where the necessary data is made available to the Trust by the Health and Social Care Information Centre, a comparison of the numbers, percentages, values, scores or rates of the Trust (as applicable) is included for each of those listed in the table with

a) The national average for the same; and

b) With those NHS Trusts and NHS Foundation Trusts with the highest and lowest of the same, for the reporting period.

Where data is not included this indicates that the latest data is not yet available from the NHS Information Centre.

MKUH currently **has two FTSU Guardians** and colleagues across the hospital are familiar with them and have been speaking up when issues arise.

2.13.1 Indicator 1: Summary Hospital-Level Mortality Indicator (SHMI) value and banding

12. Domain of Quality	Level	2014/15	2015/16	2016/17	2017/18	2018/19
Summary Hospital-level Mortality Indicator (SHMI)	**MKUHFT**	0.95 (Band 2)	1.04 (Band 2)	1.04 (Band 2)	0.99 (Band 2)	1.05 (Band 2)
	National	1.0	1.0	1.0	1.0	1.0
	Other Trusts Low/High	*It is not appropriate to rank trusts by SHMI*				

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated, and internal data validation processes are in place prior to submission.

Milton Keynes University Hospital NHS Foundation Trust is taking the following actions to improve this indicator by reviewing a percentage of all deaths that occur within the hospital, as described on page 118 of this report. SHMI is the ratio between the actual number of patients who die following hospitalisation at the Trust, and the number that would be expected to die based on average England figures, given the characteristics of patients treated here. The latest nationally available data, covering the period from October 2017 to September 2018, indicates a Trust SHMI value of 1.0466, placing MKUH in the "As Expected" banding. This indicator was chosen by the Trust for testing by the external auditors, although there was no requirement for an opinion to be expressed.

The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the reporting period was 5.3%.

2.13.2 Indicator 4 – 7: PROM scores for groin hernia surgery, varicose veins surgery, hip replacement surgery, knee replacement surgery

Domain 3: Helping people to recover from episodes of ill health or following injury						
18. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19***
(i) Groin hernia surgery	**MKUHFT**	82.3%	88.8%	Insufficient data	81.76%	
	National	87.7%	87.8%	88%	80%	
(ii) Varicose vein surgery	**MKUHFT**	Insufficient data	Insufficient data	Insufficient data	Insufficient data	
	National	84.1%	83.7%	84.2%	77.6%	
(iii) Hip replacement surgery	**MKUHFT**	78.0%	83.1%	Insufficient data	75.8%	
	National	79.7%	80.0%	81.1%	77.8%	
(iv) Knee replacement surgery	**MKUHFT**	81.0%	74.6%	75.5%	74.5%	
	National	0.7%	74.3%	Insufficient data	74.6%	

**2018/19 data will be available in August 2019*

The NHS asks patients about their health and quality of life before they have an operation, and about their health and the effectiveness of the operation afterwards. This helps the service to improve the quality of its care. Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated and internal data validation processes are in place prior to submission.

Milton Keynes University Hospital NHS Foundation Trust has taken the following actions to improve its score: taking steps to improve the response rate of post-operative questionnaires and reviewing the data when it becomes available. Data for 2018/19 is not yet available, but the table below indicates the Trust's success in the steps it has taken to improve the response rate of post-operative questionnaires.

Monthly Participation	Hip Replacement Questionnaires	Knee Replacement Questionnaires	Overall Participation
Apr-18	76%	88%	82%
May-18	145%	167%	156%
Jun-18	51%	113%	82%
Jul-18	88%	157%	123%
Aug-18	95%	176%	136%
Sep-18	120%	83%	102%
Oct-18	183%	78%	131%
Nov-18	126%	118%	122%
Dec-18	88%	132%	110%
Jan-19	107%	64%	86%
Feb-19	189%	162%	176%
Mar-19	88%	108%	98%
Average Participation	113%	120%	117%

2.13.3 Indicator 8: Emergency Readmissions to hospital within 28 days

Domain 3: Helping people to recover from episodes of ill health or following injury						
19. Domain of Quality	**Level**	***2014/15**	***2015/16**	***2016/17**	****2017/18**	****2018/19**
Patients readmitted to a hospital within 28 days of being discharged	**MKUHFT**	11.2%	11.5%	11.7%	12.2%	Not required
	National	12.0%	12.2%	12.3%	12.5%	
	Other Trusts Low/High	7.9%/16.0%	8.6%/16.4%	8.9%/16.0%	9.4%/16.4%	

**Data sourced from Dr Foster (full fiscal year)*
***Data sourced from Dr Foster (fiscal year to January 2018)*

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: the data sets are nationally mandated and internal data validation processes are in place prior to submission. This indicator has been suspended pending a methodological review. However, the Trust does keep records of the proportion of patients who are readmitted within 30 days of discharge and in 2018/19, that amounted to 8.2% of patients.

2.13.4 Indicator 9: Responsiveness to inpatient personal needs

Domain 4: Ensuring that people have a positive experience of care						
20. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Responsiveness to the personal needs of patients	**MKUHFT**	65.4%		64.6%	63.1%	Next update: Aug-19
	National	68.9%	69.6%	68.1%	68.6%	
	Other Trusts Low/High	59.1%/ 86.1%	58.9%/ 86.2%	60.0%/ 85.2%	60.5%/ 85.0%	

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated and internal data validation processes are in place prior to submission.

The Trust's patient experience team continues to work with the clinical teams with a view to improving patients' experience of receiving care.

There are a number channels by which patients are able to provide feedback on the care that they have received, and the Trust has responded proactively to these emerging messages. During 2018/19, the Trust has been working on a new patient experience strategy which will be adopted and implemented during 2019/20.

2.13.5 Indicator 10: % of staff who would recommend the provider to friends or family needing care

Domain 4: Ensuring that people have a positive experience of care						
20. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Staff who would recommend the trust to their family or friends	**MKUHFT**	61%	64%	69%	66%	Available in late March 2019
	National	59%	69%	65%	70%	
	Other Trusts Low/High	35%/84%	46%/89%	48%/91%	47%/89%	
Patients who would recommend the trust to their family or friends (Inpatient FFT - February in each year available)	**MKUHFT**	96%	95%	96%	97%	Available on 11 April 2019
	National	95%	96%	96%	96%	
	Other Trusts Low/High	82%/100%	74%/100%	76%/100%	82%/100%	

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated and internal data validation processes are in place prior to submission.

In 2018/19, 68.5%of MKUH staff indicated that they would recommend the Trust to their friends or family as a place to receive care. This is against a national average of 71.3% based on the 2018 national staff survey. The Trust has acted to further improve this rate and the quality of its services by continuing to ensure that staff feel supported and that any concerns that they have are heard and responded to. Staff can provide feedback through a number of different methods, including by email to the Chief Executive via "Ask Joe" inbox. Weekly messages from the Chief Executive include details of compliments from patients and relatives to individual members of staff and teams. The Event in the Tent, which was held for the first time in May 2017, has been hugely successful in giving staff more of a voice within the organisation, and fostering better teamwork.

2.13.6 Indicator 11: % of admitted patients risk assessed for VTE

Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm						
23. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Patients admitted to hospital who were risk assessed for venous thromboembolism (Q3 results for each year)	**MKUHFT**	96.0%	95.1%	85.6%	76.9%	To be confirmed
	National	96.1%	95.6%	95.8%	95.4%	
	Other Trusts Low/High	90%/100%	79%/100%	80%/100%	76%/100%	

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated and internal data validation processes are in place prior to submission.

Milton Keynes University Hospital NHS Foundation Trust did not meet its target this year, in part due to administrative difficulties associated with the manual collection of some of the data. The Trust has taken the following actions to improve this indicator and so the quality of its services: by using its electronic patient record system, eCare, to simplify the data collection process.

2.13.7 Indicator 12: Rate of Clostridium difficile (C .diff)

Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm						
24. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Rate of C.difficile infection (per 100,000 bed days)	**MKUHFT**	23.4	10.3	6.0	7.1	Next update: Aug-19
	National	15.0	14.9	13.2	13.7	
	Other Trusts Low/High	0/62.6	0/67.2	0/82.6	0/91.0	

Milton Keynes University Hospital NHS Foundation Trust considers that this data is as described for the following reasons: The data sets are nationally mandated and internal data validation processes are in place prior to submission.

Antimicrobial resistance continues to play an important role in driving the current numbers of *Clostridium difficile* and the emergence of new types. *Clostridium difficile* although greatly reduced in terms of the numbers of cases seen at the MKUH, should still be recognised as a major cause of healthcare antibiotic-associated diarrhoea.

Antimicrobials used for treating every kind of infection may potentially promote *C. difficile* infection (CDI). After antibiotic therapy, the protective intestinal microbiota is disrupted allowing ingested or resident *C. difficile* to colonise the gastrointestinal tract and infect the host. Antibiotic resistance enables *C. difficile* to grow in the presence of drugs, so strains resistant to multiple agents may have a selective advantage.

The MKUH CDI multidisciplinary team closely monitor therapy in support of tempering the inflammatory response preventing severe infection and resultant poor outcome. Primary risk factors for the development of CDI include advanced age (greater than 65 years), antimicrobial use, severe illness, and hospitalisation. Secondary factors that also increase the risk include gastric acid suppression (with proton pump inhibitors or histamine-2 receptor antagonists), gastrointestinal procedures, chemotherapy, residence at a long-term care facility, inflammatory bowel disease, and immunosuppression. Furthermore, in those infected with C. difficile, low levels of vitamin D are now suspected to be an independent predictor of poor outcome and are associated with higher recurrence.

The Department of Health threshold is 22 cases; the Trust's internal threshold is set at 18.

As of 31 March 2019, 15 cases of CDI have been reported as attributed to the MKUH.

Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm						
24. Domain of Quality	**Level**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Rate of C.difficile infection (per 100,000 bed days)	**MKUHFT**	22.5	23.4	10.3	6.1	Next update: Aug-18
	National	14.7	15.0	14.9	13.2	
	Other Trusts Low/High	0/37.1	0/62.6	0/67.2	0/82.7	

2.13.8 Indicator 13: Rate of patient safety incidents and % resulting in severe harm or death

Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm						
25. Domain of Quality	**Level**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
Rate of patient safety incidents per 100 admissions (and the rate that resulted in severe harm or death)	**MKUHFT**	27.5 (0.06)	28.4 (0.01)	30.7 (0.07)	TBC	Next update: May-19
	National	37.1 (0.19)				
	Other Trusts Low/High	3.6 (0.02)/ 82.2 (1.53)				

The Trust reported 5865 Patient Safety Incidents between 1 April 2018 and 31 March 2019.

Of these, 14 were reported as causing severe harm or death, equating to 0.2% of the total Patient Safety Incidents for the period.

The Trust reports patient safety incidents onto the National Reporting & Learning System (NRLS). NHS England uses the data to monitor incident trends NHS-wide and they produce a bi-annual report comparing the Trust to other acute organisations. The reporting rate of all incidents has increased, but the Trust continues to be one of the lowest reporting organisations. NRLS latest available data reports the percentage of incidents reported by the Trust as either none or low harm make up 99% of the incidents reported compared to 98.9% reported on average by acute organisations, and the percentage of incidents reported as moderate at 1% less than that of the average, and the percentage of severe or death incidents 0.1% lower than the average. Actions have been put in place to increase awareness of the importance of reporting incidents and to encourage the report of incidents including event in the tent focusing on patient safety, revised mandatory and refresher training and an incident awareness campaign.

3

Other Information

3.1 Patient Experience

3.1.1 Complaint response times

The total number of complaints received for 2018/19 at the time of reporting totalled 1374. When compared to 2017/18 this amounts to an increase of 9.3% (2017/18 n= 1257).

All complaints are triaged by severity upon receipt. The number of complaints received by severity for 2018/19 is detailed below: -

Amber - Moderate Harm	369
Green - No Harm	46
Yellow - Low Harm	959

In percentage terms the number of no and low harm complaints amounts to 73% (72% 2017/18) of total complaints received.

Low and no harm complaints are those that are usually dealt with by the PALS team on an informal basis and are in relation to issues such as appointments, staff manner and attitude and lost property.

Moderate harm complaints are those that usually involve historical issues and a number of care issues in respect of the patient's care pathway. These complaints are dealt with by the Complaints team and these require an in-depth investigation by the responsible division and either a written response from the Chief Executive or a local resolution meeting with the complainant and the responsible staff.

A complaint that is made orally and resolved to the person's satisfaction within one working day is not reportable under national complaint regulations.

All complaints are dealt with in accordance with 'The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009'. The regulations dictate that all complaints should be acknowledged either verbally or in writing within 3 working days of receipt and should be responded to in full within 6 months. To ensure that complainants are provided with a timely response to their complaint and investigations are undertaken in a timely manner, the Trust has set its own internal timescales for dealing with complaints and these are set at 30 working days for moderate harm, amber complaints and 15 working days for no and low harm, green and yellow complaints. Divisional compliance with these timescales is monitored and reported through the Trust's scorecard which is reported to the Board monthly. The target is set at 90% for responding to complaints in the timescales agreed with the complainant. In the year to date, the Trust has achieved an average monthly performance of 83.4% with a notable increase in performance in quarters 3 and 4 to date.

The improvement in performance has occurred as a result of a robust escalation process being put in place over the last few months. This ensures, at an early stage, that late investigation responses are highlighted to the senior divisional team and the Executive Directors, if necessary. A weekly RAG rated report is shared with the divisions through each division's senior team and weekly meetings are held with the complaints office and the division to chase any outstanding investigation requests. Where escalation has not been successful each individual case is escalated to the appropriate Executive Director with a request for their assistance in obtaining the overdue report.

It has been recognised that national benchmarking about the number of complaints received is currently not possible due to the different services and populations that each hospital serves.

Benchmarking is available regarding for written complaints only. This information is available through a return that is undertaken quarterly, this return is known as the KO41 return. Information from each Trust in relation to written complaints only is collated and shared with the Department of Health. This information is available retrospectively and from this we can ascertain the number of written complaints that neighbouring Trusts deal with, as detailed below.

TRUST	Q1 - Written complaints	Q2 – Written complaints	Q3 – Written complaints	Q4 - Written complaints
MKUH	90	198	182	207
Northampton Hospital	96	129	147	Not yet available
Luton and Dunstable Hospital	165	148	128	
Buckinghamshire Health Care Trust	133	153	148	
Bedford Hospital	39	44	44	

The increase in the number of complaints for MKUH is due to the increased in number of contacts to the PALS service. Since July 2017, PALS has been based in the main entrance of the hospital and is therefore highly visible for all patients and visitors with ease of access either in person, by email, telephone or text. The number of contacts to PALS has increased since patients have been made aware of its presence when leaving the hospital through the main entrance. Also many people access the service due to their prior experience of PALS. Throughout the organisation we have undertaken training with staff regarding the remit of PALS and how patients can contact the service if they have any issues or need advice and information. This has resulted in patients and their families being correctly signposted to the PALS service when they have not been able to resolve an issue locally with the ward or dep

3.1.2 Over 75 ward moves at night

Patient moves at night at any age can be stressful however for patients over 75 years of age; moves later at night may lead to additional distress for patients and their families. An increase in disorientation, anxiety and confusion can be associated with moves late at night in older patients and as such there is a potential risk of falls which potentially results in harm for patients, may lead to a longer length of stay, and impacts on patient experience.

The Trust takes moves at night for older patients very seriously as part of the Trust Patient Experience Objective which is monitored monthly through the Trust Dashboard. The Trust sets a yearly trajectory for an acceptable number of over 75 moves at night between the hours of 22.00 and 0700.

In 2018/19 the Trust set a yearly trajectory 2554 over 75 moves at night which equates to 213 per month. Over the last year there were a total of 2346 moves of over 75-year olds at night. This equates to approximately 7 moves per night which and overall saw an improvement against the monthly trajectory for 9 of the 12 months over 2018/19. The Trust has undertaken a considerable amount of work in relation to improving patient flow including a drive to improve patient discharges earlier in the day which helps to reduce the need for moves later into the night.

Currently moves at night from the Emergency Department, Observation Unit, Ward 1(Acute Medical Assessment), Ward 17 (coronary care beds) and Department of Critical Care (DoCC) are as deemed clinically appropriate and are therefore exempt from reporting.

There will always be some moves at night between wards where it is entirely clinically appropriate to have moved a patient during the night, usually related to managing a clinical deterioration or a specific clinical/ infection related need.

With developments to patient pathways, ward functions and a changing population demographic for Milton Keynes there will be a need to review areas for inclusion or exemption from this objective and the setting of trajectories.

A further thematic review of the over 75 moves at night may be able to offer a more detailed analysis of clinical versus non- clinical appropriateness of patient moves at night.

3.1.3 Duty of Candour

The Trust looks to proactively demonstrate openness and honesty in line with the organisational Duty of Candour on health, care and social work services that formally came into effect on 1 April 2018.

The Trust incident reporting policy outlines Duty of Candour (DOC) compliance in line with national regulatory and standard contract requirements. For all patient safety incidents reported as a moderate grading or above, an initial apology is required, followed by a formal written apology. This is tracked on the Trust's Datix incident reporting system where a dashboard reflects live compliance with both the first & second stages. DOC data is included as a Trust key performance indicator and reported at corporate governance meetings. The Trust's Head of Risk & Clinical Governance has lead responsibility, with delegated responsibilities within the Risk Management Team for day to day management. All DOC letters are approved by the Head of Risk & Clinical Governance and her details given as a point of contact if required. For all serious incidents reported on the Strategic Executive Information System (StEIS), which is one of the national platforms for reporting and monitoring investigations, a formal DOC apology letter is sent which includes offering the patient/relatives the opportunity to be involved in the investigation and a further letter sent on completion of the investigation. DOC letters are further included in root cause analysis (RCA) action plans which are tracked by the Trust's commissioners until all evidence is received to show completed.

From March 2017 a covering letter was included in the Trust bereavement packs confirming that all deaths across the organisation are investigated, and if relatives have concerns about the care or treatment provided, the Trust would seek to include this in its mortality reviews and notify them of the findings.

This process has received positive feedback and helped to give reassurances that as an organisation the Trust wants to learn from incidents and put in place mitigation against other similar incidents in the future.

The 2017/18 and 2018/19 Service Quality Performance Reports report full compliance apart from quarter 3 of 2017/18 (Oct-Dec 17) where there was 1 breach. This is based on data that is provided on the last working day of the month and is against a performance denominator of 0.

3.2 Patient safety

3.2.1 Midwife to birth ratio

Midwives are present at all births and are the main providers of antenatal and

postnatal care. Staffing needs in both hospital and community settings depend on service design, buildings and facilities, local geography and demographic factors, as well as models of care and the capacity and skills of individual midwives. Other significant variables with an impact on staffing levels include women's choice and risk status.

To provide a safe maternity service, the Royal College of Midwives (RCM) says there should be an average midwife to birth ratio of one midwife for every 28 births. The ratio recommended by Safer Childbirth (The Kings Fund), is also 28 births to one WTE midwife for hospital births and 35:1 for home births.

At Milton Keynes the Midwife to Birth Ratio is stated on the obstetric dashboard on a monthly basis and reported at Management Board, Women's CSU meetings and Clinical Quality Board bi-monthly.

For 2018 – 2019 the Midwife to Birth ratio was reported as follows:

Month	Midwife to birth ratio
April 2018	1:25
May 2018	1:25
June 2018	1:28
July 2018	1:30
August 2018	1:34
September 2018	1:28
October 2018	1:28
November 2018	1:26
December 2018	1:29
January 2019	1:25
February 2019	1:26
March 2019	1:26

The average Midwife to Birth ratio for 2018 – 2019 is 1:27

3.2.2 Clostridium Difficile

The rates of Clostridium Difficile infection is discussed in more detail at page 126 above.

3.2.3 Statutory and mandatory training

Statutory training is that which an organisation is legally required to provide as defined by law or where a statutory body has instructed organisations to provide training based on legislation.

Mandatory Training is that determined essential by an organisation for the safe and efficient running in order to reduce organisational risks and comply with policies, government guidelines.

MKUH has been part of the East of England NHS Leadership Academy streamlining programme and all our mandatory training competencies are mapped to the Core Skills Training Framework, (IAT's) Inter Agency Transfers are accepted between us and other CSTF organisations.

There has been a steady improvement in statutory and mandatory training overall at MKUH since 2014 – the table below shows the compliance rate by year and by quarter

	Q1	Q2	Q3	Q4
2014/2015	81%	81%	85%	87%
2015/2016	86%	87%	88%	89%
2016/2017	89%	89%	90%	91%
2017/2018	91%	89%	90%	89%
2018/2019	90%	89%	90%	93%

Mandatory training is reported at Workforce Board, Workforce and Development Assurance Committee (quarterly) and Management Board (monthly).

There is a blended approach to mandatory training compliance with face to face classroom practical sessions, workbooks and e-learning to enable staff to remain compliant. Workbooks are availed through the Workforce Website which means staff can access workbooks from anywhere with internet access. We hold mandatory training roadshows quarterly to help and advice colleagues on mandatory training topics and how to book

In April/May it is planned to move from the SLATE booking system to the ESR booking system through self-service so that all staff will have control over booking their dates for training.

Statutory and Mandatory training remains a key performance indicator of quality and contributes greatly towards patient and staff health and safety.

3.3 Clinical Effectiveness

3.3.1 Cancer waits

There are more and more people being diagnosed with cancer and living with the condition. Current figures show that one in three people will be diagnosed with cancer in their lifetime, and it is expected that by 2030 3.4 million people will be living with cancer.

In May 2016, the National Cancer Transformation Board published a wide range of specific steps designed to increase prevention, speed up diagnosis, improve the experience of patients and help people living with and beyond the disease.

Milton Keynes University Hospital has developed services to ensure live access for the Multidisciplinary teams to all cancer performance targets and a live patient tracking tool to enable management of patient's pathways and early identification of delays and trends of issues. There are weekly escalation meetings managed with the Head of Cancer Services with all operational speciality leads to discuss patient level detail and capacity and demand management. There is a further weekly overview of the cancer position and risks at the executive PTL meeting, alongside this there are escalation alerts sent to the divisional and executive leads for any pathways that are raising concerns and resulting in patient delays. The Head of Cancer services meets with the MKCCG lead to review cancer breaches fortnightly and presents RCA and risk assessments for these raising concerns as required and identifying actions in place. Both MKUH and MKCCG report the cancer positions back through their board meetings. MKUH actively works with the Cancer alliance on the new cancer standards striving to provide a faster diagnostic pathway of 28 days to enable patients receiving treatment within the 62-day standard. MKUH have appointed an improving cancer pathway manager who is actively working with the specialist teams reviewing and developing straight to test pathways to support this measure. There is an active cancer Clinical improvement group and a Leads improvement group where lessons learnt are discussed and developments shared enabling clinical leads to maintain visibility on the whole cancer pathways within the trust.

Milton Keynes University Hospital has also invested in the development of a new cancer centre due to open at the end of 2019 which will provide additional capacity and services to the cancer patient groups enabling additional access for patients alongside meeting living with and beyond cancer standards.

MKUH cancer target sustainability 2018/19 has had challenges due to diagnostic capacity, leading to certain pathway delays, there are active project groups working on improvements within these areas and recovery identified for the end of quarter 4.

The Trust's performance against the 62-day target had been identified for sample testing as part of the Quality Report external assurance review. Of the sample of 20 cases selected for testing by the Trust's external auditors, errors were identified in three cases around the recording of times when treatment started and stopped. The testing demonstrated that there is scope to improve the process for the monitoring and recording of patients on the 62-day pathway. The auditors made a number of recommendations for the improvement of the data quality going forward, the performance of which will be monitored both by the service and the Audit Committee.

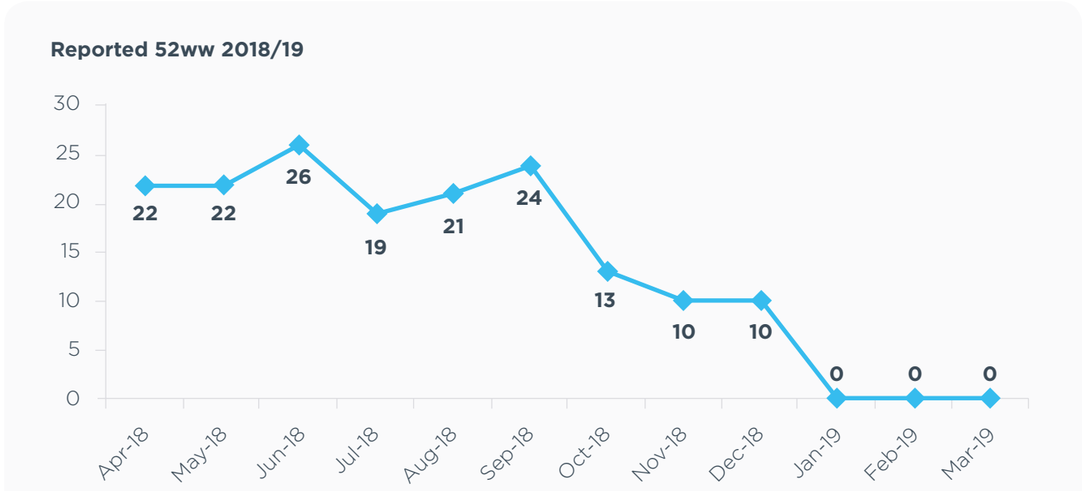
62-day cancer performance

Tumour Site	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Brain						100.0%	100.0%			100.0%		
Breast	100.0%	84.6%	82.4%	89.5%	88.9%	87.5%	87.5%	94.3%	86.7%	84.6%	75.0%	90.9%
Colorectal	36.4%	100.0%	73.3%	100.0%	33.3%	85.7%	33.3%	85.7%	83.3%	66.7%	75.0%	66.7%
Gynaecology	80.0%	83.3%	50.0%	87.5%	70.0%	90.9%	50.0%	100.0%	100.0%	100.0%	30.0%	0.0%
Haematology	100.0%	100.0%	100.0%	100.0%	80.0%	100.0%	75.0%		100.0%	100.0%	0.0%	100.0%
Head and Neck	0.0%	50.0%	40.0%	0.0%	66.7%	25.0%	0.0%	0.0%	60.0%	0.0%	0.0%	71.4%
Lung	75.0%	0.0%	100.0%	100.0%	100.0%	0.0%	80.0%	66.7%	100.0%	50.0%	80.0%	
Other												
Skin	100.0%	100.0%	100.0%	100.0%	96.3%	97.0%	90.0%	96.6%	100.0%	100.0%	100.0%	100.0%
Upper GI	100.0%	50.0%	100.0%	100.0%	100.0%	100.0%	80.0%	50.0%	100.0%	100.0%	100.0%	33.3%
Urology	91.7%	76.6%	79.1%	82.1%	100.0%	89.7%	77.8%	85.7%	87.0%	60.5%	64.9%	100.0%
Grand Total	86.2%	80.2%	80.3%	89.7%	88.5%	88.4%	77.4%	86.9%	90.5%	78.3%	72.2%	85.1%
Including Rarer Cancers (RC)	87.0%	80.5%	80.6%	90.0%	88.7%	88.5%	77.7%	86.9%	90.9%	78.3%	72.2%	85.1%

3.3.2 Long waiting patients

Coming into 2018/19, there were too many patients at MKUH waiting for extended periods of time for their planned care. In April 2018, 22 patients had been referred to us over a year ago and had not yet had their first definitive treatment – in most cases an inpatient or day case operation. A number of factors had led to this unsatisfactory position including a particularly busy winter period, and a national requirement to cease the provision of planned care for a time from December 2017. Some specific procedures are undertaken by a very small pool of staff, meaning that fluctuations in demand and/or the unplanned absence of a clinician from the workplace can be difficult to manage. With a small number of exceptions, these patients were awaiting planned orthopaedic procedures. Each month, the Trust's Medical Director reviewed patient case notes in order to assess whether the ongoing delay may have led to harm. No physical harm was identified through this review process but it was agreed by all that such extended waits represented very poor patient experience.

Through the focused effort of many members of staff, the number of patients waiting for over a year peaked at 26 in June 2018 and then fell to zero by January 2019. At the time of writing there has not been a further instance. Providing care to patients in a timely manner is a key element of the high quality service we seek to offer at MKUH.



3.3.3 Quality Improvement

Quality improvement (QI) can be described as a systematic approach that uses specific techniques to improve quality in healthcare. The key element in the process is the combination of a 'change' (improvement) and a 'method' (an approach with appropriate tools), with attention also given to the context, in order to achieve better outcomes.

Over the years, a significant number of improvement projects have been undertaken across the hospital that may not previously have been badged as QI initiatives. Examples include:

- the internationally recognised enhanced recovery programme for patients undergoing hip and knee replacements;
- the introduction of the Breakfast Club, bringing together different health and care clinicians to carry out holistic and unobtrusive assessments of the needs of elderly patients in terms of physiotherapy, nutrition, mobility and function, in order that the most appropriate discharge arrangements are put in place at the earliest possible opportunity;
- a programme of work to increase staff awareness and treatment of patients with potential sepsis which includes a sepsis "walkway" visible to patients and staff, a sepsis champion on each ward, sepsis awareness as part of trust induction and early identification and protocol driven treatment of sepsis. These measures have helped raise the proportion of patients who are screened for this disease from 62% in November 2017 to over 90% currently.

MKUH has the vision to be an outstanding acute hospital and one of its strategic aims is to ensure that its clinical services meet the latest quality standards. Quality improvement is a key element to the realisation of these aims and the Trust is now building on the good improvement work already achieved and developing a more standardised approach to QI. This will ensure that all staff are encouraged to adopt a continuous improvement approach to patient care and are provided with additional training, support and tools to support the delivery of projects and initiatives. The Trust has adopted a three-pronged approach to ensuring that all staff are engaged in this important endeavour. There is a core QI team of people who have QI as part of their main role and are responsible for coordinating QI activity across the organisation, including training. There is also an emerging QI Faculty whose membership includes divisional clinical and professional leads, is multi-professional and who will be trained to act as 'champions' across the organisation to support teams and individuals. In addition, and importantly, all staff have the opportunity and are actively encouraged to become involved in QI activity. A range of training resources and opportunities have been made available to help facilitate participation, ranging from in-house online and face-to-face courses, to sponsorship for degree level academic and research programmes. The oversight and visibility of QI projects will become more robust and will be linked with Greatix as well as identified for staff awards and ensuring opportunities are identified for entering work for national awards.

From a governance perspective, the work of both the core QI team and the QI faculty is reported to and monitored through the Clinical Quality Board and Management Board, both of whom in turn report to the Quality and Clinical Risk Committee, a Board sub-committee. This level of oversight helps ensure that QI work remains aligned to the Trust's overall vision and strategy, and that its prominence as a key trust priority is maintained.

MKUH has the vision to be an **outstanding acute hospital** and one of its strategic aims is to ensure that its clinical services meet the latest quality standards.

3.4 Performance against key national priorities

Performance against key national priorities and regulatory requirements						
Indicator	**Target and source (internal /regulatory /other)**	**2014 /15**	**2015 /16**	**2016 /17**	**2017 /18**	**2018 /19**
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	96% (National)	98%	99%	99%	100%	99%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	85% (National)	87%	84%	86%	88%	84%
Maximum wait of 2 weeks from GP referral to date first seen for all cancers	93% (National)	95%	95%	95%	96%	96%
Maximum waiting time of 31 days for subsequent cancer treatments: drug treatments	98% (National)	100%	100%	100%	100%	100%
Maximum waiting time of 31 days for subsequent cancer treatments: surgery	94% (National)	100%	98%	98%	100%	99%
Maximum of 2 weeks wait from referral to being seen: symptomatic breast cancer patients	93% (National)	96%	95%	94%	96%	96%
Referral to treatment in 18 weeks - patients on incomplete pathways	92% (National)	93%	86%	93%	91%	87%
Diagnostic wait under 6 weeks	99% (National)	99%	98%	100%	99%	99%
A&E treatment within 4 hours (including Urgent Care Service)	95%	92%	94%	92%	91%	91%
A&E treatment within 4 hours (Type 1 Only)	95%	Not Available			86%	86%
Rapid Access Chest Pain Clinic % seen within 2 weeks						
Cancelled operations: percentage readmitted within 28 days	95% (National)	99%	86%	87%	67%	70%
Clostridium difficile infections in the Trust	39 (National)	35	20	10	13	15
MRSA bacteraemia (in Trust)	0 (National)	0	2	2	3	1

Annexes

1

Annex 1

Statement from Milton Keynes Council Quality Accounts Panel

Thank you for forwarding a copy of the MKUH Quality Account for 2018-19 for our comment. On the whole the panel found this document was well laid out and reasonably easy to read. From the version the panel received the priorities seem focussed in the right areas and the justifications for interventions were well argued. The information in this Quality Account provides the panel with confidence that our local hospital is well led and has good plans in place to identify and tackle areas of weakness.

Statement from Central Bedfordshire Council Health Overview and Scrutiny Committee

SCHH OSC has been reviewing quality accounts from the various hospitals used by Central Bedfordshire Council residents and intends to continue to do so.

This year the accounts fall at the time of local elections and it has not been possible to arrange a special meeting, there will also be a change of Chairman of the OSC and some new members. The first meeting of the scrutiny committee of the new Council does not take place until 3 June, in the meantime, only one quality account has been presented and some feedback will be given. It would appear that given the deadline of others, it will not be possible to meet these. However, it is proposed that when the new committee is formed, Members will have the opportunity to scrutinise the remaining QA's. Whilst there will be feedback, it may not necessarily meet individual deadlines and therefore be part of the final reports.

Statement Milton Keynes Healthwatch

Healthwatch Milton Keynes would like to thank Milton Keynes University Hospital NHS Foundation Trust (MKUH) for inviting us to comment on the 2018/19 Quality Account. We have presented our response with some specific comments against sections of the report, and some more general comments about the document.

Priorities for 2019/20 - Priority 1 PPID for Medication Administration

From a patient's perspective, we would welcome detail about what work is envisaged with colleagues across the Trust to identify areas for improvements for departments and individuals. The rational for improvement was clear, but the actions are somewhat unclear and it would be useful to add detail about what patients could expect to see change as a result.

Priority 2 - Turnaround Time for 'To Take Out' Drug Prescriptions

The activities against this priority are welcomed by Healthwatch Milton Keynes. Our Enter and View visits in 2017 highlighted the journey of patients through the Patient Discharge Unit and frustrations regarding delays in receiving TTOs were clear. It is positive to see this as a priority for 2019/20.

Priority 3 - Reduction in Did Not Attend (DNA) Rate

With DNA rates increasing, Healthwatch Milton Keynes welcomes this area as a priority. There is a dating error on the priority, which is confusing and requires correction from 2018/19 to 2019/20.

Actions against 2018/19 Priorities

Priority 1 - Improving patient safety through the effective management of the WHO checklist

There have been clear actions against the priority. The actions taken against this priority are highly clinical and operational and therefore somewhat unclear to the public reader. The different methods of reporting percentages make it unclear whether improvements had been realised against compliance with the WHO surgical checklist.

Priority 2 – Improving the patient experience by delivering the Gold Standard Framework for end of life care

Healthwatch Milton Keynes notes the low take up of Advanced Care Plans (35%) despite a high offer. It was positive to see staff confidence in DNACPR conversations has increased. We also note positive improvements against the performance indicators in the table, but it would be useful in the future to see data beyond two periods of reporting, so that any trends can be identified.

Priority 3 - Improving clinical effectiveness by improving processes in the Outpatients Department

We note the reduction in 'waiting longer than expected' patient feedback, and that the reduction is considerable. There is a spelling error of 'Trust' in this section for your noting. It is positive to see initiatives being put in place to improve patient experience at Outpatients, and that many of these will take time to embed.

Audits:

On Page 111, point 16 Healthwatch Milton Keynes notes that more than 40% of transfusions were inappropriate. This seems very high but doesn't offer an explanation that supports a public member to gain more understanding of the issue. The action response against this item seems very informal like an internal memo, rather than a clear action.

CQUINs

Healthwatch Milton Keynes notes in 1b of the table that the provision of Healthy food for NHS staff, visitors and patients has been fully achieved.

The compliance against CQUINs set against sepsis (2a, b and c) seem low. It would be useful to the public reader to have explanation notes, or areas for action against CQUINs that have low compliance percentages. This includes the CQUIN against Offering advice and Guidance (A&G).

Healthwatch Milton Keynes would also like to note the strong level of compliance against Improving services for people with mental health needs who present to ED.

2.7 Care Quality Commission (CQC) registration and compliance

Healthwatch Milton Keynes notes the clear actions or compliance updates against each of the compliance and enforcement areas. The date in the first sentence at the top of page 115, referring to maternity services is dated 2108, which we believe should read 2018.

2.10 Seven Day Services

The percentages are difficult to understand, where no comment is provided to help the public reader understand the context of data tables. In this case, percentages seem very low, with a brief statement regarding electronic records being an issue but it isn't very reader friendly.

2.13 Reporting against core indicators

A number of copy and pasted tables in this section are very small and difficult to read. For those with no visual impairments, the table sizes are a challenge to read. In 2.13.8 we note that patient safety incidents have increased. We appreciate that this may be due to increased awareness of reporting, in staff but it would be useful to see statistics broken down, so the public reader could get a clearer understanding as to whether incidents causing severe harm or death are increasing/decreasing.

3.1.1 Complaint response times

Healthwatch Milton Keynes notes the 9.3% increase in complaints is high. We appreciate that the hospital has made the PALS service more visible and accessible to patients which may be contribution to the increase but would expect the lessoned learned from complaints to create a natural decrease in future reports.

Healthwatch Milton Keynes would like to commend the hospital in the higher compliance of staff completing mandatory training.

Overall comments

The document is thorough and provides a reasonable overview of the achievements against 2017-18 priorities. The Chief Executive's Report provides a straight forward and informative narrative regarding the hospital's progress in 2018/19.

It is always a challenge to present the level of information required for Quality Accounts in a public friendly format. However, this year MKUH's account does appear more technical and rushed, with many tables difficult to read and a narrative that looks internally, rather than focusing on the public reader.

However, we feel that the MKUH Quality Account reflects the great effort and energy being put in to improving services to patients, and future reports could benefit from being ensuring transparency to the public reader.

Statement from Milton Keynes Council Quality Account's Panel

Thank you for sharing the Milton Keynes Hospital Foundation Trust (MKUHFT) 2018-2019 Quality Account, with Milton Keynes Clinical Commissioning Group (MKCCG). The report has been read with interest and is consistent with the information that has been provided to MKCCG through its assurance processes.

During 2018-2019, MKUHFT has worked collaboratively with MKCCG and other partners to sustain and enhance the quality of services provided. Of the numerous quality improvements reported, MKCCG were particularly pleased to see the culmination of work achieved in relation to improving patient safety through the effective management of the WHO checklist. Actively promoting the involvement of staff to gain an understanding of the safety culture and using this feedback to make improvements to the checklist will inevitably strengthen the consistent application of the checklist going forward.

Owing to a lack of sufficient detail within the Quality Account, MKCCG are unable to comment on the 2018-2019 priority relating to Improving clinical effectiveness by improving processes in the Outpatients Department.

Throughout 2018-2019, MKUHFT have also demonstrated their commitment to adopting new and innovative technologies aimed at improving the quality of care. The implementation of eCARE has undoubtedly generated a number of challenges however, MKUHFT has worked tirelessly to ensure that any issues identified have been addressed and lessons learnt. MKCCG look forward to seeing the benefits of the new system come to fruition over the coming year.

MKUHFT's achievement in relation to Infection Prevention and Control is also worthy of mention with a continued, credible performance evident in relation to clostridium difficile cases. Furthermore, MKUHFT are to be commended for their unfaltering commitment to conduct clinical audits, recognised as a key element in developing and maintaining high quality services.

Integral to many of the MKUHFT quality improvements undertaken during 2018-2019 has been the continued engagement with service users and the focussed work to improve patient experience. The exciting imminent opening of the new cancer centre demonstrates one such area where the benefits for service users, in terms of better care and experience, will be substantial.

MKCCG fully endorse the improvement priorities identified within the 2019-2020 Quality Account. Priority one, positive patient identification for medication administration and priority two, turnaround times for patient discharge medication have the potential to significantly impact on patient safety, patient experience and improve overall patient flow within the hospital. MKCCG are unable to comment on priority three, reducing the number of 'Did not attends' owing to the lack of detail contained within the report.

MKCCG can confirm, to the best of our knowledge, that the Quality Account contains accurate and transparent information in relation to the range of services provided, and the quality of services that MKUHFT provides. The information provides both positive achievements and opportunities for improvement.

MKCCG looks forward to continuing to work collaboratively with MKUHFT during 2019-2020, to deliver quality services for the growing population of Milton Keynes.

2

Annex 2: Statement of Directors' Responsibilities in Respect of the Quality Report

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

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

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

- The content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19 and supporting guidance Detailed requirements for quality reports 2018/19;
- The content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2018 to May 2019
  - Papers relating to quality reported to the Board over the period April 2018 to May 2019
  - Feedback from the commissioners dated 15 May 2019
  - Feedback from the local Healthwatch organisation dated 16 May 2018
  - Feedback from Milton Keynes Council dated 16 May 2018
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, which was reported to the Trust Board on 6 July 2018.
  - The national patient survey received in April 2019
  - The national staff survey results received in April 2019
  - The Head of Internal audit's annual opinion over the Trust's control environment dated May 2019
  - CQC inspection report dated 26 November 2016
- The Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- The performance information reported in the Quality Report is reliable and accurate;
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- The data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review;
- The Quality Report has been prepared in accordance with NHS Improvement's annual reporting guidance and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report

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

By order of the Board

Simon Lloyd
Chairman

Date: 24 May 2019

Joe Harrison
Chief Executive

Date: 24 May 2019

3

Annex 3: Independent auditor's report to the council of governors of Milton Keynes University Hospital NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Milton Keynes University Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Milton Keynes University Hospital NHS Foundation Trust's quality report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Milton Keynes University Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Milton Keynes University Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Milton Keynes University Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules; and
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2018/19 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with

- board minutes for the period April 2018 to May 2019;
- papers relating to quality reported to the board over the period April 2018 to May 2019;

- feedback from the Commissioners dated 15 May 2019;
- feedback from the governors dated May 2019;
- feedback from local Healthwatch organisations, dated 16 May 2019
- feedback from Overview and Scrutiny Committee, dated 26 April 2019;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated June 2018;
- the Care Quality Commission inspection report dated 29 November 2016; and
- the Head of Internal Audit's annual opinion over the trust's control environment dated May 2019.

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- reading the documents.

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

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary.

Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Milton Keynes University Hospital NHS Foundation Trust.

Basis for qualified conclusion

Maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules

The "maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules" indicator requires that the NHS Foundation Trust accurately record the waiting time for urgent referrals for suspected cancer on the 62-day pathway.

Our procedures included testing a risk-based sample of 20 items and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We identified the following errors:

- for 3 items in our sample of patients' records tested, the start date of the pathways was not accurately recorded;
- For 1 item in our sample of patients' records tested, both the end time and clock pause duration of the pathways had not been accurately recorded; and
- For 2 items in our sample of patients' records tested, we were unable to obtain sufficient supporting evidence to confirm the duration of the clock pause applied.

Overall, correcting for the errors identified above, 2 items in our sample would change from non-breach to breach.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules" indicator for the year ended 31 March 2019. We are unable to quantify the effect of these errors on the reported indicator.

There is also a limitation in the scope of our procedures which means we are unable to complete our testing and are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting the "maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers, reported in accordance with official performance statistics based on 50:50 breach allocation rules" indicator for the year ended 31 March 2019.

Percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge

The "percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge" indicator requires that the NHS Foundation Trust accurately record the start and end times of each patient's wait in A&E, in accordance with detailed requirements set out in the national guidance. This is calculated as a percentage of the total number of unplanned attendances at A&E for which patients' total time in A&E from arrival is four hours or less until admission, transfer or discharge as an inpatient.

Our procedures included testing a risk-based sample of 24 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We identified the following errors:

In respect of the start time, we found that:

- for 6 items in our sample, the start of the wait time was not accurately recorded; and
- for 1 item in our sample, we were unable to obtain sufficient supporting evidence necessary to test the start time of the wait.

In respect of the end time, we found that:

- for 11 items in our sample, the end time was not consistent with other Trust records; and
- for 4 items in our sample of patients' records tested, we were unable to obtain sufficient supporting evidence necessary to test the end time of the wait.

Overall, correcting for the errors identified above, 3 items in our sample would change from non-breach to breach and a further 3 items in our sample would change from breach to non-breach.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge" indicator for the year ended 31 March 2019. We are unable to quantify the effect of these errors on the reported indicator.

There is also a limitation in the scope of our procedures which means we are unable to complete our testing and are unable to determine whether the indicator has been prepared in accordance with the criteria for reporting the "percentage of patients with total time in A&E of four hours or less from arrival to admission, transfer or discharge" indicator for the year ended 31 March 2019.

The "Data Quality" section on page 117 of the NHS Foundation Trust's Annual Report details the actions that the NHS Foundation Trust is taking to resolve the issues identified in its processes.

Qualified conclusion

Based on the results of our procedures, except for the matters set out in the basis for qualified conclusion section of our report, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement 2018/19 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.

Deloitte LLP
St Albans

24 May 2019

Appendices

1

Appendix 1:
Membership of the Council of Governors

		Constituency	No.	Governors	Term of Office	
					From	To
PUBLIC (ELECTED)	A	Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Peter Skingley	2 Sept 2016	1 Sept 2019
				Alan Hastings	3 June 2015	21 Nov 19
	B	Emerson Valley, Furzton, Loughton Park	2	William Butler	26 Oct 2017	25 Oct 2020
				Douglas Campbell OBE	19 Mar 2015	13 Mar 2021
	C	Linford South, Bradwell, Campbell Park	2	Ekroop Kular	23 Oct 2018	22 Oct 2021
				Akin Soetan	14 Mar 2018	13 Mar 2021
	D	Hanslope Park, Olney, Sherington, Newport Pagnell	2	Brian Lintern	7 Nov 2018	6 Nov 2021
				Alan Hancock	1 Mar 2016	28 Feb 2020
	E	Walton Park, Danesborough, Middleton, Woughton	2	Clive Darnell	23 Oct 2018	22 Oct 2021
				Clare Hill	14 Mar 2017	13 Mar 2020
	F	Stantonbury, Stony Stratford, Wolverton	2	Carolyn Peirson	11 Nov 2015	9 Nov 2019
				Robert Johnson-Taylor	14 Mar 2017	13 Mar 2020
	G	Outer catchment area	2	Paul Griffiths	2 Sep 2016	1 Sep 2019
				Amanda Anderson	14 Mar 2018	13 Mar 2021
	H	Extended area	1	VACANT		
STAFF (ELECTED)	I	Doctors and Dentists	1	John Ekpa	14 Mar 2017	13 Mar 2020
	J	Nurses and Midwives	2	VACANT		
				VACANT		
	K	Scientists, technicians and allied health professionals	1	VACANT		
	L	Non-clinical staff groups e.g. admin & clerical, estates, finance, HR, management	3	Michaela Tait	14 Oct 2018	13 Oct 2021
				VACANT		
				VACANT		
APPOINTED	N	Milton Keynes Business Leaders	1	VACANT		
	O	Healthwatch Milton Keynes	1	Maxine Taffetani	29 Aug 2017	28 Aug 2020
	P	Community Action:MK	1	Clare Walton	23 Aug 2017	22 Aug 2020
		Milton Keynes Council	1	Andrew Buckley	Aug 2016	Aug 2019

2

Appendix 2:
Attendance at Council of Governor meetings

	22 May 2018	17 July 2018	11 September 2018	22 November 2018	16 February 2019	All Meetings	NED appointments Committee
Amanda, Anderson	✓	✓	✓	X	✓	4	
Buckley, Andrew	X	✓	✓	✓	X	3	2
Butler, William	X	X	X	X	X	0	
Button, Jean	✓	X	X	N/A	N/A	1	
Campbell, Douglas	X	X	X	X	X	2	
Darnel, Clive	N/A	N/A	N/A	✓	X	1	
Ekpa, John	✓	✓	✓	X	X	3	
Griffiths, Paul	✓	✓	✓	X	X	3	
Hancock, Alan	X	X	✓	✓	✓	3	
Hastings, Alan	X	✓	✓	✓	✓	4	2
Hill, Clare	X	X	X	X	✓	1	1
Johnson-Taylor, Robert	X	✓	✓	X	✓	3	
Jopson, Amanda	✓	X	N/A	N/A	N/A	2	
Kular, Ekroop	X	X	X	X	X	0	
Lintern, Brian	N/A	N/A	N/A	✓	✓	2	
Marfleet, Keith	X	✓	N/A	N/A	N/A	1	
Peirson, Carolyn	✓	X	✓	X	X	2	
Skingley, Peter	✓	✓	✓	✓	✓	5	2
Soetan, Akin	✓	X	X	✓	✓	3	
Sutton, Lesley	✓	✓	X	N/A	N/A	2	
Taffetani, Maxine	✓	✓	✓	X	✓	4	
Michaela, Tait	N/A	N/A	N/A	✓	✓	2	
Walton, Clare	X	X	X	✓	X	1	
Webb, Matthew	✓	N/A	N/A	N/A	N/A	1	
Weston, Kim	X	✓	✓	✓	X	3	

3

Glossary

A & E	A & E	Accident & Emergency	hospital department specialising in the acute care of patients who arrive without a prior appointment
AHP	AHP	Allied Healthcare Professional	Generic term for professionals other than doctors and nurses who treat patients, therapists, physios, dieticians etc
ALOS	ALOS	Average Length of Stay	the average amount of time patients stay in hospital
Amber		Amber	Projects will be assessed as having an overall risk rating of amber where it is considered that the project is not delivering to plan in respect of progress and/or impact, however, appropriate action is planned and/or is underway.
AO	AO	Accountable Officer	A person responsible to report or explain their performance in a given area.
APR	APR	Annual Plan Return	Submission of the annual plan to the regulator
BAF	BAF	Board Assurance Framework	Board document to assure the Board that risks to strategic priorities are being managed
BoD	BoD	Board of Directors	Executive Directors and Non-Executive Directors who have collective responsibility for leading and directing the foundation trust
Caldicott Guardian		Caldicott Guardian	Chief clinician who is held responsible for clinical record keeping (from Caldicott enquiry outcomes)
CAMHS	CAMHS	Children and Adolescent Mental Health Services	Specialise in providing help and treatment for children and young people with emotional, behavioural and mental health difficulties
CBA	CBA	Cost Benefit Analysis	A process for calculating and comparing the costs and benefits of a project.
CCG	CCG	Clinical Commissioning Group	Replaced Primary Care Trust. Led by local GPs to commission services
CDiff	CDiff	Clostridium difficile	A bacterial infection that most commonly affects people staying in hospital
CDU	CDU	Clinical Decisions Unit	This is an integral part of the Emergency Department in a hospital, and it is used for patients who require a short period of observation or treatment, typically for a maximum of 24 hours.
CE/CEO	CE/CEO	Chief Executive Officer	Leads the day to day management of the Foundation Trust
CF	CF	Cash Flow	The money moving in and out of an organization
CGF	CGF	Clinical Governance Facilitator	Co-ordinates senior leadership team (doctor, nurse and manager) in new CSUs (replace HCFs.
CIP	CIP	Cost Improvement Programme	Also known as Transformation programme. This is a programme agreed by the trust at the start of the financial year, setting out the savings, usually from efficiencies, that it expects to make during the year.
CoA	CoA	Chart of Accounts	A list defining the classes of items against which money can be spent or received.
Code Victor		Code Victor	Major Emergency Alert
CoG	CoG	Council of Governors	The governing body that holds the non-executive directors on the board to account for the performance of the board in managing the trust, and represents the interests of members and of the public
Common Front Door		Common Front Door	Area where urgent care and A & E services can be co-located
CoP	CoP	Code of Practice	A set of regulations
CPD	CPD	Continuing Professional Development	Continued learning to help professionals maintain their skills and knowledge
CQC	CQC	Care Quality Commission	Regulator for clinical excellence
CQUIN	CQUIN	Clinical Quality Incentive Scheme	The CQUIN payment framework makes a proportion of providers' income conditional on quality and innovation.
CSU	CSU	Clinical Service Units	Business units in MK Hospital
CTG	CTG	Cardiotocography	a technical means of recording the fetus fetal pulse heartbeat
Datix		Datix	Risk management system
DD	DD	Due Diligence	Is the term used to describe the performance of an investigation of a business or person
DGH	DGH	District general hospital	A medium sized hospital providing a range of services including an emergency department and the most common specialist services
DH/DoH	DH/DoH	Department of Health	The ministerial department which leads, shapes and funds health and care in England
DIPC	DIPC	Director of Infection Prevention Control	A role required by law of all registered NHS care providers. The DIPC will have executive authority and responsibility for ensuring that strategies are in place to prevent avoidable healthcare associated infections

DNA	DNA	Did not Attend	A patient who missed an appointment
DOC	DOC	Doctor on call	A doctor, usually a general practitioner, who is contracted to provide care out of hours. In the hospital setting this could also refer to a Consultant who may be contacted out of hours for expert advice
DOCC	DOCC	Department of Critical Care	The Trust's intensive Care Unit
DoF	DoF	Director of Finance	The Board member leading on finance issues in the trust; an executive director
DOSA	DOSA	Day of Surgery Admission	When patients are admitted on the day of their surgery rather than the day before
DPA	DPA	Data Protection Act	The law controlling how personal information is used
DTOCs		Delayed Transfer of Care	Patients who are medically fit but have not been discharged
Dr Foster		Dr Foster	Benchmarking tool to assess relative performance
Duty of Candour		Duty of Candour	Consultation on including a contractual requirement for health providers to report and respond to incidents, apologise for errors etc
ED	ED	Executive Directors' (meeting)	Semi-formal meeting of Executive Directors on Monday morning and Thursday afternoon
EDD	EDD	Expected Delivery Dates	The date that spontaneous onset of labour is expected to occur
EHR	EHR	Electronic Health Record	Health information about a patient collected in digital format which can theoretically be shared across different healthcare settings
ENP	ENP	Emergency Nurse Practitioner	Specialist A&E nurse
EOC	EOC	Exec on Call	The member of the executive or senior team who may be contacted out of hours where specific issues need to be escalated
EPR	EPR	Electronic Patient record	Also known as eCARE. The Trust's new system of managing and recording interactions patients electronically
ESR	ESR	Employee Staff Record system	HR system in use
FOI	FOI	Freedom of Information	The right to ask any public sector organisation for the recorded information they have on any subject
Formulary		Formulary	Approved NHS list of prescribed drugs
FP10	FP10		Forms used to prescribe drugs to outpatients that they can pick up at the hospital pharmacy, rather than having to pay themselves
Francis Report		Francis Report	report into Mid Staffs hospital
FT	FT	Foundation Trust	A part of the NHS in England that provides healthcare to patients/service users and has earned a degree of operational and financial independence
FTE	FTE	Full Time Equivalent	A measurement of an employees workload against that of someone employees full time e.g. 0.5 FTE would be someone who worked half the full time hours.
FTGA	FTGA	Foundation Trust Governors' Association	National membership association for governors of NHS foundation trusts
FTN	FTN	Foundation Trust Network	The membership organisation and trade association for the NHS acute hospitals and community, mental health and ambulance services that treat patients and service users in the NHS
FY	FY	Financial Year	The year used for accounting purposes, in the UK from 6 April to 5 April
GMC	GMC	General Medical Council	The independent regulator for doctors in the UK
GI	GI	Gastrointestinal	Relating to the stomach and intestines
GMS	GMS	General Medical Services	Services provided by general practitioners under contract from NHS England
GP	GP	General Practitioner	Doctor who provides family health services in a local community
Green		Green	Projects will be assessed as having an overall risk rating of green where it is considered that the project is delivering to plan in respect of progress and/or impact.
GUM	GUM	Genito-unitary medicine	For sexually transmitted diseases/infections
HCA	HCA	Healthcare Assistant	staff working within a hospital or community setting under the guidance of a qualified healthcare professional
HCAI	HCAI	Healthcare Associated Infection	These are infections that are acquired in hospitals or as a result of healthcare interventions; MRSA and Clostridium difficile are both classed as HCAIs
Healthwatch		Healthwatch	Local independent health and social care critical friend
HEE	HEE	Health Education England	the NHS body responsible for the education, training and personal development of staff
HR	HR	Human Resources	the department which looks after the workforce of an organisation e.g. Pay, recruitment, dismissal
HSCA	HSCA	Health and Social Care Act 2012	an Act of parliament providing the most extensive reorganisation of the NHS since it was established, including extending the roles and responsibilities of governors
HSDU	HSDU	Hospital Sterile Decontamination Unit	Part of Clinical Support Services CSU
HSMR	HSMR	Hospital Standardised Mortality Rate	Number of deaths which is compared with other trusts
HWB/HWBB	HWB/ HWBB	Health and Wellbeing Board	a local forum to bring together partners from across the NHS, local government, the third sector and the independent sector
IBP	IBP	Integrated Business Plan	a strategy for connecting the planning functions of each department in a trust to align operations and strategy with financial performance
ICE	ICE	Integrated Clinical Environment	Web-based service used by pathology departments in around 60% of acute NHS Trusts to enable clinical requests to be made from wards, clinics and GP surgeries.
ICU	ICU	Intensive Care Unit	specialist unit for patients with severe and life threatening illnesses
Intrapartum		Intrapartum	During childbirth (as opposed to pre-natal and post-natal)

IG	IG	Information Governance	The legal framework governing the use of personal confidential data in healthcare
IP	IP	Inpatient	a patient who is hospitalised for more than 24 hours
IT	IT	Information Technology	the study or use of systems(especially computers and telecommunications) for storing, retrieving and sending information
Keogh Reviews		Keogh Reviews	Reviews of Hospitals led by Sir Bruce Keogh, originally targeted hospitals with high mortality rates.
Kings Fund		Kings Fund	independent charity working to improve health and care in England
KPIs	KPIs	Key Performance Indicators	indicators that help an organisation define and measure progress towards a goal
LD	LD	Learning Disabilities	a disability which affects the way a person understands information and how they communicate
LETB	LETB	Local Education and Training Board	these are the local arms of Health Education England, now called by their region rather than LETB - e,g, training and workforce issues
LHE	LHE	Local Health Economy	the supply and demand of health care resources in a given area and the effect of health services on a population
LOS	LOS	Length of Stay	a term commonly used to measure the duration of a single episode of hospitalisation
M&M	M&M	Mortality and morbidity meetings	Meetings held, primarily within medical teams to analyse adverse outcomes in patient care, through peer review, and thereby learn from any errors and improve overall patient care
MDT	MDT	Multidisciplinary Team	A group of healthcare workers who are members of different disciplines each providing specific services to the patient.
MHA	MHA	Mental Health Act	the law in England and Wales that allows people with a 'mental disorder' to be admitted to hospital , detained and treated without their consent - either for their own health and safety, or for the protection of other people
MI	MI	Major Incident	a major incident affects, or can potentially affect, hundreds or thousands of people and can cause a significant amount of casualties e.g. closure of a major facility due to fire, or persistent disruption of services over several weeks/months
MIU	MIU	Minor Injuries Unit	somewhere you can go to be treated for an injury that's not serious instead of going to A & E, e.g. For sprains, burns, broken bones
MKUHFT	MKUHFT	Milton Keynes University Hospital Foundation Trust	Abbreviation of Milton Keynes University Hospital NHS Foundation Trust
MKUCS	MKUCS	Milton Keynes Urgent Care Centre	Consortium with GPs (40% owned by Trust) based in the hospital to alleviate A&E
MOC	MOC	Manager on call	
Monitor		Monitor	Independent body responsible for the regulation of NHS foundation trusts. Its functions are now performed by NHS Improvement
Morbidity		Morbidity	the proportion of sickness or of a specific disease in a geographical locality.
Mortality		Mortality	the relative frequency of deaths in a specific population; death rate.

MoU	MoU	Memorandum of Understanding	An agreement between 2 or more parties indicating a common line of action
MRI	MRI	Magnetic Resonance Imaging	a medical imaging technique
MRSA	MRSA	Methicillin-Resistant Staphyloccus Aureus	a bacterium responsible for several difficult-to-treat infections in humans
MSA	MSA	Mixed Sex Accommodation	wards with beds for both male and female patients
MUST	MUST	Malnutrition Universal Screening Tool	MUST' is a five-step screening tool to identify adults, who are malnourished, at risk of malnutrition (under nutrition), or obese. It also includes management guidelines which can be used to develop a care plan. It is for use in hospitals, community and other care settings and can be used by all care workers.
NE	NE	Never Event	A list of serious medical errors or adverse events, such as wrong site surgery, that should never happen to a patient
NED	NED	Non-Executive Director	An often independent member of the board of directors of an NHS trust, who is not an employee of the trust, but is nevertheless partly responsible for its running.
NHS	NHS	National Health Service	publicly funded healthcare system with the UK
NHS Direct	NHS Direct	NHS Direct	24-hour telephone helpline and website providing confidential information on health conditions local healthcare services, self help and support organisations
NICU	NICU	Neonatal Intensive Care Unit	This unit treats babies and infants with a variety of serious medical and surgical conditions that require intensive care support.
NHSLA	NHSLA	NHS Litigation Authority	Manages Clinical Negligence Scheme for Trusts
NHSTDA	NHSTDA	NHS Trust Development Authority	provide governance and accountability for NHS trusts in England and delivery of the foundation trust pipeline
NICE	NICE	National Institute for Health and Care Excellence	provides national guidance and advice to improve health and social care
NMC	NMC	Nursing and Midwifery Council	nursing and midwifery regulator for England, Wales, Scotland, Northern Ireland and the Islands
NRLS	NRLS	National Reporting and Learning System	Database for recording patient safety incidents (held by MPSA)
NSfs	NSFs	National Service Frameworks	set clear quality requirements for care
OP	OP	Outpatients	a patient who is not hospitalised for 24 hours or more but who visits a hospital, clinic, or associated facility for diagnosis or treatment
OSCs	OSCs	Overview and Scrutiny Committees	established in local authorities by the Local Government Act 2000 to develop and review policy and make recommendations to the council
PA	PA	Programmed Activities	4 hour blocks that are used to make up a consultant's contract.

PALS	PALS	Patient advice and liaison service	You can talk to PALS who provide confidential advice and support to patients, families and their carers, and can provide information on the NHS and health related matters.
PbR	PbR	Payment by Results or 'tariff'	a way of paying for services that gives a unit price to a procedure
PDR	PDR	Personal Development Review	Appraisal system
PFI	PFI	Private Finance Initiative	a scheme where private finance is sought to supply public sector services over a period of up to 60 years
PLACE	PLACE	Patient-Led Assessments of the Care Environment	local people go into hospitals as part of teams to assess how the environment supports patient's privacy and dignity, food cleanliness and general building maintenance
PICC	PICC	Percutaneous indwelling central catheter	A form of intravenous access that can be used for a prolonged period of time (for example for long chemotherapy regimens or antibiotic therapy
POA	POA	Pre-operation assessment	A history and physical examination focusing on risk factors ahead of surgery
PPH	PPH	Postpartum haemorrhage	Heavy bleeding after childbirth, often defined as the loss of more than 500ml or 1000ml of blood within the first 24 hours following childbirth
PPI	PPI	Patient and Public Involvement	mechanisms that ensure that members of the community - whether they are service users, patients or those who live nearby - are at the centre of the delivery of health and social care services
PROM	PROM	Patient Reported Outcome Measures	A system which measures health gain in patients undergoing hip and knee replacement surgery, and previously varicose vein and groin hernia surgery
Productive Ward		Productive Ward	Initiative to streamline operation of wards - included in Maternity Development Plan, due to be rolled out across the hospital
PTS	PTS	Patient Transport Services	free transport to and from hospital for non-emergency patients who have a medical need
QA	QA	Quality Assurance	monitoring and checking outputs and feeding back to improve the process and prevent errors
QGAF	QGAF	Quality Governance Assurance Framework	assess the combination of structures and processes in place, both at and below board level, which enable a trust board to assure the quality of care it provides
QIPP	QIPP	Quality, Innovation, Productivity and Prevention	12 work streams to improve the quality of care they deliver while making efficiency savings that can be reinvested in the service to deliver year on year quality improvements.
Quality Accounts		Quality Accounts	An annual report to the public from providers of NHS healthcare services about the quality of their services
RAG	RAG	Red, Amber, Green classifications	a system of performance measurement indicating whether something is on or better than target (green), below target but within an acceptable tolerance level (amber), or below target and below an acceptable tolerance level (red)
RCA	RCA	Root cause analysis	A method of problem solving used for identifying the root causes of faults or problems
RCGP	RCGP	Royal College of General Practitioners	professional membership body for GP's
RCP	RCP	Royal College of Physicians	professional membership body for doctors
RCS	RCS	Royal College of Surgeons	professional membership organization representing surgeons
R&D	R&D	Research & Development	developing new products or processes to improve and expand
RGN	RGN	Registered General Nurse	a nurse who is fully qualified and is registered with the nursing and Midwifery Council as fit to practice
RTT	RTT	Referral to treatment	Used as part of the 18 week indicator
Rule 43		Rule 43	Issued by Coroners to organisations. Must be responded to within 56 days. Lord Chancellor's office keep a record of all rule 43s issued
SFI	SFI	Standing Financial Instructions	Found on the intranet under 'Trust Policies'
SHMI	SHMI	Summary Hospital Level Mortality Indicator	reports mortality at trust level across the NHS in England using standard and transparent methodology
SI	SI	Serious incident	A serious incident requiring investigation is defined as an incident that occurred in relation to NHS-funded services and care
SID	SID	Senior Independent Director	a non-executive director who sits on the board and plays a key role in supporting the chair; the SID carries out the annual appraisal of the chair, and is available to governors as a source of advice and guidance in circumstances where it would not be appropriate to involve the chair
SIRG	SIRG	Serious incident Review Group	to review serious incidents and identify learning points
SLM	SLM	Service Line Management	A framework for the delivery of clinical services
SLA	SLA	Service Level Agreement	an agreement between two or more parties
SLR	SLR	Service Line Reporting	A reporting system which by comparing income against expenditure gives a statement of profitability at service line level
SRR	SRR	Significant risk register	Risks scored 15 and over
T&C	T&C	Terms and conditions	set the rights and obligations of the contracting parties, when a contract is awarded or entered into
TDA	TDA	Trust Development Authority	Regulator for Non foundation trusts. Its functions are now provided by NHS Improvement
T&O	T&O	Trauma & Orthopaedics	Hospital department that diagnoses and treats a wide range of conditions of the musculoskeletal system
TTO	TTO	To Take Out	Medicines given to discharging patients
VTE	VTE	Venous thromboembolism	Blood clotting, usually caused by inactivity. Should be assessed for routinely to ensure care pathways take into risk
WiC	WiC	Walk in Centre	Provided jointly with the hospital and local GPs under a commercial arrangement as the Urgent Care Centre
WTE	WTE	Whole time employees	Member of staff contracted hours for full time
YTD	YTD	Year to Date	a period, starting from the beginning of the current year and continuing up to the present day. The year usually starts on 1st January

Annual Accounts 2018/19

Presented to Parliament pursuant to Schedule 7, paragraph 25(4) of the National Health Service Act 2006.

Milton Keynes University Hospital NHS Foundation Trust

Accounts

Year Ended 31 March 2019

Statement of the chief executive's responsibilities as the Accounting Officer of Milton Keynes University Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

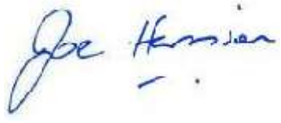
NHS Improvement, in exercise of the powers conferred on Monitor by the National Health Service Act 2006, has given accounts directions which require Milton Keynes University Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Milton Keynes University Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance;
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Joe Harrison

Chief Executive

Date: 24 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF MILTON KEYNES UNIVERSITY HOSPITAL NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Milton Keynes University Hospital NHS Foundation Trust (the 'foundation trust'):

- **give a true and fair view of the state of the foundation trust's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows;
- the statement of changes in taxpayers' equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 1.1 in the financial statements, which indicates that the foundation trust incurred a net deficit of £9.5m during the year ended 31 March 2019, and has identified that additional funding is required before the end of 2019/20, to support the foundation trust in meetings its liabilities, which is yet to be formally agreed. Without additional funding, the foundation trust will have insufficient working capital to meet its liabilities as they fall due.

In addition, the Trust's working capital requirement is dependent on uncertainties over cash flows including receipt of the Provider Sustainability Funding which is dependent on the Foundation Trust achieving its financial control total. Also, the Foundation Trust has further existing loans of £78.8m falling due by March 2020 where the facility is yet to be extended. If the foundation trust does not receive an extension to the existing loan, or experiences a shorfall in forecast cashflows, it would have to apply for alternative funding from the Department of Health. The outcome of such an application is currently uncertain.

In response to this, we:

- reviewed the foundation trust's financial performance in 2018/19 including its achievement of planned cost improvements in the year;
- held discussions with management to understand the current status of the funding arrangements that have been agreed, confirming to signed loan agreements, and regarding management's expectation around further funding requirements;
- reviewed the foundation trust's cash flow forecasts and financial plan for 2019/20 submitted to NHS Improvement;
- challenged the key assumptions used in the cash flow forecasts by reference to NHS Improvement guidance; and
- assessed the historical accuracy of the budgeting process used by the foundation trust.

As stated in note 1.1, these events or conditions, along with the other matters as set forth in note 1.1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the foundation trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • NHS revenue and provisions; • Going concern (see material uncertainty relating to going concern section); • Valuation of land and buildings; and • Arrangements to secure value for money (see matters on which we are required to report by exception – use of resources section). Within this report, any new key audit matters are identified with ⌃ and any key audit matters which are the same as the prior year identified with ⌃⌃.
Materiality	The materiality that we used for the current year was £4.8m which was determined on the basis of revenue.
Scoping	Audit work was performed at the Foundation Trust's head offices in Milton Keynes directly by the audit engagement team, led by the audit partner.
Significant changes in our approach	We have identified an additional key audit matter and significant risk in regards to the valuation of land and buildings.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
In addition to the matter described in the material uncertainty relating to going concern section and the matter described in the matters on which we are required to report by exception – use of resources section, we have determined the areas described below to be the key audit matters to be communicated in our report. We have identified an additional key audit matter in regards to the valuation of land and buildings due to the full valuation completed in the year and the assumption of an alternative site.

NHS revenue and provisions	
Key audit matter description	There are significant judgements in the recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to the complexity of the payment by results regime, in particular in determining the level of overperformance and the judgemental nature of accounting for disputes. Details of the foundation trust's income, including £206m (2018: £197m) of Commissioner Requested Services, are shown in note 2.5 to the financial statements. NHS receivables of £23.5m (2018: £19m), are accounted for within note 12 to the financial statements. The majority of the foundation trust's income comes from three commissioners, NHS Milton Keynes, NHS England and NHS Bedfordshire, increasing the significance of associated judgements. The settlement of income with Clinical Commissioning Groups continues to present challenges, leading to disputes and delays in the agreement of year end positions.
How the scope of our audit responded to the key audit matter	We evaluated the design and implementation of controls over recognition of NHS income. We performed detailed substantive testing on a sample basis of the recoverability of unsettled revenue amounts, and evaluated the results of the NHS wide agreement of balances exercise. We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we considered the historical accuracy of provisions for disputes and reviewed correspondence with commissioners.
Key observations	Based on the work performed above we have concluded that the revenue and provisions recognised are appropriate.

Property valuation	
Key audit matter description	The foundation trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £126.1m (PY £152.8m). The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the suitability of the location, and the remaining life of the assets) which can be subject to material changes in value. As detailed in note 1.6, the foundation trust has reassessed its valuation assumptions in the current year and adopted an alternative site approach when applying the depreciated replacement cost method. The net valuation movement on the foundation trust's estate shown in note 9 is an impairment of £27.1m.
How the scope of our audit responded to the key audit matter	We carried out an assessment of the design and implementation of key controls in place around the property valuation. We have tested the inputs and information provided by the Trust to the valuer, to assess whether the basis for the forming the valuation is correct. We commissioned Deloitte Real Estate 'DRE' to review and challenge the valuation completed by the valuer and adopted by the trust, including assessing the reasonableness of the assumptions and judgements used. We have considered if the movement to the 31 March 2019 from the valuation completed as of 30 September 2018 would be material and concur with management that it would not be. We considered the impact of uncertainties relating to the UK's exit from the EU upon property valuations in evaluating the property valuations and related disclosures.
Key observations	Based on the work performed above we have concluded that the valuation of land and buildings are appropriate.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£4.8m (2018: £4.2m)
Basis for determining materiality	1.9% of revenue (2018: 1.8% of revenue)
Rationale for the benchmark applied	Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £240,000 (2018: £210,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work was performed at the Foundation Trust's head offices in Milton Keynes directly by the audit engagement team, led by the audit partner. The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

The Foundation Trust makes use of NHS Shared Service, a service organisation, for its financial processing activities. We have reviewed reports prepared by the service organisation and performed procedures on information available at the Foundation Trust.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, including the performance report, the accountability report and the explanatory foreword, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the statement of accounting officer's responsibilities, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the foundation trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the foundation trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

We have qualified our opinion in regards to this.

We are required to report to you if, in our opinion the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Basis for qualified conclusion

The Foundation Trust has continued its programme of work to improve governance arrangements over data quality and the quality of data itself. Because of the timing of this work, key improvements to arrangements which the Trust has described in the Annual Governance Statement have not operated for all or substantially all of the year or applied to all key data sets.

In our "Limited assurance report on the content of the quality report and mandated performance indicators", we issued a qualified conclusion because of errors identified in the calculation of the 62 day cancer treatment and Accident and Emergency 4 hour wait performance indicators.

These issues are evidence of weaknesses in proper arrangements for understanding and using appropriate and reliable performance information to support informed decision making and performance management.

The foundation trust incurred a deficit of £9.5m for the year ended 31 March 2019, within the control total agreed with NHSI. The foundation trust's 2019/20 plan submission in April 2019 showed a forecast surplus of £6.8m for 2019/20 before capital donations of £7.2m and after Provider Sustainability, Marginal Rate Emergency Tariff and Financial Recovery funding of £23.1m, which do not represent recurrent income streams.

In order to fund these deficits, the directors received financial support in 2018/19 of £18.1m from the Department of Health and is seeking financial support in 2019/20 through the extension of £78.8m of loans which are due for repayment by March 2020.

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in December 2017, with the exception of the matters reported in the basis for qualified conclusion section, above, we are satisfied that, in all significant respects, Milton Keynes University Hospital NHS Foundation Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2019.

These issues are evidence of weaknesses in proper arrangements to support the sustainable delivery of strategic priorities and maintain statutory functions.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Board of Governors of Milton Keynes University Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council and Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation trust and the Council and Board as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Gooding FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Albans, United Kingdom
24 May 2019

FOREWORD TO THE ACCOUNTS

MILTON KEYNES UNIVERSITY HOSPITAL NHS FOUNDATION TRUST

Milton Keynes University Hospital NHS Foundation Trust ("the Trust") acts as an acute Hospital for Milton Keynes.

These accounts for the year ended 31 March 2019 have been prepared by Milton Keynes University Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the 2006 Act.

Joe Harrison

Chief Executive

Date: 24/05/19

Statement of Comprehensive Income For the Year Ended 31 March 2019

	Note	2018/19 £000	2017/18 £000
Operating income from patient care activities	2.1-2.5	212,491	200,891
Other operating income	2.2	40,890	26,744
Operating expenses	3-6	(259,909)	(240,237)
		(6,528)	**(12,602)**
FINANCE COSTS			
Finance income	7.1	54	19
Finance expenses	7.2	(2,053)	(1,770)
PDC dividends payable		(1,019)	(1,715)
NET FINANCE COSTS		**(3,018)**	**(3,466)**
Loss on disposal of assets		0	(28)
DEFICIT FOR THE YEAR		**(9,546)**	**(16,096)**
Other Comprehensive Income			
Will not be reclassified subsequently to surplus or deficit:			
Impairments		(20,379)	0
Revaluations		0	8,118
Total other comprehensive income		(20,379)	8,118
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(29,925)**	**(7,978)**

The notes to the accounts are on pages 194-234

Statement of Financial Position as at 31 March 2019

	Note	31 March 2019 £000	31 March 2018 £000
NON-CURRENT ASSETS			
Intangible assets	8	14,150	10,054
Property, plant and equipment	9	147,420	171,862
Trade and other receivables	12	457	405
TOTAL NON-CURRENT ASSETS		**162,027**	**182,321**
CURRENT ASSETS			
Inventories	11	3,577	3,257
Trade and other receivables	12	29,561	23,223
Cash and cash equivalents	13	6,175	2,507
TOTAL CURRENT ASSETS		**39,313**	**28,988**
CURRENT LIABILITIES			
Trade and other payables	14.1	(28,858)	(28,333)
Deferred Income	14.2	(1,706)	(1,637)
Borrowings	15	(80,161)	(32,298)
Provisions	17	(1,569)	(1,381)
TOTAL CURRENT LIABILITIES		**(112,294)**	**(63,649)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**89,046**	**147,660**
NON-CURRENT LIABILITIES			
Borrowings	15	(53,031)	(83,605)
Provisions	17	(826)	(1,142)
TOTAL NON-CURRENT LIABILITIES		**(53,857)**	**(84,747)**
TOTAL ASSETS EMPLOYED		**35,189**	**62,912**
FINANCED BY			
Public dividend capital		101,356	99,154
Revaluation reserve	18	58,288	78,667
Income and expenditure reserve		(124,455)	(114,909)
TOTAL TAXPAYERS' EQUITY		**35,189**	**62,912**

The Financial Statements and notes on pages 194-234 were approved by the Board and authorised for issue on 24 May 2019 and signed on its behalf by:

Simon Lloyd
Chairman

Joe Harrison
Chief Executive

Mike Keech
Director of Finance

Statement of Changes in Taxpayers' Equity For the Year Ended 31 March 2019

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018		**99,154**	**78,667**	**(114,909)**	**62,912**
Deficit for the year		0	0	(9,546)	**(9,546)**
Impairments	7.3	0	(20,379)	0	**(20,379)**
Public Dividend Capital received		2,202	0	0	**2,202**
Taxpayers' and others' equity at 31 March 2019		**101,356**	**58,288**	**(124,455)**	**35,189**
Taxpayers' and others' equity at 1 April 2017		**96,157**	**70,549**	**(98,814)**	**67,893**
Deficit for the year		0	0	(16,096)	**(16,096)**
Revaluations	7.3	0	8,118	0	**8,118**
Public Dividend Capital received		2,997	0	0	**2,997**
Taxpayers' and others' equity at 31 March 2018		**99,154**	**78,667**	**(114,909)**	**62,912**

Statement of Cash flows For the Year Ended 31 March 2019

	2018/19 £000	2017/18 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating deficit from continuing operations	(6,528)	(12,602)
Operating deficit	**(6,528)**	**(12,602)**
Non-cash income and expense:		
Depreciation and amortisation	8,817	9,036
Net impairments	6,743	0
Income recognised in respect of capital donations (cash and non-cash)	(5,010)	(75)
(Increase) in receivables and other assets	(5,831)	(3,567)
(Decrease) in inventories	(320)	(213)
Increase in payables	617	413
Increase in other liabilities	69	13
(Decrease) in provisions	(128)	(1,457)
Other movements in operating cash flows	(4)	74
Net cash (used in) operating activities	**(1,575)**	**(8,378)**
Cash flows from investing activities		
Interest received	54	19
Purchase of intangible assets	(4,954)	(5,557)
Sale of Intangible Assets	38	24
Purchase of property, plant, equipment	(10,853)	(9,628)
Sale of property, plant & equipment	346	44
Receipt of cash donations to purchase capital assets	5,010	75
Net cash (used in) investing activities	**(10,359)**	**(15,023)**
Cash flows from financing activities		
Public dividend capital received	2,202	2,997
Loans Repaid to the Department of health	(954)	(953)
Loans Received from the Department of Health	18,125	23,625
Capital element of finance lease rental payments	(146)	(162)
Interest paid on finance lease liabilities	(1,669)	(1,448)
Other interest paid	(307)	(322)
PDC dividend paid	(1,649)	(1,735)
Net cash generated from financing activities	**15,602**	**22,002**
Increase/(Decrease) in cash and cash equivalents	**3,668**	**(1,399)**
Cash and cash equivalents at 1 April	**2,507**	**3,906**
Cash and cash equivalents at 31 March	**6,175**	**2,507**

NOTES TO THE ACCOUNTS

1. Accounting policies and other information

These accounts for the year ended 31 March 2019 have been prepared by the Trust in accordance with the National Health Service Act 2006.

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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. 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 accounts.

Operating Segments
The Board of Directors are of the opinion that the Trust's operating activities fall under the single heading of "Healthcare" for the purposes of segmental reporting in accordance with International Financial Reporting Standard 8.

Consolidation
From 1 April 2014, the NHS has had to apply IFRS 10,'Consolidated Financial Statements' in respect of consolidating Charitable Funds. The Trust has reviewed the criteria under IFRS 10 and it meets the criteria in respect of having an interest and control of MK Hospital NHS charity and ADMK Limited (ADMK) and it directly benefits from the activities of the charitable funds and ADMK. However, it has not consolidated the charitable funds or ADMK into these accounts because the Trust does not consider them to be material. The Charitable fund's income and expenditure represents only 0.3% of the Trusts position and ADMK only 0.16% so they are not material to the accounts of the Trust.

From the 1 April 2014, the NHS has applied IFRS 11, 'Joint Arrangements' and IFRS 12, 'Disclosure of Interests in Other Entities,' however the Trust has decided not to recognise the Milton Keynes Urgen Care Services in these accounts due to this position not being material to the Trusts accounts. See Note 10.

Critical Judgements and Key Sources of Estimation Uncertainty
In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates, but the underlying assumptions are regularly updated. Revisions to accounting estimates, which only affect that period, are recognised in the period in which the estimate is revised. If the revision affects both current and future periods it is recognised in the period of the revision and future periods.

Critical judgements in applying accounting policies:
The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Valuations of Land and Buildings
The most significant estimate within the accounts is the value of land and buildings. In accordance with International Accounting Standards, a full property valuation is carried out on the Trust's land and buildings every five years, with an interim valuation after three years. The Trust has as at the 30th September 2018 undertaken a valuation on an alternative site basis after taking advice from a RICS qualified valuer, the District Valuer Services (DVS), on suitable indices to apply to reflect changes in the building costs and local land price movements since the date of the last valuation. The Trust judged it to be appropriate to change its assumptions regarding the location of a hypothetical site for the hospital when performing the modern equivalent asset valuation and as a result, it estimated that there had been a reduction in the value of its assets by £27m which was reflected as a decrease in non-current assets. A further desktop valuation was undertaken in March 2019 by the DVS, in order to determine whether any movement in indices between September 2018 and March 2019 were material to the value of the Trust estate. The impact of movements in the relevant indices was immaterial and therefore no changes were made to the value of the estate. The next full revaluation is due September 2024.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

Key sources of estimation uncertainty
The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuations of Land and Buildings
Valuations do not take into account future potential changes in market value which cannot be predicted with any certainty therefore, between valuations, management reviews the values for any material changes and make judgements about market changes and assesses whether the carrying amount does not differ materially from that which would be expected using fair value at the end of the reporting period. The review of the estate values carried out in 2018/19 resulted in an overall decrease in the revaluation reserve of £20m.

1.1 Basis of accounting – going concern

IAS 1 requires management to undertake an assessment of the NHS Foundation Trust's ability to continue as a going concern. These accounts have been prepared on a going concern basis as there has been no application to the Secretary of State for the dissolution of the NHS Foundation Trust and the Directors currently believe there is a realistic alternative to doing so. The Directors have therefore prepared these financial statements on a going concern basis.

The current economic environment for all NHS Trusts and NHS Foundation Trusts continues to be challenging with on-going internal efficiency gains necessary; cost pressures in respect of national pay terms and conditions; non-pay and drug cost inflation; as well as commissioner plans to reduce acute hospital activity that could adversely affect the Trusts finance performance.

The Trust has a financial deficit of £9.5m for the year ended 31 March 2019 (£16.1m deficit in 2017/18). The Directors consider that the outlook presents significant challenges in terms of cash flow for the reasons outlined above and the need to reduce the underlying cost base of the Trust to meet challenging financial targets.

The Trust has prepared its financial plans and cash flow forecasts for 2019/20 on the assumption that adequate funding will be received from the Trust's commissioners (contractual income), and through Department of Health and Social Care (DHSC) funding facilities. In addition, the Trust has assumed it will receive £5.1m of non-recurrent Sustainability funding (PSF), £14.8m of Financial Recovery Funding (FRF) and £3.2m of Marginal Rate Emergency Tariff (MRET) funding. The payment of the Trust's PSF is contingent on the Trust achieving its agreed financial control total which the Trust expects to achieve.

The Trust expects this to be sufficient to prevent the Trust from failing to meet its obligations as they fall due, and to continue operating until adequate plans are in place to achieve financial sustainability for the Trust. However, the Directors have identified that there are material uncertainties that cast significant doubt over whether the Trust will continue to exist in its current form, and over its ability to discharge its liabilities in the normal course of business.

Funding for the 2019/20 financial year over and above internal generating funds is still to be determined; however it is expected to be through cash advance/capital loan. This has the effect of increasing long term liabilities and reducing net assets. The capital loan is expected to be repaid over a 15 year period.

As part of its 2019/20 annual plan submission, the Trust has requested cash in advance of FRF funding of £6m and a further £2.7m for capital expenditure which has been pre-approved by NHSI. The Trust has assumed that five revenue loans totalling £78.8m due for repayment between January and March 2020 will be extended.

Positive cash balances will be maintained throughout the period by successfully securing the necessary funding from DHSC and the Trust's commissioners that gives assurance of income flows.

The significant risks facing the Trust are summarised as follows:

1. The Trust has prepared a cash flow forecast which shows a minimum daily level of headroom of £1m. There is a level of uncertainty over whether the Trust will receive additional uncommitted loans of £79.2m (revenue £78.8m due for repayment by March 2020 and £0.4m additional revenue loan requirement in 2019/20) and £2.7m (capital) required to meet its financial obligations and the £23.1m PSF, FRF and MRET

as noted above. The Trust has however developed its financial plan assuming that it will receive this funding and thus continue on a going concern basis;

2. There is uncertainty over whether the Trust will achieve its efficiency savings plan of £8.4m which has been assumed in its 2019/20 financial plan. This is a level of savings which is extremely challenging and must be supported with adequate clinical focus and engagement in quality process improvement against agreed and appropriately detailed delivery plans.

3. The future for Milton Keynes Hospital NHS Foundation Trust is being influenced by the Integrated Care System (ICS). The Trust is one of 16 partners in the Bedfordshire, Luton and Milton Keynes (BLMK) ICS. The ICS is focussed on reducing demand and costs in secondary care through investment, innovation and changes in the way primary, community and social care is delivered.

4. The population growth across the area is expected to continue to exceed the national average. If growth rates assumed in the Trust's 2019/20 financial plan are higher than assumed, this could represent a risk in respect of, the commissioners' ability to pay for higher levels of activity and the costs of resourcing unplanned activity;

5. There remains uncertainty around the potential impact of macroeconomic factors, including those as a potential consequence of Brexit.

While there are material uncertainties which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the normal course of business, the financial statements do not include any adjustments that would result if the going concern basis were not appropriate.

1.2 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.

1.3 Income

The transition to IFRS 15 has been completed in accordance with paragraph C3 (b) of the Standard, applying the Standard retrospectively recognising the cumulative effects at the date of initial application.

In the adoption of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- As per paragraph 121 of the Standard the Trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less,
- The Trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph B16 of the Standard where the right to consideration corresponds directly with value of the performance completed to date,
- The FReM has mandated the exercise of the practical expedient offered in C7(a) of the Standard that requires the Trust to reflect the aggregate effect of all contracts modified before the date of initial application.

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.

Payment terms are standard reflecting cross government principles

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.

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.

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 a provision for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Apprenticeships

The value of the benefit received when the Trust accesses funds from the Government's apprenticeship service are recognised as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash income and corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

1.4 Expenditure on goods and services

Expenditure on goods and services is recognised when, and to the extent that, the goods or services have been received. It 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 non-current assets such as property, plant and equipment.

1.5 Expenditure on employee benefits

Short –term employee benefits
Salaries, wages and employment-related payments, including termination benefits, are recognised in the period in which the service is received from employees. Annual leave entitlement is actively encouraged to be taken in the year that it is earned, however there are exceptional circumstances when the annual leave entitlement may be carried forward into the following year. Untaken leave is accrued on an average five days carry forward for medical staff, excluding junior doctors and registrars in training. All other staff are accrued based on annual data collection of untaken hours applied to their hourly rate of pay. The cost of this annual leave entitlement earned but not taken at the end of the financial year is recognised in the financial statements.

Pension costs-NHS Pension Scheme

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. 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:

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.

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.

Employer Contributions
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.

Scheme Liabilities
The liabilities of the pension scheme as at 31 March 2018 were £526.1 billion. The national deficit of the scheme was £10.3 billion as per the last scheme valuation by the Government Actuary as at 31 March 2012. The conclusion of the valuation was that the scheme continues to operate on a sound financial basis. Employer contribution rates are reviewed every four years following the scheme valuation, on advice from the actuary. Tiered employer contribution rates were recommended and those applicable from the 1 April 2014 were: a lower limit of 5% and an upper limit of 14.5% of pensionable pay. Employers' pension cost contributions are charged to operating expenses as and when they become due. The expected value of the trusts employer's pension contributions for 2018/19 is £14.5m (£13.7m 2017/18)

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.

Pension costs-NEST Pension Scheme
From the 1 October 2013 the Trust has participated in the Government's Auto Enrolment Pension scheme. It has auto-enrolled those employees who are not eligible for the NHS Pensions scheme into an alternative pension scheme run by National Employers Savings Trust (NEST).

The employer's contributions for all eligible staff are 1% in the first year, rising to 3% by 2018. For employees who are eligible for the NHS Pensions scheme the Trust had a transitional date of 2017 which was agreed with the Pensions Regulator. The Trust currently has, at the 31 March 2019, 57 employees enrolled into NEST and the employers contributions for the current financial year have been £14k.

1.6 Property, Plant and Equipment

Recognition
Property, Plant and Equipment (PPE) 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 will be supplied to the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably and
- the item has a cost of at least £5,000, or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, and are anticipated to have simultaneous 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, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Measurement
The Trust capitalises assets that individually have a cost of at least £5,000 or form a group of assets which individually have a cost of more than £250 and collectively have a cost of at least £5,000, where the assets are: functionally interdependent; have broadly simultaneous purchase dates; are anticipated to have simultaneous disposal dates and are under single managerial control.

Assets will also be capitalised if they form part of the initial set-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost. In accordance with IAS23, borrowing costs directly attributable to the financing of PPE are also capitalised up until all the activities necessary to prepare the asset for its intended use are complete.

Where a large asset, for example a building, includes a number of components with significantly different lives such as plant and equipment, these components are treated as separate assets and are depreciated over their individual useful lives.

Valuation
All property, plant and equipment assets are measured initially at cost, representing the cost 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 current value.

The carrying value of fixtures and equipment are written off over the remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from current value.

Land and buildings are re-valued where a movement in current values is considered to be material. Current values

are determined as follows:

- Land and non-specialised operational assets – Existing use value.
- Specialised assets – depreciated replacement cost applying the modern equivalent asset principle.

HM Treasury adopted a standard approach to depreciated replacement cost valuations on a modern equivalent asset where it would meet the location requirements of the service being provided; an alternative site can be valued.

In any event, professional valuations are carried out every five years, together with a three year interim/desk top valuation. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards Manual.

The Trust has as at the 30th September 2018 undertaken a full valuation after taking advice from a RICS qualified valuer from District Valuer Services (DVS) on suitable indices to apply, to reflect changes in the building costs and local land price movements since the date of the last valuation. As a result, it estimated that there had been a reduction in the value of its assets by £27m which was reflected as a decrease in non-current assets. The next full revaluation is due March 2024.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the services being provided.

The DVS is the commercial arm of the Valuation Office Agency, which is an executive agency of HM Revenue & Customs (HMRC). It provides professional property advice across the public sector in England, Wales and Scotland.

Buildings are valued at depreciated replacement cost on a modern equivalent asset basis for buildings which qualify as a specialised operational property asset which is consistent with IAS 16, with regard to the suitable indices that reflect changes in the building costs.

Non specialised operational property, including land, is assessed at existing use value whilst non-operational property, including surplus land is valued on the basis of market value. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Until 31 March 2008, plant, machinery, vehicles, furniture and fittings were carried at replacement cost, based on indexation and depreciation of historic cost. New assets are carried at depreciated historic cost, unless this is considered to be materially different from fair value due to significant volatility in asset values.

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 replace 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.

Depreciation
Items of Property, Plant and Equipment are depreciated over their remaining 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 has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, dwellings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset based on assessments by the Trust's professional valuers. Leasehold buildings are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the following estimated lives:

Asset Category	**Estimated life (in years)**
Buildings excluding dwellings	8 to 90
Dwellings	40
Plant and Machinery	5 to 20
Transport Equipment	7
Information Technology	2 to 8
Furniture and Fittings	5 to 10
Leased assets	Over the lease term

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 been previously recognised in operating expenses, In which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent 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'.

Impairments
In accordance with the DHSC GAM, impairments that arise from a clear consumption of economic benefit or 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 the 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 service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised as operating income to the extent that the asset is restored to its 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. Where impairment arises from a clear consumption of economic value, this is taken in full to operating expenses.

De-recognition
Assets intended for disposal, are reclassified as 'Held for sale' once all 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 sale;

- the sale must be highly probable; i.e.
    - 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 sale indicate it is unlikely that the sale will be dropped 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 then ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. 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 life is adjusted. The asset is de-recognised when scrapping or demolition occurs.
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.

1.7 Intangible assets

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 when it is probable that future economic benefits will flow to, or service potential will be provided, to the Trust where the cost of the asset can be measured reliably.

Internally Generated
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised and is recognised as an operating expense in the period that it is incurred.

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 liability to sell or use the asset;

- how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for 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

Software
Software that is integral to the operating of hardware, for example, an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

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 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation
Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits over the following estimated lives:

Asset Category	Estimated life in years
Purchased computer software & Licences	2 to 8
Development	2 to 8
Internally generated IT	2 to 10

1.8 Donated, government grant and other grant funded assets

Government grants are grants from Government bodies other than income from CCG's or NHS Trusts for the provision of services. 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.

1.9 Revenue government and other grants

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.

1.10 Inventories

Inventories comprise mainly of drugs and consumable medical products which are held at the lower of cost or net realisable value. The cost formula is determined by using the latest cost price from suppliers. Due to the high turnover of inventories and the low value held, the Trust considers this method to be an appropriate basis of measurement. Net realisable value is the estimated selling price less estimated costs to achieve a sale.

1.11 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.

1.12 Carbon Reduction Commitment scheme (CRC)

The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 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.

1.13 Financial assets and financial liabilities

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.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Financial assets are recognised on the Statement of Financial Position when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered.

Financial liabilities classified as subsequently measured at amortised cost are recognised on the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received.

De-recognition

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.

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 or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure.

Financial liabilities are classified as "fair value through profit or loss" or as "other financial liabilities"
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the amortised cost of the financial liability. In the case of DHSC loans that would be the nominal rate charged on the loan.

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 has irrevocably elected to measure the following financial assets / financial liabilities at fair value through income and expenditure:

- Loans and receivables

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).

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

1.14 Financial Risks

Liquidity Risk
The Trust's net operating costs are mainly incurred under legally binding contracts with local CCG's, which are financed from resources voted annually by Parliament. Under Payment by Results the Trust is paid for activity on the basis on nationally set tariffs. For contracted activity the Trust is paid in 12 monthly instalments through the year which has in the latter part of the year included monthly payments for activity over contracted levels. This has reduced the liquidity risk. However the fact that the Trust does not have a working capital facility due to its current risk rating increases the Trusts liquidity risk. In addition the Trust recognises the issues around Going Concern which are outlined in note 1.1.

Interest –rate risk
All of the Trusts financial liabilities carry nil or fixed rates of interest, the Trust is not therefore exposed to significant interest rate risk.

Foreign currency risk
The Trust has no foreign currency income and negligible foreign currency expenditure.

Credit risk
The Trust operates primarily within the NHS Market and receives the majority of its income from other NHS organisations. There is therefore little risk that one party will fail to discharge its obligation with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payment by Results regime. The Trust does not hold any collateral as security.

1.15 Leases

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 fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease, thereafter the asset is accounted for as an item of property, plant and equipment and the lease liability is de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income. Leases are assessed using IAS 17 as a basis for qualitative and quantitative assessment.

Operating Leases
Other leases are regarded as operating leases and the rentals are charged to the operating expenses on a straight-line basis over the term of the lease. Operating lease incentives are added to the lease rentals and charged to the operating expenses over the life of the lease.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component if it is considered to be material and the classification for each is assessed separately.

1.16 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount at the statement of financial position date, for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate of the expenditure can be made. 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 HM Treasury's discount rate. The rate for salary related provisions i.e. injury benefit provisions is 0.29% and long term provisions is 1.99% in real terms is applied.

Clinical Negligence
NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to the NHS resolution, which in return, settles all clinical negligence claims. Although the 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 the NHS Resolution on behalf of the trust is disclosed at note 17 but is not recognised in the Trust's accounts.

Non-Clinical Negligence
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 the 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.

1.17 Contingencies

Recognition
Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control. They are not recognised as assets but are disclosed in note 20 unless the probability of a transfer of economic benefit 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.

1.18 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 original NHS Trust. 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 forecast cost of capital utilised by the Trust, is paid over as Public Dividend Capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash held with Government Banking Service excluding cash balances held in GBS account that relate to a short-term working capital facility and any (iii) PDC dividend balance receivable or payable.

The relevant net assets are adjusted for any liabilities or assets which the trust has as at the end of the accounting year, but may only have held for a short period close to the end of the accounting year.
In accordance with the requirements laid down by the Department of Health (DHSC) as 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 of the audit of the annual accounts.

1.19 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.

1.20 Corporation Tax

The Trust does not foresee that it will have any material commercial activities on which a corporation tax liability will arise under the guidance issued by HM Revenue and Customs.

1.21 Foreign Exchange

The functional and presentational currencies of the Trust are sterling**.** A transaction which is denominated in a foreign currency is translated into sterling at the exchange rate ruling on the dates of the transaction. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income.

1.22 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 does not have any beneficial interest in them. However they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Finance Reporting Manual (FReM).

1.23 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 NHS foundation trusts not been bearing their own risks, with insurance premiums then being included as normal revenue expenditure.

However the information for losses and special payments is compiled directly from the losses and special payments register which reports on an accruals basis with the exception of provisions for future losses.

1.24 Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted.

IFRS 16 Leases The purpose of this new standard is to eliminate the classification of leases as either operating leases or finance leases for a lessee. Instead all leases will be treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company will also recognise a financial liability representing its obligation to make future lease payments. The trust has less than £0.4m of operating leases so it is not expected that this will have a material impact. The effective date is 2019/20 but it has not yet been adopted by the HM Treasury Financial Reporting Manual (FReM).

IFRS 17 Insurance Contracts This standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. It is not expected that that this will have a material impact on the Trust. The effective date is 2021/22 but it has not yet been adopted by the FReM.

IFRIC 23 Uncertainty over Income Tax Treatments The main principle of this standard is to clarify the accounting for uncertainties in income taxes. This is not expected to have a significant impact on the Trust. The effective date is 2019/20.

2. Operating Income

IFRS 8 requires the disclosure of results of significant operating segments, the Trust considers that it has only one operating segment, Healthcare.

2.1 Operating Income from Activities arising from Commissioner Requested Services

Under the terms of its Provider License, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested services and non-commissioner requested services. Commissioner requested services are defined in the provider license and are services that the commissioners believe would need to be protected in the event of provider failure.

The Trust's commissioner requested services is the total income from activities excluding private patient income and non–protected clinical income. Non protected income relates to overseas patients, the NHS Injury Scheme and other Non NHS bodies.

	2018/19	2017/18
	£000	£000
Income from services designated (or grandfathered) as commissioner requested services	206,887	197,472
Income from services not designated as commissioner requested services	5,604	3,419
Total	**212,491**	**200,891**

2.2 Operating Income from patient Care Activities (by nature)

	2018/19	2017/18
	£000	£000
Income from activities		
Elective income	28,470	26,296
Non elective income	70,737	69,675
First outpatient income	19,310	16,557
Follow up outpatient income	22,875	21,748
A & E income	12,489	12,648
Other NHS clinical income	53,006	50,548
Private patient income	507	493
Agenda for Change pay award central funding	2,308	0
Other Non NHS clinical income	2,789	2,926
Total income from activities	**212,491**	**200,891**

	2018/19	2017/18
Other operating income from contracts with customers:	£000	£000
Research and development	801	939
Education and training	8,634	7,628
Non-patient care services to other bodies	2,048	1,271
Provider Sustainability Fund*	17,960	10,374
Car parking	1,616	1,591
Staff Accommodation	1,376	1,051
Catering	708	739
Salary income	891	1,258
Other income	1,846	1,818
Other non-contract operating income		
Receipt of capital grants and donations	5,010	75
Total other operating income	**40,890**	**26,744**

* A £1.8 billion Provider Sustainability Fund (PSF) was made available to NHS providers in 2017-18, linked to the achievement of financial controls and performance targets. NHS Improvement (NHSI), an arms length body of DHSC, has awarded PSF income to Trusts which have achieved their assigned financial targets ('control totals') and specified clinical performance trajectories ('core' PSF), exceeded their assigned 'control totals' through a £ for £ reward scheme ('incentive' PSF), and to the extent that funds are available to NHSI, additional PSF to Trusts meeting and/or exceeding their assigned 'control totals' ('bonus'PSF)

The amount of core, incentive, general distribution and bonus funding included above are £9.2m, £2.3m, £4.7m and £1.7m respectively.

The Trust can confirm that there are no fees or charges raised under legislation, where the full cost exceeds £1 million, or the service is otherwise material in relation to the accounts.

2.3 Provision of goods and services for the purposes of health service

The Trust can confirm that the income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purpose. This is in accordance with Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

	2018/19 £000	2017/18 £000
Income from the provision of goods and services for the purposes of the health service	206,887	197,472
Income from the provision of goods and services for any other purpose	46,494	30,163
Total	**253,381**	**227,635**

2.4 Private patient income

The Health and Social Care Act from the 1st October 2012 repealed the statutory limitation on private patient income in section 44 of the National Health Services Act 2006. The Trust earned 0.3% of total patient care income from private patients in both 2018/19 and 2017/18.

2.5. Operating Income from Patient Care Activities (by source)

Income from patient care activities received from:	2017/18 £000	2017/18 £000
CCGs and NHS England	206,108	196,780
Local authorities	1,632	1,797
Department of Health	2,308	0
Other NHS foundation trusts	786	633
NHS trusts	0	1
NHS other	1	58
Non-NHS: private patients	507	493
Non-NHS: overseas patients (chargeable to patient)	257	478
NHS injury scheme (was RTA)	867	634
Non NHS: other	25	17
Total income from activities	**212,491**	**200,891**
Of which:		
Related to continuing operations	212,491	200,891

The responsibility for the commissioning of Healthcare services is from two main NHS Bodies, Clinical Commissioning

Groups (CCG's) and NHS England. The major CCG for the Trust is Milton Keynes CCG which accounts for 69% of the Trust's clinical income.

NHS England commissions nationally for a number of specialist services which includes HIV, Neonatology and Specialist Cancers and screening. The Trust received £27.1m 2018/19 in respect of these services (£26.3m 2017/18). The Trust also received an additional £1.2m 2018/19 (£1m 2017/18) from the Cancer Drugs Fund.

2.6 Additional information on contract revenue (IFRS 15) recognised in the period

	2018/19 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	800
Total	**800**

2.7 Analysis of overseas visitors' income

	2018/19 £000	2017/18 £000
Income recognised this year	**257**	**478**
Cash payments received in-year	106	288
Amounts added to provision for impairment of receivables	158	67
Amounts written off in-year	**124**	**123**

3. Operating expenses

3.1 Operating expenses (by Type)

	2018/19 £000	2017/18 £000
Purchase of healthcare from NHS and DHSC bodies	4,756	4,509
Purchase of healthcare from non-NHS and non-DHSC bodies	4,642	4,421
Staff and executive directors costs	162,319	155,624
Remuneration of non-executive directors	137	116
Supplies and services - clinical (excluding drugs costs)	16,722	15,549
Supplies and services - general	3,847	3,611
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	21,244	19,605
Inventories written down (net including drugs)	33	0
Consultancy costs	17	350
Establishment	2,138	2,166
Premises	13,159	12,796
Transport (including patient travel)	498	553
Depreciation on property, plant and equipment	7,720	7,675
Amortisation on intangible assets	1,097	1,361
Net impairments	6,743	0
Increase/(decrease) in provision for impairment of receivables	28	(28)
Increase in other provisions	63	0
Change in provisions discount rate(s)	0	25
Audit fees payable to the external auditor		
Audit services- statutory audit	84	84
Other auditor remuneration (external auditor only)	6	6
Internal audit costs	113	126
Clinical negligence	7,323	6,195
Legal fees	783	403
Insurance	143	113
Research and development	702	987
Education and training	3,970	3,612
Rentals under operating leases	300	350
Car parking & security	40	35
Hospitality	1	18
Losses, ex gratia & special payments	267	91
Other services	521	612
Other	493	(728)
Total	**259,909**	**240,237**
Of which:		
Related to continuing operations	259,909	240,237

Operating lease includes rentals for a variety of medical equipment as well as photocopiers and lease cars.

	31 March 2019 £000	31 March 2018 £000
Future minimum lease payments due:		
- not later than one year	111	143
- later than one year and not later than five years;	33	33
Total	**144**	**176**

4. Staff costs

4.1 Staff costs

	2018/19 Total £000	2017/18 Total £000
Salaries and wages	**127,341**	120,462
Social security costs	**13,887**	13,121
Apprenticeship levy	**654**	616
Employer's contributions to NHS pensions	**14,562**	13,672
Temporary staff	**9,676**	11,452
Total gross staff costs	**166,120**	**159,323**

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind.

4.2 Retirements due to ill-health

During 2018/19 there was 1 early retirement from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2018). The estimated additional pension liability of this ill-health retirement is £35k (£29k in 2017/18).

The cost of the ill-health retirement will be borne by the NHS Business Services Authority - Pensions Division.

4.3 Employee Benefits

Employee benefits relate to payments made over and above salary costs. There were no employee benefits paid in the year or in the previous financial year.

4.4 Termination Benefits

There were no termination benefits during the year (Nil in 2017/18) and there were no non-compulsory departures agreed in 2018/19 or 2017/18.

4.5 Salary and pension entitlements of Directors

The aggregate amounts payable to directors were:

	2018/19 £000	2017/18 £000
Salary	1,301	1,286
Taxable benefits	0	0
Employer's pension contributions	108	127
Total	**1,409**	**1,413**

Further details of directors' remuneration can be found in the remuneration report.

4.6 Highest paid Director Analysis

Reporting Bodies are required to disclose the relationship between the remuneration of the highest paid director and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Milton Keynes University Hospital NHS Foundation Trust in the financial year 2018/19 was £200,000-£205,000 (2017/18 £175,000-£180,000). This was 6.6 times (2017/18 5.89 times) the median remuneration of the workforce which was £30,376 (2017/18 £30,424).

In 2018/19 and 2017/18 no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £6,000 to £194,800 (2017/18 from £8,000 to £179,500).

Total remuneration includes salary, non-consolidated performance related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The median remuneration has been calculated using the full time equivalent annualised salary costs taken from the March payroll data, excluding the highest paid director but including agency and bank costs.

The Trust's highest paid Director was the Chief Executive and the remuneration costs that have been used in the calculation are the banded, full time equivalent annualised total remuneration costs. The previous year's highest paid director was the Chief Executive.

5. Better Payment Practice Code

5.1 Better Payment Practice Code- measure of compliance

	2018/19 Number	2018/19 £000	2017/18 Number	2017/18 £000
Total trade invoices paid in the year	69,586	127,441	77,456	127,402
Total trade invoices paid within 30 days	52,054	108,754	70,386	118,528
Percentage of total trade invoices paid within 30 days	75%	85%	91%	93%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Whilst the Trust's achievement of the BPPC target has reduced in the year, invoices paid within 33 days were 89% (61,731 in volume) and 92% (£116,745,270 in value) There were no payments made in year in respect of late payment of invoices under the Late Payment of Commercial Interest Act 1998 (2017/18 £0).

6. Audit Fees

The Trust incurred statutory audit fees totalling £84,000, (£84,000 in 2017/18) and £6k other auditor remuneration in 18/19, (£6k in 17/18). All the amounts include irrecoverable VAT. Other auditor remuneration is detailed below.

	2018/19 £000	2017/18 £000
Other auditor remuneration paid to the external auditor:		
All taxation advisory services	0	0
Other services	0	0
Audit related assurance services	6	6
Total	**6**	**6**

6.1 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2018/19 or 2017/18.

7. Finance income and expense

7.1 Finance Income

	2018/19 £000	2017/18 £000
Interest on bank accounts	54	19
Total	**54**	**19**

7.2 Finance Expenses

	2018/19 £000	2017/18 £000
Interest expense:		
Loans from the Department of Health	1,746	1,448
Finance leases	307	322
Total interest expense	**2,053**	**1,770**

7.3 Impairment of Assets (PPE)

	2018/19 £000	2017/18 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	6,743	0
Total net impairments charged to operating surplus / deficit	**6,743**	**0**
Impairments charged to the revaluation reserve	20,379	0
Total net impairments	**27,122**	**0**

The impairment above resulted from a change in the valuation principle used in valuing the Trust estate.

The Trust estate has historically been valued on existing use value (land) and depreciated replacement cost applying the modern equivalent asset principle - no alternative site (buildings).

In 2018/19 the Trust has adopted a modern equivalent asset principle which reflects an alternative site valuation. In adopting the Modern Equivalent Asset – with alternative site approach, the valuation of land and buildings reflects the extent of estate required for the provision of the same service as already provided by the existing estate but not in the same form or location.

Following an assessment from the Trust's valuer, valuing the estate on an alternative site valuation basis led to a lower reported Current Value for accounting purposes. This arises from better configuration of the hospital estates (reducing circulation space) and a reduction in the land valuation.

8. Intangible Assets

8.1 Intangible assets – 2018/19

	Software & licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	**5,237**	**7,273**	**621**	**6,246**	**19,377**
Additions	2,553	0	0	2,888	**5,441**
Reclassifications	2,157	2303	1270	(5,940)	**(210)**
Disposals / de-recognition	(1)	0	0	(37)	**(38)**
Gross cost at 31 March 2019	**9,946**	**9,576**	**1,891**	**3,157**	**24,570**
Amortisation at 1 April 2018 - brought forward	**3,805**	**5,069**	**449**	**0**	**9,323**
Provided during the year	498	378	221	0	**1,097**
Reclassifications	0	0	0	0	**0**
Amortisation at 31 March 2019	**4,303**	**5,447**	**670**	**0**	**10,420**
Net book value at 31 March 2019	**5,643**	**4,129**	**1,221**	**3,157**	**14,150**
Net book value at 1 April 2018	**1,432**	**2,204**	**172**	**6,246**	**10,054**
Net book value at 1 April 2017	**1,180**	**2,400**	**79**	**2,065**	**5,724**

Note 8.2 Intangible assets - 2017/18

	Software & licences	Internally generated information technology	Development expenditure	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - as previously stated	**4,418**	**6,719**	**468**	**2,065**	**13,670**
Additions	828	420	153	4,330	**5,731**
Reclassifications	0	134	0	(134)	**0**
Disposals / de-recognition	(9)	0	0	(15)	**(24)**
Valuation/gross cost at 31 March 2018	**5,237**	**7,273**	**621**	**6,246**	**19,377**
Amortisation at 1 April 2017 - as previously stated	**3,238**	**4,319**	**389**	**0**	**7,946**
Provided during the year	567	734	60	0	**1,361**
Disposals / de-recognition	0	16	0	0	**16**
Amortisation at 31 March 2018	**3,805**	**5,069**	**449**	**0**	**9,323**

9. Property, Plant and Equipment

Property, plant and equipment as at 31st March 2019 is broken down in the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2018 - brought forward	**25,167**	**127,689**	**855**	**4,861**	**26,626**	**26**	**9,685**	**427**	**195,336**
Additions	0	2,794	0	4,567	2,423	143	577	28	**10,532**
Impairments	(21,326)	(8,117)	0	0	0	0	0	0	**(29,481)**
Reclassifications	0	2,391	0	(3,385)	405	0	797	2	**210**
Disposals / de-recognition	0	(265)	0	(70)	(93)	0	0	0	**(428)**
Valuation/gross cost at 31 March 2019	**3,841**	**124,454**	**855**	**5,973**	**29,361**	**169**	**11,059**	**457**	**176,169**
Accumulated depreciation at 1 April 2018 - brought forward	**0**	**14**	**26**	**0**	**16,169**	**26**	**6,990**	**248**	**23,474**
Provided during the year	0	4,525	26	0	2,034	0	1,108	27	**7,720**
Impairments	0	(2,321)	(38)	0	0	0	0	0	**(2,359)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Disposals/ de-recognition	0	0	0	0	(86)	0	0	0	**(86)**
Accumulated depreciation at 31 March 2019	**0**	**2,218**	**14**	**0**	**18,117**	**26**	**8,098**	**275**	**28,749**
Net book value at 31 March 2019	**3,841**	**122,312**	**765**	**5,973**	**11,244**	**143**	**2,961**	**182**	**147,420**
Net book value at 1 April 2018	**25,167**	**127,675**	**829**	**4,861**	**10,457**	**0**	**2,695**	**179**	**171,863**

Property, plant and equipment prior year

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - as previously stated	**23,631**	**122,766**	**855**	**110**	**24,439**	**26**	**8,268**	**402**	**180,497**
Additions - purchased/ leased/ grants/ donations	0	2,565	0	4,860	2,230	0	1,413	25	**11,093**
Impairments	1,536	2,316	0	0	0	0	0	0	**3,852**
Revaluations	0	61	0	(85)	20	0	4	0	**0**
Disposals / de-recognition	0	(19)	0	(24)	(63)	0	0	0	**(106)**
Valuation/gross cost at 31 March 2018	**25,167**	**127,689**	**855**	**4,861**	**26,626**	**26**	**9,685**	**427**	**195,336**
Accumulated depreciation at 1 April 2017 - as previously stated	**0**	**0**	**0**	**0**	**14,265**	**26**	**5,599**	**224**	**20,114**
Provided during the year	0	4,274	26	0	1,950	0	1,401	24	**7,675**
Revaluations	0	(4,266)	0	0	0	0	0	0	**(4,266)**
Reclassifications	0	6	0	0	(12)	0	(10)	0	**(16)**
Disposals / de-recognition	0	0	0	0	(34)	0	0	0	**(34)**
Accumulated depreciation at 31 March 2018	**0**	**14**	**26**	**0**	**16,169**	**26**	**6,990**	**248**	**23,473**
Net book value at 31 March 2018	**25,167**	**127,675**	**829**	**4,861**	**10,457**	**0**	**2,695**	**179**	**171,863**
Net book value at 1 April 2017	**23,631**	**122,766**	**855**	**110**	**10,174**	**0**	**2,669**	**178**	**160,383**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019									
Owned	3,541	100,979	175	5,973	10,764	143	2,961	182	**124,717**
Finance leased	300	5,643	590	0	366	0	0	0	**6,899**
Government granted	0	13,041	0	0	0	0	0	0	**13,041**
Donated	0	2,649	0	0	114	0	0	0	**2,763**
Total at 31 March 2019	**3,841**	**122,312**	**765**	**5,973**	**11,244**	**143**	**2,961**	**182**	**147,420**

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2018									
Owned	24,847	106,619	249	4,861	9,819	0	2,695	179	**149,268**
Finance leased	320	5,297	580	0	479	0	0	0	**6,676**
Government granted	0	12,741	0	0	0	0	0	0	**12,741**
Donated	0	3,018	0	0	159	0	0	0	**3,177**
Total at 31 March 2018	**25,167**	**127,674**	**829**	**4,861**	**10,457**	**0**	**2,695**	**179**	**171,861**

9.1 Analysis of Plant, Property and Equipment

The Trust does not have any government granted or donated assets which have any restrictions or conditions imposed on them.

The Trust can disclose that there have been no disposals in year of land and building assets used for the delivery of commissioner requested services (CRS). In addition as at 31 March 2019, the Trust had no land and buildings valued at open market value.

9.2 Capital commitments

There are four capital commitments, one (£0.3m) under intangible capital expenditure relating to the eCARE digital programme, and three (£10.4m) under plant, property and equipment relating to the cancer centre, pharmacy department and aseptic unit. (2017/18 one (£2.2m) Intangible capital expenditure relating to the eCARE project, and three (£0.5m) under PPE relating to the cancer centre, car park and north site infrastructure.

10. Investments Carrying Amount

Associate entities are those over which the Trust has the power to exercise a significant influence, but not control over the operating and financial management policy decisions. This is generally demonstrated by the Trust holding in excess of 20% but no more than 50% of the voting rights.

With effect from August 2009 the Trust has an associate investment in Milton Keynes Urgent Care Services, a community interest company (CIC) and holds an equity investment of 40% voting rights. The sum of the investment was £40. The entity is incorporated in the UK and accounted for at cost.

The Trust has chosen not to reflect any surplus or deficit from the associate in the Trust accounts as the Trust deems the impact of its share to not be material. In the event of any impact becoming material, the Trust will review the position and reflect this as appropriate.

11. Inventories

	Drugs	Consumables	Energy	Total
	£000	£000	£000	£000
As at 1 April 2018	**1,158**	**2,045**	**54**	**3,257**
Additions	21,244	18,670	22	**39,936**
Write-down of inventories recognised as an expense	0	(33)	0	**(33)**
Inventories consumed (recognised in expenses)	(21,184)	(18,383)	(16)	**(39,583)**
As at 31st March 2019	**1,218**	**2,299**	**60**	**3,577**
As at 1 April 2017	**974**	**2,009**	**61**	**3,044**
Additions	19,789	17,877	44	**37,710**
Inventories consumed (recognised in expenses)	(19,605)	(17,841)	(51)	**(37,497)**
As at 31st March 2018	**1,158**	**2,045**	**54**	**3,257**

12. Trade and Other Receivables

	31 March 2019	31 March 2018
	£000	£000
Current		
Contract receivables*	28,077	0
Trade receivables*	0	3,001
Accrued income*	0	17,915
Allowance for impaired contract receivables / assets*	(2,411)	(2,910)
Prepayments	2,645	1,292
PDC dividend receivable	559	0
VAT receivable	691	1,220
Other receivables	0	2,705
Total current trade and other receivables	**29,561**	**23,223**
Non-current		
Contract receivables*	626	0
Other receivables	0	437
Allowance for impaired receivables	(169)	(32)
Total non-current trade and other receivables	**457**	**405**
Of which receivables from NHS and DHSC group bodies:		
Current	23,585	19,113
Non-current	0	0

*Following the adoption 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.

NHS receivables are considered recoverable because the majority of trade is with CCG's, as commissioners for NHS patient care services. CCG's are funded by the Government to purchase NHS patient care services, therefore no credit scoring of them is considered to be necessary. However, the Trust has recognised an impairment for receivables which relates to CCG income. Similarly other receivables with related parties are with other Government bodies, so no credit scoring is considered necessary.

Trade and Other Receivables includes £1.6m for the value of partially completed patient episodes as at 31st March 2019 (31st March 2018 £1.6m).

At the Statement of Financial Position date there were no material concentrations of risk, the maximum exposure to credit risk being the carrying values of trade receivables.

12.1 Allowance for credit loss

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.

	Contract receivables and contract assets	All other receivables
	£000	£000
Allowances as at 1 Apr 2018 - brought forward	**2,942**	**2,942**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	0	(2,942)
New allowances arising	2,100	0
Reversals of allowances	(2,072)	0
Utilisation of allowances (write offs)	(390)	0
Allowances as at 31 Mar 2019	**2,580**	**0**

	2017/18
	£000
At 1 April as previously stated	**3,421**
Increase in provision	2,425
Amounts utilised	(451)
Unused amounts reversed	(2,453)
At 31 March	**2,942**

The provision for impairment of receivables decreased in 2018/19. The main reduction was due to compensation recovery cases and non NHS debtors.

12.2 Analysis for impairment of receivables

With the adoption of IFRS 9 the analysis relating to the ageing of impaired receivables is no longer relevant.

13. Cash and cash equivalents

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.

	2018/19	2017/18
	£000	£000
At 1 April	**2,507**	**3,906**
Net change in year	3,668	(1,399)
At 31 March	**6,175**	**2,507**
Broken down into:		
Cash at commercial banks and in hand	53	73
Cash with the Government Banking Service	6,122	2,434
Total cash and cash equivalents as in SoFP	**6,175**	**2,507**
Total cash and cash equivalents as in SoCF	**6,175**	**2,507**

Milton Keynes University Hospital NHS Foundation Trust held cash and cash equivalents which relate to monies held by the foundation trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

14. Liabilities

14.1 Trade and other payables

	31 March 2019	31 March 2018
	£000	£000
Current		
Trade payables	10,426	9,696
Capital payables	2,063	1,897
Accruals	9,935	10,479
Social security costs	2,080	1,922
Other taxes payable	1,829	1,683
PDC dividend payable	0	71
Accrued interest on loans*	0	187
Other payables	2,525	2,398
Total current trade and other payables	**28,858**	**28,333**
Of which payables from NHS and DHSC group bodies:		
Current	4,727	4,299
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 35. IFRS 9 is applied without restatement therefore comparatives have not been restated.

14.2 Other Liabilities

	31 March 2019	31 March 2018
	£000	£000
Current		
Deferred income	1,706	1,637
Total other current liabilities	**1,706**	**1,637**

15. Borrowings

	31 March 2019	31 March 2018
	£000	£000
Current		
Loans from the Department of Health	80,005	32,154
Obligations under finance leases	156	144
Total current borrowings	**80,161**	**32,298**
Non-current		
Loans from the Department of Health	47,224	77,640
Obligations under finance leases	5,807	5,965
Total non-current borrowings	**53,031**	**83,605**

In year the Trust took out the following additional loan funding with the Department of Health.

- £15.8m in interim revenue loans,
- £2.3m in respect of capital funding.

The Loan profile along with the repayment details are show in the table below

Category of Loan	Amt of Original Loan	Balance Outstanding as at 31st March 2019	Original Term	Interest Rate	Principal Repayment	Interest Payments
Interim Revenue Loan for 14/15	£25.3m	£25.3m	5 years	1.50%	Nothing until in full Mar 2020	From Sept 2015 to Mar 2020
Interim Revenue Loan for 15/16*	£31.2m	£31.2m	3 years	1.50%	Revised date: Nothing until in full Mar 2020	From Mar 2016 to Mar 2020
Revolving Revenue Working Capital Facility Conversion Loan 2016/17	£15.2m	£15.2m	3 years	1.50%	Nothing until in full Jan 2020	from July 2017 to Jan 2020
Uncommitted Term Revenue Loan - Feb 2017	£3.2m	£3.2m	3 years	1.50%	Nothing until in full Feb 2020	From Aug 2017 to Feb 2020
Uncommitted Term Revenue Loan - March 2017	£3.9m	£3.9m	3 years	1.50%	Nothing until in full Mar 2020	From Sept 2017 to Mar 2020
Uncommitted Term Revenue Loan - May 2017	£2.3m	£2.3m	3 years	1.50%	Nothing until in full May 2020	From Nov 2017 to May 2020
Uncommitted Term Revenue Loan - June 2017	£1.8m	£1.8m	3 years	1.50%	Nothing until in full June 2020	From Dec 2017 to June 2020
Uncommitted Term Revenue Loan - July 2017	£2.1m	£2.1m	3 years	1.50%	Nothing until in full July 2020	From Jan 2018 to July 2020
Uncommitted Term Revenue Loan - Sept 2017	£1.1m	£1.1m	3 years	1.50%	Nothing until in full Sept 2020	From Mar 2018 to Sept 2020
Uncommitted Term Revenue Loan - Oct 2017	£1.0m	£1.0m	3 years	1.50%	Nothing until in full Oct 2020	From Apr 2018 to Oct 2020
Uncommitted Term Revenue Loan - Nov 2017	£1.5m	£1.5m	3 years	1.50%	Nothing until in full Nov 2020	From May 2018 to Nov 2020
Uncommitted Term Revenue Loan - Dec 2017	£1.9m	£1.9m	3 years	1.50%	Nothing until in full Dec 2020	From June 2018 to Dec 2020
Uncommitted Term Revenue Loan - Jan 2018	£4.4m	£4.4m	3 years	1.50%	Nothing until in full Jan 2021	From July 2018 to Jan 2021
Uncommitted Term Revenue Loan - Feb 2018	£2.6m	£2.6m	3 years	1.50%	Nothing until in full Feb 2021	From Aug 2018 to Feb 2021
Uncommitted Term Revenue Loan - May 2018	£2.0m	£2.0m	3 years	1.50%	Nothing until in full May 2021	From Nov 2018 to May 2021
Uncommitted Term Revenue Loan - June 2018	£1.6m	£1.6m	3 years	1.50%	Nothing until in full June 2021	From Dec 2018 to June 2021
Uncommitted Term Revenue Loan - Sept 2018	£0.5m	£0.5m	3 years	1.50%	Nothing until in full Sept 2021	From March 2019 to Sept 2021
Uncommitted Term Revenue Loan - Oct 2018	£2.8m	£2.8m	3 years	1.50%	Nothing until in full Oct 2021	From April 2019 to Oct 2021
Uncommitted Term Revenue Loan - Nov 2018	£3.7m	£3.7m	3 years	1.50%	Nothing until in full Nov 2021	From May 2019 to Nov 2021
Uncommitted Term Revenue Loan - Dec 2018	£2.2m	£2.2m	3 years	1.50%	Nothing until in full Dec 2021	From June 2019 to Dec 2021
Uncommitted Term Revenue Loan - Jan 2019	£0.6m	£0.6m	3 years	1.50%	Nothing until in full Jan 2022	From July 2019 to Jan 2022
Uncommitted Term Revenue Loan - Feb 2019	£1.1m	£1.1m	3 years	1.50%	Nothing until in full Feb 2022	From Aug 2019 to Feb 2022
Uncommitted Term Revenue Loan - Mar 2019	£1.4m	£1.4m	3 years	1.50%	Nothing until in full Mar ch2022	From Sept 2019 to March 2022
Total Revenue Loans	£113.4m	£113.4m				
Capital IT Loan for 10/11	£4.0m	£0.7m	10 years	4.00%	Aug 2011 through to Feb 2020	Dec 2010 to Feb 2020
Interim Capital Loan for 15/16	£5.3m	£4.5m	17 years	1.84%	Nov 16 through to Nov 2032	May 2016 to Nov 2032
Uncommitted Term Capital Loan 16/17	£1.9m	£1.6m	10 years	0.61%	Sept 17 through to Mar 2027	From Sept 2017 to Mar 2027
Uncommitted Term Capital Loan 17/18	£4.8m	£4.8m	10 years	1.23%	Aug 2020 through to Feb 2028	From Aug 2018 to Aug 2028
Uncommitted Term Capital Loan 17/18 (drawn 18/19)	£0.5m	£0.5m	10 years	1.23%	Aug 2020 through to Feb 2028	From Aug 2018 to Aug 2028
Uncommitted Term Capital Loan 17/18 (drawn 18/19)	£1.5m	£1.5m	10 years	1.23%	Aug 2020 through to Feb 2028	From Aug 2018 to Aug 2028
Uncommitted Term Capital Loan 17/18 (drawn 18/19)	£0.3m	£0.3m	10 years	1.23%	Aug 2020 through to Feb 2028	From Aug 2018 to Aug 2028
Total Capital Loans	£18.3m	£13.9m				

* Principal loan repayment extended to March 2020

15.1 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Finance leases	Total
	£000	£000	£000
Carrying value at 1 April 2018	**109,794**	**6,109**	**115,903**
Cash movements:			
Financing cash flows - payments and receipts of principal	17,171	(146)	**17,025**
Financing cash flows - payments of interest	(1,669)	(307)	**(1,976)**
Non-cash movements:			
Impact of implementing IFRS 9 on 1 April 2018	187	0	**187**
Application of effective interest rate	1,746	307	**2,053**
Carrying value at 31 March 2019	**127,229**	**5,963**	**133,192**

16. Finance Lease obligations

The finance leases cover a number of different items of equipment, but the main items include the Trust's Accommodation Block, Beds and Multi-Function Devices (Printers).

The accommodation block has no option to extend or purchase in the current lease agreement. The Trust entered the 7 year extension period of the beds lease in 2016/17, with no option to purchase under the current lease terms. The Trust has the option to extend the lease for the Multi-Function Devices to the end of the useful economic life of the equipment, with no option to purchase under the current lease agreement.

	Minimum Lease Payments 31 March 2019	31 March 2018
	£000	£000
Gross lease liabilities	**10,140**	**10,591**
of which liabilities are due:		
- not later than one year;	450	451
- later than one year and not later than five years;	1,558	1,680
- later than five years.	8,132	8,460
	10,140	10,591
Finance charges allocated to future periods	(4,177)	(4,482)
Net lease liabilities	**5,963**	**6,109**
of which payable:		
- not later than one year;	156	144
- later than one year and not later than five years;	521	592
- later than five years.	5,286	5,373
	5,963	**6,109**

17. Provisions

	Pensions-Early departure costs	Pensions - Injury benefits	Other* legal claims	Other**	Total
	£000	£000	£000	£000	£000
At 1 April 2018	**42**	**876**	**1,341**	**264**	**2,523**
Change in the discount rate	8	(18)	0	10	**0**
Arising during the year	0	0	424	588	**1012**
Utilised during the year	(7)	(34)	(150)	0	**(191)**
Reversed unused	0	0	(949)	0	**(949)**
At 31 March 2019	**43**	**824**	**666**	**862**	**2,395**
Expected timing of cash flows:					
- not later than one year;	7	34	666	862	**1,569**
- later than one year and not later than five years;	27	134	0	0	**161**
- later than five years.	9	656	0	0	**665**
Total	**43**	**824**	**666**	**862**	**2,395**

Changes in opening balances for 2018/19 relate to movements between categories due to new analysis

required

***** Other legal claims include contractual changes £0.4m

****** Other claims includes contractual changes £0.5m and contractual dilapidation and building removal costs £0.4m.

	Pensions-Early departure costs	Other* legal claims	Other**	Total
	£000	£000	£000	£000
At 1 April 2017	**44**	**3,046**	**890**	**3,980**
Change in the discount rate	5	0	20	**25**
Arising during the year	0	298	0	**298**
Utilised during the year	(7)	(217)	(34)	**(258)**
Reversed unused	0	(1,522)	0	**(1,522)**
At 31 March 2018	**42**	**1,605**	**876**	**2,523**
Expected timing of cash flows:				
- not later than one year;	7	1,341	33	**1,381**
- later than one year and not later than five years;	26	264	136	**426**
- later than five years.	9	0	707	**716**
Total	**42**	**1,605**	**876**	**2,523**

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event and it is probable that the Trust will be required to settle the obligation and a reliable estimate can be made of the obligation.

Pension provisions
The above provision for pension costs relates to additional pension liabilities arising from early retirements. Unless due to ill-heath, these are not funded by the NHS Pension Scheme. As noted within note 1.5 the full amount of such liabilities is charged to the income and expenditure account at the time the Trust commits itself to the retirement.

Legal provisions
The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure 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 Treasury's discount rate of 1.23% combined OBR CPI (Office of Budget Responsibility Consumer Price Index) inflation and discount rates.

NHS Resolution
NHS Resolution (NHSR) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSR is administratively responsible for all clinical negligence cases, and all clinical negligence claims are recognised in the accounts of the NHSR, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSR on behalf of the Trust is £102.3m (year ended 31 March 2018 £74.5m). No contingencies or provisions are in the accounts at 31 March 2018 in relation to these cases, even though the legal liability for them remains with the Trust.

Other schemes
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 the NHSR 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.

18. Revaluation Reserve

	Property, plant and equipment £000
Revaluation Reserve at 1 April 2018	**78,667**
Impairment losses property, plant and equipment	(20,379)
Revaluation gains property, plant and equipment	
Other reserve movements	0
Revaluation Reserve at 31 March 2019	**58,288**
Revaluation Reserve at 1 April 2017	70,549
Impairment losses property, plant and equipment	0
Revaluation gains property, plant and equipment	8,118
Other reserve movements	0
Revaluation Reserve at 31 March 2018	**78,667**

19. Post Balance Sheet events

There are no post balance sheet events having a material effect of the accounts.

20. Contingent Liabilities

The Trust has reviewed its liabilities and it does not consider that it has any material contingent liabilities for the forthcoming financial year. The provisions that the Trust has made for liabilities and charges are disclosed in note 17 including provisions held by the NHSLA as at 31 March 2019 in respect of clinical negligence liabilities of the NHS Foundation Trust.

21. Related Party Transactions

The Trust is a body corporate established by the Secretary of State for Health. Government departments and their agencies are considered by HM Treasury as being related parties. During the year, the Trust has had a significant number of material transactions with other NHS bodies and in the ordinary course of its business with other Government departments and other central and local Government bodies. Most of these transactions have been with HMRC in respect of deductions and payment of PAYE, NHS Pensions Agency, Milton Keynes Council in respect of payment of rates and Milton Keynes CCG which is the Trust's local commissioner of NHS services. There are additional related parties of ADMK, NHSI and the Milton Keynes Urgent Care Service, with which there have been no significant transactions in year.

Note 21 Related parties

	2018/19			
	Payments to related party £000 exp	Receipts from related party £000 inc	Amts owed to related party £000 payable	Amts due from related party £000 receivable
Department of Health	0	3,676	0	0
NHS Bodies	2,360	9,988	1,291	8,518
Buckinghamshire Healthcare NHS Trust	1,807	71	706	41
Milton Keynes CCG	195	146,702	1,971	6,503
Bedfordshire CCG	0	13,640	61	869
NHS England	12	40,374	531	5,196
NHS Buckingham CCG	0	9,867	11	500
NHS Nene CCG	0	4,471	10	863
Bedford Hospital NHS Trust	213	178	234	140
Oxford University Hospital NHS FT	1,583	1,912	631	226
NHS Resolution	7,453	2	0	0
Central and North West London NHS Foundation Trust	584	1,008	10	141
Luton and Dunstable University Hospital NHS Foundation Trust	196	319	207	9
Health Education England	16	5,286	10	4
Other				
Other WGA Bodies	20	0	28	65
NHS Blood and Transplant (outside DH Group)	891	7	0	16
Local Authorities	21	7,642	0	0
HMRC	14,541	0	3,909	691
NHS Pensions	14,562	0	2,057	0
MK Charity	0	650	0	0
Total	**44,454**	**245,793**	**11,667**	**23,782**

	2017/18			
	Payments to related party £000 exp	Receipts from related party £000 inc	Amts owed to related party £000 payable	Amts due from related party £000 receivable
Department of Health	5	0	0	0
NHS Bodies	1,599	3,745	329	1,343
Buckinghamshire Healthcare NHS Trust	1,567	108	843	113
Milton Keynes CCG	44	139,303	1,594	6,716
Bedfordshire CCG	0	12,934	95	541
NHS England	13	39,753	694	7,426
NHS Aylesbury Vale CCG	0	9,502	52	1,776
NHS Nene CCG	0	3,532	12	136
Bedford Hospital NHS Trust	213	163	95	139
Oxford University Hospital NHS FT	1,465	1,854	696	274
NHS Resolution	6,305	0	0	0
Central and North West London NHS Foundation Trust	428	1,245	58	316
Luton and Dunstable University Hospital NHS Foundation Trust	678	322	287	331
Health Education England	15	4,970	6	0
Other				
Other WGA Bodies	37	58	0	37
NHS Blood and Transplant (outside DH Group)	1,021	0	89	0
Local Authorities	21	3,199	0	0
HMRC	13,737	0	3,605	1,220
NHS Pensions	13,672	0	1,960	0
MK Charity	0	333	0	25
Total	**40,820**	**221,021**	**10,415**	**20,393**

The key management personnel of the Trust are all directors of the Trust. Their remuneration is disclosed in note 4.5. During the year none of the members of the key management personnel, or parties related to them, have undertaken any material transactions with the Trust.

22. Financial Instruments

	31 March 2019 £000	31 March 2018 £000
Cash	6,715	2,507
Total Capital	**6,715**	**2,507**
Total Equity	6,715	2,507
Borrowings (excluding interest)	133,192	115,903
Overall financing	**139,907**	**118,410**
Capital to overall financing ratio	**5%**	**2%**

Capital Risk Management

The Trust's capital management objectives are:

- to ensure the Trust's ability to continue as a going concern; and
- to provide an adequate return to reinvest in healthcare services by providing healthcare services commensurately with the level of risk of receiving income for those services provided.

The Trust monitors capital on the basis of the carrying amount of Public Dividend Capital less cash presented on the face of the balance sheet.

The Trust sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Trust manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

Interest Rate Risk

The Trust is not exposed to significant interest rate risk as the Borrowings are all at a fixed rate of interest.

Liquidity Risk

The Trust's net operating income is mainly incurred under legally binding contracts with the local CCGs, which are financed from resources voted annually by Parliament. Under Payment by Results, the Trust is paid for the activity on the basis of nationally set tariffs. For contracted activity, the Trust is paid in 12 monthly instalments throughout the year, which significantly reduces the liquidity risk. However, the Trust is looking for further support to its working capital during 2019/20 from DHSC.

22.1 Financial assets by category

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. The measurement category and carrying amounts of the Trusts financial assets are not materially different between IAS 39 and IFRS 9

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2019 under IFRS 9		
Trade and other receivables excluding non-financial assets	23,002	**23,002**
Other investments / financial assets	2,613	**2,613**
Cash and cash equivalents	6,175	**6,175**
Total at 31 March 2019	**31,790**	**31,790**

Carrying values of financial assets as at 31 March 2018 under IAS 39	31 March 2018 Loans and receivables £000
Trade and other receivables excluding non-financial assets	21,117
Cash and cash equivalents at bank and in hand	2,507
Total at 31 March	**23,624**

22.2 Financial liabilities by category

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. The measurement category and carrying amounts of the Trusts financial liabilities are not materially different between IAS 39 and IFRS 9

Carrying values of financial liabilities as at 31 March 2019 under IFRS 9	Held at amortised cost £000
Loans from the Department of Health and Social Care	127,229
Obligations under finance leases	5,963
Trade and other payables excluding non-financial liabilities	4,727
Other financial liabilities	18,129
Provisions under contract	1,529
Total at 31 March 2019	**157,577**

Carrying values of financial liabilities as at 31 March 2018 under IAS 39	31 March 2018 Other financial liabilities £000
Borrowings excluding finance lease	109,794
Obligations under finance leases	6,109
Trade and other payables excluding non-financial liabilities	24,657
Provisions under contract	1,605
Total at 31 March	**142,165**

22.3 Maturity of Financial Liabilities

	31 March 2019 £000	31 March 2018 £000
In one year or less	104,545	58,390
In more than one year but not more than two years	19,830	47,690
In more than two years but not more than five years	18,039	19,412
In more than five years	15,163	16,673
Total	**157,577**	**142,165**

23. Third Party assets

The Trust held no third party assets at the end of financial year 2018/19.

24. Losses and special payments

There were 133 cases at 31 March 2019 of losses and special payments totalling £339,000 approved during the year (166 cases to 31 March 2018 totalling £178,000) These payments are the cash payments made in the year and are calculated on an accruals basis. There were no compensation payments recovered during the year. Details of the payments are shown below.

	31 March 2019 Total number of cases	31 March 2019 Value £000	31 March 2018 Total number of cases	31 March 2018 Value £000
LOSSES:				
1. Losses of cash due to:				
a. theft, fraud etc.	0	0	0	0
b. overpayment of salaries etc.	13	4	19	23
2. Fruitless payments and constructive losses	0	0	0	0
3. Bad debts and claims abandoned in relation to:				
a. private patients	3	0	5	1
b. overseas visitors	50	124	49	123
c. other	16	1	56	1
4. Damage to buildings, property etc. (including stores losses) due to:				
b. stores losses	25	199	12	23
Total Losses	**107**	**328**	**141**	**171**
SPECIAL PAYMENTS:				
5. Compensation under legal obligation	0	0	0	0
6. Extra contractual to contractors	0	0	0	0
7. Ex gratia payments in respect of:				
a. loss of personal effects	13	4	20	5
b. clinical negligence with advice	0	0	1	0
d. other negligence and injury	0	0	3	2
g. other	13	7	1	0
Total Special Payments	**26**	**11**	**25**	**7**
Total Losses and Special Payments	**133**	**339**	**166**	**178**

NHS

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