

# Annual Report and Accounts 2015/16



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**Milton Keynes Hospital NHS Foundation Trust  
Annual Report and Accounts  
2015/16**

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



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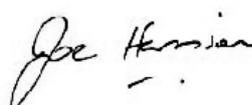
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# Contents

## Annual Report and Accounts 2015/16

<b>Section 1 – Performance Report</b>	<b>6</b>
Statement from the Chairman and Chief Executive	8
About us	12
Performance Review	16
Financial Performance	21
Going Concern Statement	28
<b>Section 2 – Accountability Report</b>	<b>34</b>
Directors' report	36
Governance of the Trust	42
Board of Directors	48
Trust Committees	62
Remuneration Report	70
Staff Report	78
Regulatory Ratings	93
Code of Governance Disclosures	94
Statement of Accounting Officer's Responsibilities	99
Annual Governance Statement	100
<b>Section 3 – Quality Report</b>	<b>118</b>
<b>Section 4 – Membership Report</b>	<b>164</b>
APPENDIX 1: Constituencies & Governors	170
APPENDIX 2: Board & Governor Attendance	171
APPENDIX 3: Annual Accounts 2015 / 16	172

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 NHS Foundation Trust on 25 May 2016.



Joe Harrison  
CHIEF EXECUTIVE

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





# Section 1

## Performance Report

Statement from the Chairman and Chief Executive	8
About us	12
Performance Review	16
Financial Performance	21
Going Concern Statement	28

# Performance Report

## Chairman's Introduction

**I have great pleasure in introducing Milton Keynes University Hospital NHS Foundation Trust's 2015/16 annual report and accounts.**

**I joined MKUH as Chairman in July 2014, and in that relatively short time have seen the hospital grow and develop, as we strive to deliver our strategic goals – high quality care; excellent services; multi-professional education and training and accessible research and development.**



We care for hundreds of thousands of patients every year at MKUH, and that they entrust us to look after them well, with compassion and professionalism is a great privilege.

I am proud to work alongside more than 4,000 staff who are committed, every moment of every day, to doing their best for the patients we serve, and I would like to take this opportunity to record my sincere thanks to them for all their unstinting hard work throughout the year.

I would also like to pay tribute to the many, many unpaid volunteers who offer their time so generously to our hospital; and to supporters of Milton Keynes Hospital Charity and other charities and fundraisers who give so much to support patients, relatives, carers and staff. Your generosity in time and charitable donations mean such a lot and make such a positive difference.

The tremendous support from our Council of Governors and our members is of great value and much appreciated. Our Governors, led by Lesley Bell, have undertaken a significant programme of work throughout the year, becoming increasingly involved in hospital life by ensuring that the voice of patients and local people are at the heart of our decision-making processes. Their support and hard work is invaluable and I am very grateful for their contribution. We held 7 elections for public and staff governors in different constituencies throughout the year which reflects the increasing level of interest by our public and staff to being involved. I am looking forward to continuing to work with these newly appointed Governors over the coming year.



Our Board continues to meet in public every other month, and has five main committees – Audit, Finance and Investment, Quality and Clinical Risk, Charitable Funds and Workforce Assurance, all of which meet quarterly with the exception of the Finance and Investment Committee which meets on a monthly basis. We also have a Remuneration Committee which meets as required. Each of our Committees is chaired by a Non-Executive Director who are committed to ensuring deep understanding and scrutiny of the areas of which they are custodians. Their responsibility of reporting back to the Board and to the Council of Governors is taken very seriously. Some of the Committees have Governor representation.

Non-Executive Director Frank Burdett left MKUH in February and Andrew Blakeman was appointed as a Non-Executive Director. Frank made a significant contribution to the Board, particularly in his capacity as chair of the Charitable Funds Committee.

I have been fortunate to attend many wonderful events in my capacity as Chair, including our annual staff awards, which recognise the achievements of staff across the hospital. I have also celebrated staff succeeding in apprenticeships; long service awards and some fantastic developments and achievements in our education and training programmes for staff in all professions and at all levels in the organisation.

We continue to develop our campus, particularly in education, through our partnership with Buckingham Medical School. This saw us become a University hospital in April 2015, which is a tremendous recognition of our status and commitment to medical education; as well as our continued commitment to the education and development of nursing and other professional groups.

In terms of quality of care and performance we continue to see improvement as well as challenge. Consistently meeting the four-hour access target in the Emergency Department has been challenging, particularly as we have faced unprecedented demand. We have also seen significant challenges in delivering the Referral to Treatment (RTT) in 18 weeks target in all specialties. This has been a major focus for the Board in particular seeking and supporting ongoing plans to ensure no patients wait longer than they should for treatment and overseeing the robustness of the governance around those plans.

Financially we are again performing to plan, thanks to realistic financial planning and the achievement of efficiency savings, which has also enabled us to invest in quality improvements, this has been challenging but delivered with the support of staff throughout the hospital.

The next year will also no doubt be challenging, particularly due to the changing national health environment, with new and increasing financial pressures. I am confident that we will meet those challenges with enthusiasm.

Our overwhelming priority will remain providing good, safe care to every patient we see and treat; delivering first class health care and services to the people of Milton Keynes.

Thanks to my Board for their support over the year, to the many staff who I have had the pleasure of visiting in their wards and departments allowing me to understand their challenges and successes of which there are many. All of this has allowed me to carry out my responsibilities which I take very seriously.

Most of all thank you to all of you who have provided myself and Professor Joe Harrison with important feedback of your experiences of our services.



Baroness Margaret Wall  
CHAIRMAN

## Chief Executive's Introduction

**I am delighted to introduce the 2015/16 annual report and accounts for Milton Keynes University Hospital NHS Foundation Trust and provide a brief overview of some of our many achievements throughout the year.**

**Before I summarise our successes, and some of the challenges we have faced during the year, I would like to express my sincere gratitude to all our staff, volunteers, governors, members and community supporters. We are incredibly fortunate to have such a fantastic team working for and on behalf of the hospital and serving the people of Milton Keynes.**



The year began on a really positive note with our change to University status, recognising our innovative partnership with the University of Buckingham Medical School. This exciting collaboration means we are rapidly realizing our ambition to become a centre of excellence for teaching and professional development. We welcomed the first cohort of medical students to the hospital in May and next year (2017) will see work begin on a new academic centre as part of our education campus.

Changes to our hospital have also been visible in the estates work that continues across the site. The old main entrance closed in June 2015 with a new one planned to open near to the current outpatients' entrance. We have held lively and valuable consultation and engagement events on these plans and the new entrance, complete with new facilities for visitors, patients and staff, will open in late 2016. We have also continued updating our wards and public spaces; replacing flooring, lighting and fixtures and fittings.

We have seen another increase in patients seeking medical help through our Emergency Department (ED) this year – with some days seeing more than 300 patients arriving in the department. The ED, which was built to cope with around 17,000 patients per year, now sees around 85,000 patients every year, with numbers increasing all the time. Although we just missed the overall target of seeing 95% of patients within four hours for the year, we did meet the target for several consecutive months and teams in the ED and across the hospital worked incredibly hard – day and night – to see and treat patients as quickly, safely, and effectively as possible. The Trust's A&E performance was significantly better than the national average. I am very grateful to those staff who work in what can be a very challenging environment; and who strive to give great care 365 days of the year.



We have continued developing and improving clinical services; continuing our focus in obstetrics and maternity as well as improving pathways and packages of care for frail elderly patients. We have also worked hard to continue to improve patient safety, particularly in further reducing falls and pressure ulcers; the early identification and treatment of sepsis; improving the pathway of care for stroke patients; and reducing medication errors.

We have continued to work with our partners, including Milton Keynes Clinical Commissioning Group, Central and North West London NHS Foundation Trust and Milton Keynes Council, to provide collaborative health services and allow effective in-reach and out-reach of health and social care services. We continue to focus on making sure patients do not spend longer than they need to in an acute hospital bed, and can get rapid access to onward care in the community when they are ready to leave hospital.

We have also embarked on a major clinical IT programme this year, taking the first steps towards our planned Electronic Patient Records system in August. This will ultimately mean better information availability for clinicians, supporting clinical decision-making and ensuring the right information about every patient is immediately available to the teams of clinicians caring for them. This multi-million pound programme will continue at pace throughout the next year.

Financially we have, for the third consecutive year, delivered the financial commitments we agreed with our regulator at the start of the financial year. This sees the hospital end the year with a £31.8m deficit, exactly as forecast and planned for. Although planning to deliver a deficit budget, the rigorous approach we have taken to financial planning and delivery has enabled us to continue to invest in patient care; improving quality and ensuring we can continue to develop our services to meet the needs of patients now and in the future.

We continue our involvement in the strategic healthcare review, led by Milton Keynes and Bedfordshire CCGs, which is looking at how acute health services in Milton Keynes and Bedfordshire should be configured to deliver the best care and access for the populations we serve, and get back to financial balance. We expect a public consultation on potential options to take place in 2016.

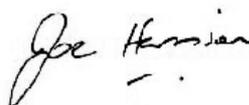
There is such a lot to celebrate at Milton Keynes University Hospital, and some of the many other achievements we have seen this year are contained within the body of the annual report.

Next year will no doubt present us with challenges but will also see us strive to continue to grow, develop and succeed.

It is a privilege to continue to lead the hospital and particularly to see the quality of the care we provide continue to improve.

I am especially proud of our staff and their dedication to the patients we are here to care for. I am also tremendously grateful to our local community for their continued support.

I look forward to sharing the forthcoming year with you.



Joe Harrison  
CHIEF EXECUTIVE

## About us

### Background

Milton Keynes Hospital NHS Foundation Trust was founded on 1 October 2007 under the National Health Service Act 2006. The hospital has 526 beds (including day acute and neonatal beds), and employs over 3,000 staff, providing a full range of acute hospital services to Milton Keynes and the surrounding areas. We are increasingly providing more specialist services to local people and we continue to develop our facilities to meet the needs of a growing population.

### Our Vision and Trust Objectives

Our vision is “to be the healthcare provider of choice, growing with Milton Keynes.” The Board agreed the following Trust objectives to deliver the vision:

#### Trust Objectives:

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

### Factual information

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 contained 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, 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 the 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.

# 1984

MK Hospital officially opened

# 1988

Phase **two** commences  
**Six** additional **28** bed wards  
Operating theatre suite

# 1992

Phase **two** opened  
MK General NHS Trust  
New MRI scanning unit  
**28** bed orthopaedic ward  
GP paediatric assessment unit  
Refurbished A&E department

# 2005

**£1.5m** Macmillan haematology and oncology unit  
**£12m** treatment centre dedicated to day cases  
**60** bed spaces  
**4** operating theatres

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 our 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 ongoing.

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 £4.6 million state-of-the-art endoscopy unit and a new 22 bed ward.

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

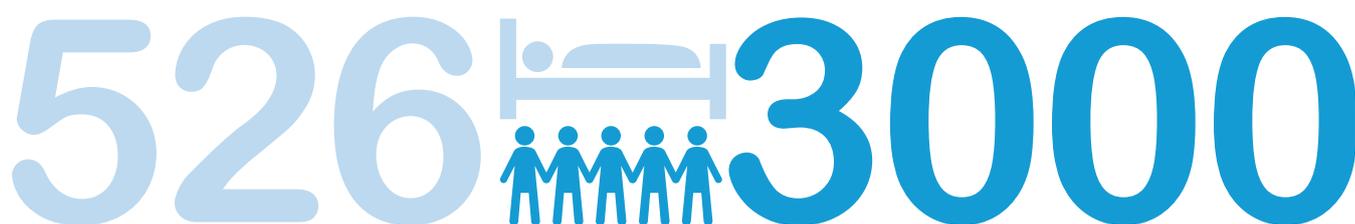
The Trust has entered into a partnership with the University of Buckingham to establish the first independent Medical School in the country, the first medical students commenced at the University in January 2015. From 2 April 2015 the Trust has changed its name to **Milton Keynes University Hospital NHS Foundation Trust**.

### Ambulatory Emergency Care Unit

In 2014/15 the first of a two-phase interim development to **expand the footprint within the A&E** department was completed. This increased capacity in A&E by four majors' bays and six minors and reconfiguring the area for greater accessibility. The second phase to increase clinical capacity into the former main entrance was completed at the end 2015/16 and will be operational in April 2016.

### Cancer Service development

Cancer Services development saw the repatriation of patients from neighbouring Trusts from April 2014. This has meant care closer to home for patients although the facilities within the Trust have yet to be fully developed, contributing to a poor patient feedback result in the National Cancer Patient Experience Survey. The Strategic Outline case for the Cancer Centre has been developed and the Trust is working closely with MacMillan Cancer to develop plans for a patient centred cancer facility. The treatment of additional cancers e.g. gynaecological and skin, continued to be repatriated in 2015/16.



**2007**

**£2.5m** angiography unit opened  
Development of cardiology services  
NHS Foundation Trust formation  
Extra capacity to orthopaedics and ophthalmology  
Multi-storey car park completed

**2009**

Ward 14 fully refurbished  
**£4.6m** endoscopy unit and new **22** bed ward

**2012**

Therapist led facility developed  
The Phoenix Unit opens with **20** beds

**2015**

Partnership with the University of Buckingham to establish the first independent Medical School in the country.  
Milton Keynes University Hospital NHS Foundation Trust.

## Our Services

### Social and Community Issues

The population of Milton Keynes has continued to grow at a significant rate and this continued rise has been more prevalent over the last few years. The latest publically available information states the population of Milton Keynes was estimated to be 255,700 in 2013. This is an increase of nearly three thousand compared to the population estimated by Milton Keynes Unitary Authority (Mid-Year Population Estimates 2012) which declared this to be in the region of 252,400. This trajectory of increase is in line with historical growth in population given that between 2003 and 2013, the population increased by 38,100. This is a staggering 17.5% over a 10 year period. Furthermore, the Population Bulletin 2013/14 outlined that the high population growth is expected to continue into the future. The population is forecast to grow to 302,100 people by 2026. This is an increase of 49,700 people or 19.7% between 2012 and 2026. In addition to the population growth, the Trust has a catchment area which is considered to be wider than the boundaries of the Milton Keynes Unitary Authority consisting of patients from Northamptonshire and the market towns of Buckingham and Leighton Buzzard. Furthermore, demand for healthcare services is also witnessed as Milton Keynes is a hub for a number of large corporate organisations who have staff members commuting from outside the Trust's catchment area.

The population age profile of Milton Keynes 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. 65.3% of the Milton Keynes population are aged 16-64 compared with 63.8% in England and 12.1% of the Milton Keynes population are aged 65+ compared with 17.3% in England.

Whilst there have been changes in the age profile and population, this by default has also resulted in the step change in the ethnicity profile of the population. To provide some context, between 2001 and 2011 the ethnic diversity of the Milton Keynes population has increased more than that for England as a whole. In 2001, 13.2% of Milton Keynes residents were from an ethnic group other than 'white British', the same percentage as England. By 2011, 26.1% of Milton Keynes residents were from an ethnic group other than 'white British' compared with 20% in England as a whole. Healthcare services have therefore been planned to reflect this change in ethnicity, with a particular focus in supporting prevention and promoting activities to support a focus towards the health and well-being agenda.

A direct correlation on the change of ethnicity and the emergence of different cultural communities has seen a shift 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. It can also recognise that pastoral and spiritual care is an integral part of any health need assessment, and that these are best considered on an individual basis.

It is no surprise to discover Milton Keynes, like other cities suffers from significant pockets of deprivation and poverty; 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.

With an increasing trend in population, coupled with the challenges of deprivation and the emergence of an increasing multi ethnic community, the Trust has been actively involved in working with Commissioners to work collaboratively to address and meet the healthcare needs of the people of Milton Keynes.

The hospital also serves the wider population surrounding Milton Keynes, Northamptonshire, Bedfordshire, Oxfordshire and other areas in Buckinghamshire.

Over the coming years, we will continue to work with a range of stakeholders including Milton Keynes Clinical Commissioning Group (CCG), Community Health Services, Milton Keynes Council and our local involvement network Healthwatch to improve patient services. Co-operation will ensure that patients can access appropriate services as and when they need to, and our goal is to ensure that we offer high-quality, seamless care.

### Principal activities

The Trust provides a range of services and specialities. All in-patient services and most outpatient services are provided on the Milton Keynes University hospital Eaglestone site. The Trust is organised into a number of corporate directorates and an operational directorate overseeing clinical divisions, all under the leadership of the Chief Executive. 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.

The Trust delivers its services through the four divisions of Medicine, Surgery, Women and Children's and Core Clinical. This will enable more focus on these key services for local people.

### Healthcare Review of Milton Keynes and Bedford

The Trust's regulator NHS Improvement (formerly Monitor) NHS England and Trust Development Authority are reviewing the healthcare provision in Milton Keynes and Bedford. The Trust is participating fully in the review with other stakeholders, Bedford Hospital, Milton Keynes Clinical Commissioning Group and Bedford Clinical Commissioning Group.

In January 2015, the MK CCG's Board gave the go-ahead to the next phase of the review work, which focuses on:

1. Care closer to home
2. Care delivered in hospital

The review generated 14 options for hospital care which was refined down to two options:

	Bedford Hospital	Milton Keynes Hospital
Option 1	Integrated care centre	Major emergency centre
Option 2	Major emergency centre	Integrated care centre

Details of the services provided by each of these care centres are given in the Director's report.

The public consultation from the Clinical Commissioning Groups for Milton Keynes and Bedford on proposals for the future is expected in 2016.

## Performance Review

### NHS Improvement (Monitor) Compliance Framework and the Care Quality Commission

NHS Improvement is the Independent Regulator of NHS Foundation Trusts and uses the Compliance Framework to assess the performance of each Trust. Monitor took on new powers from April 1st 2013 as the sector regulator for health and now has responsibility for licensing providers of NHS-funded services, holding them accountable through the Compliance Framework.

The Care Quality Commission also continues to undertake continuous assessments of the services that we provide to ensure we meet the national standards of quality and safety.

The table below details our performance for 2015/16.

Indicator	Assessment Benchmark / Target	Trust Performance	Outcome	
<b>NATIONAL REQUIREMENTS</b>				
Clostridium Difficile Infections	Maximum 39	20	Achieved	
MRSA Bacteraemia (hospital associated)	Maximum 0	0	Achieved	
All cancers, 31 day wait for second or subsequent treatment	Drugs treatments	98%	99.75%	Achieved
	Surgery	94%	98.13%	Achieved
	Radiotherapy	94%	97.80%	Achieved
	Palliative Care	94%	100%	Achieved
All cancers: 62-day wait for first treatment	GP referred	85%	84.37%	Not Achieved
	NHS Screening	90%	95.04%	Achieved
	Consultant upgrade	85%	80.00%	Not Achieved
All cancers: 2 week wait from referral to first appointment	All cancers	93%	95.10%	Achieved
	Symptomatic breast	93%	96.81%	Achieved
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for incomplete pathways.	92%	85.7% (M12 Position)	Not Achieved	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed admitted pathways.	90%	81.9%	Not Achieved	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed non-admitted pathways.	95%	95.0%	Achieved	
Maximum wait of 4 hours in Emergency Department from arrival to admission, transfer or discharge	95%	93.9%	Not Achieved	
<b>ACUTE FOUNDATION TRUST TARGETS – MINIMUM STANDARDS</b>				
CQUINs	90%	69%	Final validated position awaited	
Family and Friends Test - Inpatients (% Recommend)	No national target set	94%	Improved	
The percentage of complaints responded to within the agreed time	90%	81%	Not Achieved	

## Actions to Drive Performance Improvement

The Trust aims to continuously improve performance against national indicators, both in areas of achievement, as well as those areas where it has not achieved national targets.

### Infection Control

- Each reported CDI case has been formally reviewed by a collaborative Trust / CCG review panel, which makes a recommendation on whether each reported case was due to a 'lapse in care' (e.g. avoidable) in the hospital environment
- Both measures (CDI cases and those due to a 'lapse in care') are reported up to Board level on at least a monthly basis. This will continue in 2016/17
- Root cause analysis is used as the basis to identify risks and opportunities and ensure lessons are learnt to drive continuous improvement

### Cancer

- Ongoing collaboration with tertiary centres to ensure that evidence of treatment is returned in a timely manner and any breaches are attributed correctly
- Real time data validation continues to provide greater assurance around the quality of data reported
- Consolidation of data across national and local IT systems to provide a robust, reliable and timely view of monthly and quarterly performance
- Increased focus on demand and capacity planning across all specialties

### Referral to Treatment

- New data validation tools and reports have been developed to support the effective management of waiting lists and inform operational scheduling and planning
- Quality assurance, with support and training to increase knowledge and awareness across the organisation and review processes (people, information and systems)
- Weekly meetings to monitor and measure progress against appropriate action plans and trajectories, and to escalate any deviations from plans as they arise

### Emergency Department (ED) (A&E 4 Hour target)

- Ongoing engagement with the CCG to encourage collaboration between the Urgent Care Centre and ED to ensure patients attend the right service.
- Collaboration across the health and social care economy to identify and address some of the issues which may result in increased demand or longer stays in hospital.
- Collaborative working with health and social care partners to enable timely discharge for patients which improves patient flow throughout the hospital.

### Patient Experience - Family and Friends Test (FFT)

- The Picker FFT system is being embedded to collate feedback from Patients in an increasingly effective and efficient manner, which is disseminated at least on a monthly basis across the organisation up to Board level
- The Trust evaluates and communicates quantitative and qualitative feedback in an effort to continuously improve patient experience and service delivery
- There is a continuing focus on increasing response rates to gain reliable insights into Patient Experience in all areas, including the Emergency Department

### Complaints

- Continued emphasis on evaluating complaints to inform service improvement, learn lessons and drive continuous improvement in services and patient experience
- Compliance with required response times for all complaints is reported at Divisional Performance meetings and up to Board level
- Reporting focus and learning from more serious complaints (Category 6)

### Activity

Performance in 2015/16 included the following:

- 322,220 outpatient attendances, 2,000 more than 2014/5;
- 23,242 patients were elective admissions admitted (i.e. for planned care) 2,000 less than 2014/15 due to higher emergency admissions;
- 32,200 patients were admitted as an emergency, 2,700 more than 2014/15;
- 84,051 people attended the emergency department, 5,600 more than 2014/15
- 4,013 babies delivered, 200 more than 2014/15
- 30 Day Readmission rate 6.8% a reduction from 7.3% in 2014/15 and 8.1% in 2013/14.

### In Summary

Demand has continued to increase across the local healthcare system. The Trust received more than 5,000 (+11%) more referrals and 6,677 (+9%) more A&E attendances than it had planned for. In addition, it has completed close to 1,000 more elective admissions than planned (+6%) and over 3,000 (+11%) more emergency spells. Outpatient activity was on plan for the year.

## Complaints and Patient Advisory Liaison Service (PALS)

The Complaints and PALS team receive feedback in the form of comments, compliments, concerns and complaints. Compliments that are received directly into the Complaints and PALS team are shared with appropriate staff and an acknowledgment sent to the patient. A thank you letter is also sent to individual staff that have been named in compliments. This is undertaken by the Chief Executive.

The PALS Office is located just off Main Reception and the PALS team are visible throughout the trust. PALS business cards and posters are available on all wards and departments.

Complaints are dealt with in line with trust policy and take into account the complainant's wishes on how they would like their complaint resolved. Local resolution takes the form of either a written response to the complainant or a meeting with the responsible staff or both.

The complaints policy was rewritten in Quarter 4 2015/2016 to encompass changes to the complaint grading process. The new grading process aligns with the trust's incident grading process and uses the same RAG rated approach. This has resulted in greater clarity for all on the severity of a complaint upon receipt.

The trust encourages complaints and any increase in numbers of complaints should be considered as a positive indication that patients and their families are empowered to give their feedback. Each complaint gives the trust an opportunity to learn and improve patient experience.

	2012/13	2013/14	2014/15	2015/16
Number of Complaints	744	443	616	897

The increase in the number of complaints can be attributed to the following:

- Increase in activity across the whole trust, the number of complaints received in relation to the number of attendances both inpatient and outpatient is 0.28%
- PALS availability and accessibility in main reception
- Improved advertising of the PALS service and awareness of the service
- An increasing number of cancelled appointments and rearranged appointments

The trust endeavours to provide a timely response and resolution to complaints.

Trust staff and the Complaints and PALS team deal with some concerns within one working day and the information from these concerns, although not nationally reportable, is recorded as a white complaint on the trust's complaint database (DATIX) since 2011. The number of complaints dealt with in this manner is shown in the table below. An example of a white complaint would be a situation where there has been some miscommunication regarding an appointment and immediate resolution is found.

	2012/13	2013/14	2014/15	2015/16
Number of white complaints	363	227	276	153

The PALS team also takes calls from patients and the public who are trying to access information and advice. These calls are also logged on DATIX.

	2012/13	2013/14	2014/15	2015/16
Number of white complaints	183	246	127	249
Information	90	439	753	627
Signposting	5	43	203	151
<b>Totals</b>	<b>278</b>	<b>728</b>	<b>1088</b>	<b>909</b>

The trust received 1832 (as reported at 8th April 2015) compared to 2381 compliments in 2014/15. The decline in numbers is due to lack of reporting of compliments received by some wards and departments. All areas have been visited to remind them of the need to report their compliment figures and a template for collection of these has been redistributed.

### Service improvements from Patient Feedback

Patients tell us that their experience of care is as important to them as the effectiveness and safety of their treatments. People want to feel informed, supported and listened to in order to be able to make meaningful decisions and choices about their care; be treated as a person not a number; have care provided in safe, clean and pleasant environments; feel trust and confidence in those caring for them.

The Trust recognises the importance of this and therefore recognises that listening to patients, learning from their experiences and responding to what we hear will work towards improving the experience a patient has in the hospital. Improving the patient experience is a core Trust objective and runs through all the divisional, departmental and ward level activities. We must listen and act on what we hear so we can improve.

A patient experience team, led by a senior clinician, has been established to ensure the Trust objective receives the priority attention it deserves. As part of this, a Patient Experience Board has been established to steer and monitor progress against this objective. The work of the board includes encouraging patients and their carers to actively feed back to the Trust about their care, so that we know where we are doing well and where we can improve. Feedback channels include the Friends and Family Test (FFT) which patients can complete on paper and electronically. In addition we are launching an SMS text message service in response to the FFT in our Accident & Emergency department. Patients can also feedback using social media channels like Twitter and Facebook, NHS Choices ([www.nhs.uk](http://www.nhs.uk)) and through the in-patients and maternity surveys that are undertaken annually. The Friends and Family Test results are published on the trust's website.

The team engages with staff as well as patients to help them understand the value of patient feedback and facilitate work to make sure patients' experience of care is as best as it can be.



Taking information from all the channels including Friends and Family Test (FFT), Picker Surveys and complaints and comments, we can theme the feedback and then focus on areas for improvement. The outcome from this triangulation has evidenced that the trust has issues with:-

- Noise at night
- Discharge of patients from the hospital
- Food Quality
- Communication and staff attitude
- Cleanliness

We therefore have specific projects in place which will create change and improvements needed to improve patient experience. We ensure we involve patients and staff in these projects, for example taste tasting of new menus and involving patients in 'The 15 Steps Challenge' which enables patients, governors and other key stakeholders to feedback on what they observe and 'feel' from a ward. The feedback is then fed back to the ward in 'real-time' so improvements can be made immediately.

Another key area which patients tell us is important to them is feeling able to make decisions and feel involved in their care. One area the team is leading on is making sure our patient-facing information is compliant under the new Accessible Information Standard. The aim of the standard is to help patients with sensory or visual impairment, or a learning disability get information about their care in a way that is useful for them.

## Environment

The Trust is committed to reducing the environmental impact it has and improving its level of sustainability. As part of any development on the site, the environmental impact is assessed as part of the business case process. The Trust's Objective 10: develop as a good corporate citizen included actions with key deliverables to reduce its environmental impact.

Objective 10 Develop as a Good Corporate Citizen	Key Deliverables
<p>C. Reduce environmental impact through improved employee wellbeing</p> <p>1. Engage staff and patients to increase use of car share schemes, public transport and in reducing energy consumption</p> <p>2. Increase opportunities for staff to engage in recycling, energy saving initiatives and community project involvement</p> <p>3. Engaging staff to reduced food wastage</p>	<ul style="list-style-type: none"> <li>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</li> <li>Continually review transport services across the site as a critical strand of the estates development programme</li> <li>Recycling banks across the Trust, including clothes and textiles</li> <li>Extension of exiting furniture recycling programme</li> <li>Review of food provision to ensure quality, health eating options and waste minimisation</li> </ul>

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

## Sustainability

The Trust's 2007 carbon baseline assessment was 12,747 tonnes per annum, with a target to reduce carbon to 9,559 tonnes by 2014/15.

The following table shows Co2 performance per annum to date:

2010/11	11,808 Tonnes
2011/12	11,108 Tonnes
2012/13	11,183 Tonnes
2013/14	10,508 Tonnes
2014/15	9,786 Tonnes
2015/16	9,681 Tonnes

The decrease in carbon from last year will be due in large part again to a relatively mild winter with decreased heating gas requirement offset by increased activity around the Trust leading to an increase in electricity usage. The Trust continues to invest in energy saving projects and other carbon reducing schemes to reduce carbon production such as the following:

- Around 450 LED lighting installation replacements with an estimated 34.50 annual carbon tonne reduction predicted for 2016/17.
- Improvements to the Trust Building Management Systems (BMS) leading to greater efficient and effective control of the buildings heating and ventilation systems.
- A new Trust Travel Plan is being undertaken with an accompanying Travel survey that should lead to better means of staff commuting that will encourage staff to switch to other means of transport than just the use of the car.
- Additional roof insulation and the use of double/triple glazed windows in the Physiotherapy pool area.
- Heat Recovery work in both Physiotherapy pool area and Cook Chill.
- Presence Detectors (PIR Sensors) also introduced as part of other refurbishments projects around the Trust.

## Equality and Diversity and Human Rights

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

## Financial Performance

### Regulatory Ratings

Milton Keynes University Hospital NHS Foundation Trust is regulated by Monitor, the sector regulator for health services in England. Monitor changed the categorisation of financial risk rating from Q3 from the 'Continuity of Services rating' where '4' represents least risk and '1' most risk, to Financial Sustainability ratings with the same rating scores. Details of how 'Financial Sustainability ratings' are calculated can be found on the Monitor website: [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)

The Trust continues to measure performance on a monthly basis and taking additional actions where required, with quarterly self-declarations submitted to Monitor, which are shown below. These recognise that the Trust remains subject to Enforcement Action whilst improving services and performance.

Rating Category	Annual Plan	2015/16 Actual			
		Q1	Q2	Q3	Q4
Continuity of Service Financial Sustainability	1	1	1	2	2
Governance rating	Red / Amber	Red	Red	Red	Red

### 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).

### Principal Financial Risks and Uncertainties

Milton Keynes Hospital NHS Foundation Trust is facing a period of unprecedented change over the coming years. During 2013 Monitor, NHS England, along with both Milton Keynes and Bedfordshire CCGs commissioned the 'Milton Keynes and Bedford Healthcare Review'. The review was set up as a result of concerns about the pressures on the local health system and, in particular, the clinical and financial sustainability of Bedford Hospital and Milton Keynes Hospital.

A progress report was published on 29 October 2014 which identified a number of options and concluded that the best overall balance between strengthening clinical quality and sustainability, better meeting the needs of a changing population and being financially affordable are those which combine a form of major emergency centre and an integrated care hub. However, though the financial evaluation shows considerable benefit in both options, it did not show that either is wholly sustainable without further, more detailed work being completed. The Trust continues to work closely with Milton Keynes CCG. The next steps are to continue with testing and alignment of the clinical and financial rationale of the options working towards public consultation from autumn 2016.

The planning undertaken by the Trust has recognised that without significant change, the Trust will remain in deficit during the foreseeable future. A deficit of £27.4m is anticipated for 2016/17, which recognises sizeable and essential investment in meeting and maintaining quality standards, and the fact that the organisation lacks the economies of scale enjoyed by other larger Trusts.

Ongoing deficits of this magnitude come with accompanying cash pressures with the Trust requiring ongoing funding from the Department of Health (DH). The Trust continues to require Interim Support. Interim Support is defined within Secretary of State's guidance under section 42A of the National Health Service act 2006 (Section 42A Guidance). It is used to provide transitional financial support to an FT or NHS Trust in financial difficulty where it is necessary to support the continued delivery of services for a period during which an assessment of the underlying problem is carried out and a Recovery Plan is developed which forecasts a return to a financially sustainable position.

The DH continues to require the Trust to agree loans and working capital facilities rather than Public Dividend Capital. This is a national agenda, specifically not related to anything unique to the Trust's position. As a consequence, the Trust received funding of £27.8m during 2015/16 to fund its revenue requirements for the financial year ended 31 March 2016 and £5.3m of interim capital to support its Strategic Capital schemes. It also secured a Revolving working capital facility of £15.2m which it paid back during 2015/16. This is in place for 2016/17 whilst the interim loans are put into place with the DH.

Funding for the 2016/17 financial year will be through a combination of revolving working capital, interim revenue support and interim capital support facilities. This change to the funding mechanism has changed the structure of the balance sheet with the effect of increasing liabilities and reducing net assets. The interim revenue support loans have a repayment date of March 2018 and no payment of principal until this date. The interim capital loans will be over a term of 15 years with the loan being paid biannually on a straight-line basis over the 15 year period.

As with all NHS Trusts, Milton Keynes Hospital NHS Foundation Trust was required to deliver savings year-on-year, 2015/16 of 4.4%. These have historically been delivered from internally focused opportunities. A critical reason for a wider healthcare solution is that individual single-site organisations increasingly find it more difficult to identify this level of savings without external collaboration. Delivery of this year's CIP target remains challenging and is being monitored closely due its inherent delivery risk.

One of the biggest challenges facing the Trust is its ability to recruit and retain staff at levels which are necessary to deliver high quality and effective services – this poses both operational and financial risks. There is a national shortage of suitable nursing and medical candidates which has created an extremely competitive market and in addition many such staff now choose to work flexibly as locums or via agency. This has placed an onerous financial pressure on the Trust with rates for such staff carrying a premium of at least 50%. This has contributed to the increase in agency costs from £17m in 2014-15 to £23m in 2015/16. Whilst the Trust remains focused on addressing this issue in its planning for 2016/17 through sustainable and innovative recruitment and retention solutions, it has recognised the ongoing reliance on agency staff in its financial plan for 2016/17. From November 2015, Monitor has implemented agency cap rates and shifts booked above the cap rate have to be reported to Monitor as well as have been approved by Trust Directors. The Trust only approves overrides in instances to avoid an adverse impact on patient safety.

Additional risks for the Trust are included in the Going Concern Statement as detailed below.



## Financial Risk management

The Trust's financial instruments, and risk thereof, are described in the Financial Statements (note 24 Financial Instruments). The Trust continued to use only the Government Banking Service account for its deposits.

The key financial risks facing the NHS Foundation Trust are outlined below:

The Milton Keynes Clinical Commissioning Group has a programme of service pathway changes and other demand management initiatives that, if delivered, would significantly reduce activity in the hospital and the financial sustainability of the Trust, unless costs could be taken out in full. The Trust will continue to work closely with commissioners over the coming year to mitigate these risks. The contract for 2016/17 has been signed.

There are significant risks relating to the Trust's ability to deal with the increasing demand on its clinical services due to its lack of capacity. The 2016/17 £7.3m funding stream from Sustainability and Transformation is contingent on the Trust achieving its Department of Health targeted deficit and its agreed performance trajectories during 2016/17.

The transformation programme is core to the success of the Trust, while improving the quality of services and the safety of patients is paramount. This programme requires a challenging but realistic financial saving to be realised, and performance improvement delivered.

As noted above, the Department of Health, with support from Monitor, has provided a range of financing options to fund the Trust's working capital position while the future strategic solution for the Trust is finalised. This support is integral to the short-term viability of the Trust. See the Going Concern section for more detail.

Further information regarding the principal risks facing the organisation are given throughout

the report as well as in the Statement of Accounting Officer's Responsibilities (Appendix 3, Financial Statements) and Annual Governance Statement (Section 2.7).

## Development of the Business During the Year

The Trust has continued to engage actively with the Milton Keynes and Bedfordshire healthcare review, which is tasked with resolving the £100M ongoing annual shortfall in the combined finances of the local health economy. A range of potential provider configurations have been developed and many scenarios have been explored. The resulting options are currently being assessed and prioritised in terms of clinical viability, public acceptability and financial sustainability. The public consultation process is expected to begin later in the year with a decision on the preferred option by the end of 2016.

The University of Buckingham Medical School partnership has been a great success and 62 of the initial 65 year 1 students have successfully passed on to year 2. The second year intake from January 2016 has risen to 83. In October the hospital celebrated the official re-naming of the Trust as a University Hospital Foundation Trust, to reflect the importance of the venture. This will help draw staff to the Trust who are attracted by the prospect of being actively involved in undergraduate medical education on site and at the University.

To support the Trust in managing capacity in A&E, the second Phase has completed which has further developed areas adjacent to the current A&E and provides additional floor space to better manage the flow of patients.

The Trust has commenced its replacement of its current Patient Administration System with the implementation of its Electronic Patient Record (EPR) system. It has completed Phase 1 of the project investing £2m in 2015/16. This involved purchasing entirely new hardware and software and data transfer of all existing systems to the new system which was a nine month project.

The next phases will take place over forthcoming years to utilise technology to increase patient safety and clinical efficiency. This is all part of the Trust's technology roadmap and it has included in its plans for 2016/17 a further spend of £4.7m on EPR.

The Trust has also commenced on the planning phase around two major schemes; a new main entrance and the common front door. Further details are contained in the section entitled future developments.

## Key Financial Performance Indicators

FINANCIAL KEY PERFORMANCE INDICATORS - MARCH 2016						
Area	Metric	Measure	Plan	Actual	Status	Comment
Financial Efficiency	National reference cost index	Comparison of activity costs against other NHS providers.	100	103.5	Not Achieved	Final reference costs included here - adverse movement of 1.5.
Working Capital	Cash variance to plan		£1.0m	£2.5m	Achieved	Higher cash position agreed with Monitor in year.
	Capital spend YTD against plan (cash basis)		£13.6m	£13.6m	Achieved	Plan achieved.
	Debtor days	Trade Receivables as a proportion of annualised income.	7	13	Not Achieved	Due to timing of payment of in year overperformance.
	Creditor days	Trade Payables as a proportion of annualised expenditure.	27	31	Achieved	Slightly higher than plan due to timing of payments.
Financial Sustainability Ratings	Liquidity ratio	< -14 days (Score 1) cover - Cash plus trade debtors less trade creditors expressed as the number of days operating expenses that could be covered.	1.0	1.0	Achieved	This ratio is based on net asset position, given that the Trust has a net current liabilities, the ratio is negative.
	Capital Service Ratio	< 1.25x (Score 1), the degree to which the Trust's operating surplus, excluding depreciation, covers its financing obligations ie. PDC, Loan Interest & Finance Lease costs.	1.0	1.0	Achieved	This is a negative as the Trust has an operating deficit.



## Impending Developments and Future Development Trends

Milton Keynes continues to grow at levels exceeding the national average. In 2015/16 the Trust experienced an average of 4.5% growth in activity: much of this came from unplanned care with high growth in emergency admissions (9%) and A&E attendances (7%). This increase in growth has been recognised and the local CCG (MKCCG) has received 6% additional funding for 2016/17.

The new university status of the hospital is providing a springboard for increasing research & development activity at the hospital. The Trust has been working closely with the Academic Health Sciences Network, University of Buckingham and the Open University on R&D opportunities. This is an exciting development for the Trust and will enable us to continue to attract high quality staff to the organisation.

Milton Keynes University Hospital NHS Foundation Trust approved the Estates Strategy in 2014/15 and work will continue to develop and deliver on the requirements:

- To support the medical education the Trust has agreed to allow Buckingham University to construct an Academic Centre building on site. Plans are well underway and are currently with the Council for approval of full planning permission. Construction is expected to start in 2016 and to take approximately 12 months. When not used by the University, the facility will be available for education and training of hospital staff.
- The Trust continues to develop its plans for a common front door, integrating both emergency and urgent care services in one area. This is in recognition of both the increase in population in the area, that we have a growing city and changes in the health requirements of an aging population.
- The Trust continues to repatriate cancer patients so that they can have their care closer to home. Plans for a Cancer Centre on site are being developed with the Strategic Outline Business case and Feasibility study completed. Further discussions with the development of the design will continue in the coming year, discussions have already taken place with some prospective partners. This will be an excellent addition to the Trust's facilities and improve patient experience.
- Plans for the New Main Entrance have advanced with the new build expected to be developed in summer of 2016. This will allow the Trust to provide a new facility to the front of the site that will allow visitors and patients to have a focal point of entry when visiting the site as well as providing enhanced retail facilities.
- Given the growth in services and patient numbers, the Trust and the local council recognises that parking has become an issue on the site. Plans are being developed to increase parking provision to cater for the increasing patient numbers visiting the site, visitors and staff to have a positive experience while visiting the organisation.

## Final financial position

### Income and expenditure

The Trust's financial position and end of year accounts are detailed in the Summary Financial Statements on pages 179-181 of the annual accounts. The accounts are prepared under International Financial Reporting Standards and Monitor's Annual Reporting Manual.

Financial headlines for 2015/16 were:

- Total income of £191.6m, an increase of £12.3m (7%) on the previous year;
- Income from clinical activities was up by £9.9m (6%) at £176.8m;
- Retained deficit for year increased to £31.8m from £24.9m the previous year; and
- Against Monitor's Financial Sustainability Rating the Trust scored '2', in a scale of '1'-'4', where '4' is the highest performance rating and the lowest level of financial risk.

### Statement of Comprehensive Income

The table on the following page summarises the Trust's actual performance for 2015/16 against plan and the previous year. The Trust recorded a retained deficit of £31.8m for the year ending 31 March 2016 which was lower than its revised annual plan. However from the Autumn of 2016, Monitor asked Trusts to revisit their planned deficits and during March the Trust agreed a lower forecast deficit of £31.8m.

£m	2014/15 Actual	2015/16		
		Plan	Actual	Variance
Income	179.3	180.3	191.6	11.3
Expenses	(199.6)	(209.8)	(219.3)	(9.5)
<b>Operating Deficit</b>	<b>(20.3)</b>	<b>(29.5)</b>	<b>(27.7)</b>	<b>1.8</b>
Finance costs	(4.6)	(3.8)	(4.1)	(0.3)
<b>Retained (Deficit)</b>	<b>(24.9)</b>	<b>(33.3)</b>	<b>(31.8)</b>	<b>1.5</b>

### 2015/16 Statement of Comprehensive Income Summary

Total income was £191.6m, an increase of £12.3m (7%) on the prior year and £11.3m above planned levels. Income from clinical activities was £176.8m, a year on year increase of £9.9m principally driven by:

- Outpatient activity - higher by 7% accounting for £2.1m;
- Non electives – higher by 5% accounting for further £2.6m
- Electives – lower by 14% accounting for £3.8m reduction
- A&E – higher by 23% accounting for £2.0m
- Other clinical income higher which includes high costs drugs £0.8m, Bowel screening £0.2m, Maternity pathway £0.4m and imaging £0.5m of the increase.

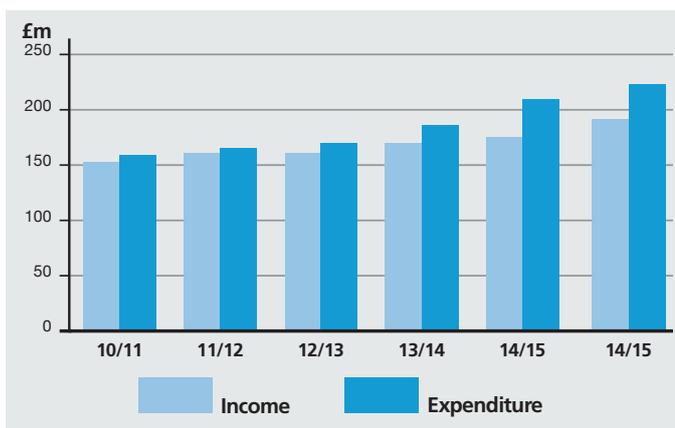
Operating expenses rose by £19.7m (10%) on the previous year at £219.3m which was £1.6m adverse variance against plan. The principal drivers of the year on year increase include:

- Depreciation and amortisation including impairments increased by £2.5m as a result of the higher spend on capital assets.
- Premises costs including EPR and IT, Estates Building and repairs and rates increased by £2.6m
- Drugs, clinical supplies and healthcare services from other organisations increased by £3.6m due to increased activity.
- Higher staffing costs of £10.6m, £5.5m due to agency and the remainder related to substantive staff and the associated employers costs. The higher staffing levels were due to enhanced clinical staff to patient ratios, as well the need to service the higher levels of activity in the year. The higher use of agency nurses was driven by national shortages of qualified nursing staff and increasing requirements for 1:1 nursing care for specific patient cohorts.

The chart following shows the income and expenditure over the six year period from April 2010 to March 2015.

## Income and Expenditure

The income and expenditure trends for the 6 year period to 2015/16 can be analysed as follows:



## Cash flow and net debt

The Trust's cash and cash equivalents at 31 March 2016 was £2.5m which was higher than last year as the new funding mechanism has a higher targeted cash balance of up to £5.0m compared to £1.0m last year.

- The in-year deficit of £31.8m was offset by
- £27.8m of DH loan funding to fund revenue; and
- £5.3m of DH loan funding to fund capital expenditure above depreciation levels.

## Total assets employed

Total assets employed decreased by £24.2m (23%) to £83.3m. This is predominately due to the new mechanism of funding through loan instruments rather than Public Dividend Capital. The effect of this was partially offset by the higher Non-current Assets as a result of the property re-valuation and in year capital investment exceeding depreciation.

£m	2014/15	2015/16
Non-Current Assets	149.3	161.0
Current Assets	11.3	16.7
Current Liabilities	(19.2)	(28.1)
Non-Current Liabilities	(34.0)	(66.3)
<b>Total Net Assets Employed</b>	<b>107.5</b>	<b>83.3</b>

## Capital Expenditure

The Trust invested £13.3m in capital schemes during 2015/16. Further details of significant schemes are included in 'development of the business during the year' above. A further expansion of the capital programme is planned for 2016/17 with total planned spend of £27.3m.

## Asset Valuations

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. A full revaluation was completed by the district valuer during 2015 and resulted in an increase in the valuation of the Trust's assets by £7.6m which has been reflected in the increase in Non-current Assets. A full revaluation is not due until March 2020.

## Accounts Preparation

The financial statements have been prepared in accordance with the 2015/16 FT Annual Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FREM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

## Going concern statement

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 structures; non-pay and drug cost inflation; as well as nationally set contract penalties for contract performance deviations, combined with commissioner (CCG) expectations to reduce activity through ensuring care can be better provided within the community, i.e. managed outside the hospital.

The Trust has incurred a deficit of £31.8m for the year ended 31 March 2016 (deficit for 2014-15 was £24.9m). 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 continuously align capacity and demand.

The Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received from Milton Keynes Clinical Commissioning Group ("MKCCG") (contractual income), and through DH funding facilities. In addition, the Trust has assumed it will receive £7.3m of non-recurrent Sustainability and Transformation funding, the payment of which is contingent on the Trust achieving its targeted deficit and its agreed performance trajectories during 2016/17.

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 2016/17 financial year continues to be through a combination of a revolving working capital facility and interim revenue/capital support loans. This has the effect of increasing long term liabilities and reducing net assets. The revenue loan facilities have a maturity of 3 years, with no principal being repaid until the end of the term and the capital loan is expected to be repaid over a 15 year period.

The Trust's immediate working capital requirements have been secured as it already has in place a revolving capital facility of £15.2m from 2015/16. The Trust is in the process of securing a £27.5m Interim Revenue Support Loan and a £19.5m Interim Capital Support Loan for 2016/17 financial year at which point the revolving working capital facility will be repaid. The interim funding loans will be required for the duration of the financial year whilst the system Healthcare Review is being progressed, which will then allow a Recovery Plan to be developed which enables a return to a financially sustainable position.

Positive cash balances will be maintained throughout the period through successfully securing commitments to necessary funding from DH and a contract with the lead commissioner MKCCG 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 interim loans of £27.5m and £19.5m required to meet its financial obligations and the £7.3m Sustainability and Transformational funding 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 £11.8m which has been assumed in its 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 likely to be influenced by the outcome of the jointly commissioned system review taking place across Bedfordshire and Milton Keynes CCG geography which was originally commissioned in 2013. The review was set up as a result of concerns about the pressures on the local health system and, in particular, the clinical and financial sustainability of Bedford Hospital and Milton Keynes Hospital. The work has progressed and there are currently two options under consideration. The next steps are to continue with testing and alignment of the clinical and financial rational of the options working towards public consultation from Autumn 2016.

There are thus material uncertainties which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore may be unable 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.

## Stakeholder Engagement

The Trust actively engages with stakeholders on the performance of the Trust and any proposed changes in services. There are many groups and organisations with which the Trust engages.

One of the Trust's top priorities has always been to focus on how to improve our services to our patients by listening to concerns and feedback from service users.

Over the past year, the Trust has engaged different methods to successfully collect patient views and responses on how we can continuously improve the patient and public experience at the hospital. For example, the 15 Steps initiative, where patients and the public assess the environment and recommend improvements.

The Trust implemented the revised board and committee structure to ensure that there are clear reporting lines and accountabilities.

We are committed to listening and acting on the feedback we receive from those who use our services. The Trust places great importance on the information it receives from our patients, their families and carers.

An example of stakeholder engagement is the development of the Glaucoma Support Group which started in October 2014 which continues to be well attended by patients and their families. Feedback from the support group attendees include:

- Increased understanding of the condition
- Enhanced awareness of the need to adhere to treatment
- A feeling of "I'm not alone"
- Shared experience with other patients
- Family understanding their relatives behaviours and pressures
- A sense of validation



### Engaging with our local community

Our policy is to consult and involve members, patients 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. For example members have been informed on events regarding the Healthcare Review public forum meetings.

The main forum for representing the interests of patients, carers, employees and the local community is through the Council of Governors, which includes elected representatives from the public, staff, local business, the voluntary sector, the CCG, the local authority and Youth Council.

### Milton Keynes CCG

The Trust has established a working relationship with the GP Commissioning Groups for the 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 the Council and in particular, the Health and Adult Social Care Committee apprised of service issues at the Trust.

The Council have continued to support the strategic solution of the Trust. In addition, the Council has a representative on the Council of Governors, Councillor Marland.

### Health and Wellbeing Board

The director of patient care and chief nurse represents the hospital on the Health and Wellbeing Board and reports any issues back to the Trust Board and governors, as appropriate. The leader of Milton Keynes Council, Councillor Marland, is a representative on the Council of Governors.

### 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 MK

The remit for both the Council of Governors and Healthwatch MK is complementary, both bodies representing the health interests and concerns of the members and people of Milton Keynes. Throughout 2015/16 collaboration continued as appropriate. The Chair of Healthwatch MK is an appointed Governor on the Council of Governors and a Governor is a co-opted member of the Healthwatch MK. The Trust participated in the Here's Healthwatch event in November 2015 with stalls on diagnostic services, patient experience and membership.

### Council of Governors

The Council of Governors has met formally six times during the year, (seven including the Annual Members' Meeting). The Council of Governors meeting has been timetabled to follow Trust Board, to receive updated performance information. Governors are also been involved in a wide range of activities, from recruiting members, 15 Steps, Patient-led assessments of the care environment (PLACE) inspection and commenting on the Trust's strategy. Additionally, Governors developed an information leaflet for distribution to parish councils, local GP surgeries and the local community on their role.

The Council of Governors has received regular updates on progress on patient safety and experience issues e.g. complaints and PALS service, patient information and information governance, glaucoma support group. Governors are also involved in the non-executive Director Appointment committee, engagement group, and food quality group.

### Patient 15 Steps

The governors have been instrumental in the implementation of 15 steps programme. This provides feedback on the environment and first impressions of an area in the hospital. As a result recommendations are made for improvement and wherever possible these are implemented immediately.

A governor has also sat on the group considering clinical excellence awards, staff awards and the PLACE inspection.

## Media relations/activity

Milton Keynes University Hospital regularly has coverage in local weekly papers, local radio and regional television. It also features occasionally on national TV and also in business press and nursing publications.

In 2015/16, our news coverage included:

- Regular coverage of the hospital charity, including Leo's Appeal and Little Lives Appeals
- Ongoing coverage relating to the Healthcare Review
- Several local and national articles on charity Medical Detection Dogs and our urology research project with them
- Local newspaper articles circulating information about the move of our main entrance
- BBC, Sky, ITN, ITV, Channel 5 and Heart radio visited the hospital site to provide live coverage of the periods of industrial action by junior doctors which included interviews with executive directors, various consultants and the hospital's junior doctors
- Recruitment campaigns aired on Heart Radio throughout Buckinghamshire, Bedfordshire and Hertfordshire
- Coverage of our Christmas events, including a feature on staff who work on Christmas day and a call to action for a ward's shoe box appeal, appeared in local newspaper the MK Citizen.

As well as proactively placing media stories, the Trust responds to hundreds of enquiries and requests every year. We have a clear commitment to an open and positive approach to media relations as a publicly funded body. The Trust is committed to ensuring that an executive director or senior manager is available for interview on subjects of particular public interest and made itself one of NHS England's nominated media sites during several periods of the junior doctors' industrial action.

Chief executive Joe Harrison gave many print and broadcast media interviews during 2015/16, along with departing medical director Professor Martin Wetherill. This ensures that all reported stories are as balanced as possible and reflect the facts relating to the subject matter of any particular story.

During 2015/16, the Trust continued to increase its social media presence through its Facebook and Twitter accounts. A growth in followers of both profiles helped to develop each channel as a reliable source of news and comment for the organisation and ensured the hospital was able to broadcast important public announcements to a wider audience.

The Trust also launched a new quarterly newspaper called The Checkup, which is distributed to patients, stakeholders and the public. Both print and digital copies helped to maximise the publication's reach and ensure stories from the organisation were widely distributed throughout the local community.



## Partnerships – improving healthcare for our patients

The Trust is committed to provide the best healthcare possible for the people of Milton Keynes and beyond. In order to do this, the Trust has a number of partnerships:

### **Oxford University Hospitals NHS Trust**

Patients who require specialist care that the Milton Keynes University hospital cannot provide are referred to Oxford University Hospital's for tertiary care.

### **Bedford Hospital NHS Trust**

The Trust has ongoing partnership with Bedford hospital in certain care pathways e.g. vascular surgery.

### **Luton and Dunstable University Hospital NHS Foundation Trust**

Patients requiring maxillo facial specialist care are referred to Luton and Dunstable University Hospital NHS Foundation Trust.

### **Northampton General Hospital NHS Trust**

Oncology treatment for certain specialties was provided by Northampton Hospital for cancer patients e.g. gynaecology. However, the Trust continues to expand the provision of oncology services and repatriates patients to enable them to receive treatment closer to home. Northampton General Hospital served notice on Radiotherapy service they provided to patients referred to them from the Trust. The Trust has established a local provider to undertake radiotherapy from 1 April 2014 until a longer term solution can be established.

### **Buckinghamshire Healthcare NHS Trust**

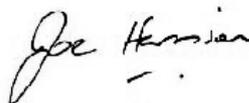
The Trust has partnered with Buckinghamshire healthcare NHS Trust to provide a joint musculoskeletal service. The Trust works in partnership with Buckinghamshire healthcare NHS Trust for the provisions of bowel screening, bowel scoping and diabetic eye screening.

### **University of Buckingham**

The Trust has partnered with the University of Buckingham to provide an academic centre on the Milton Keynes University hospital site. Planning for an academic centre is well underway and the first students commenced at the University of Buckingham in January 2015. Students are expected to undertake their clinical training at the hospital from January 2017.

### **Oxford Deanery**

All the Trust's trainee doctors are graduates from the Oxford Deanery.



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016





# Section 2

## Accountability Report

Directors' report	36
Governance of the Trust	42
Board of Directors	48
Trust Committees	62
Remuneration Report	70
Staff Report	78
Regulatory Ratings	93
Code of Governance Disclosures	94
Statement of Accounting Officer's Responsibilities	99
Annual Governance Statement	100

# Accountability Report

## Directors' Report

### Year in Review – 2015/16

It's been a very busy and highly pressured year in the Trust, but in addition to the demands on our staff and services, there have been some significant achievements.

### A University Hospital and New Academic Campus

In April 2015 we became Milton Keynes University Hospital NHS Foundation Trust.

This new status reflects the huge expansion of teaching taking place at the Trust, most prominently in our recent partnership with the University of Buckingham to create the UK's first independent medical school.

The change of name is just one of many important steps towards establishing the Trust as a world-class centre for teaching excellence. The first students arrived on wards in May 2015. The upcoming Academic Centre will also create exciting opportunities in the future for all staff in the fields of clinical research and education.

In November we held a fantastic celebration event to mark all the latest developments. It was attended by staff from both the hospital and the University of Buckingham, our local MPs, Mayor and local media.

As part of our links with the University of Buckingham, work is due to start on a new Academic Centre to ensure that all medical students, and qualified staff who wish to engage in continued professional development, have access to state of the art facilities on site. The Centre, funded, designed and being built by the University of Buckingham, is due for completion in 2017.

### Improving and Developing Our Hospital Buildings

Throughout the year there has been a tremendous amount of work done behind the scenes by our Estates team to ensure that the closure of our old main entrance and the opening of a new, temporary one at the treatment centre went without a hitch.

New signage and walkways were erected to ensure that patients and visitors arriving on site could travel to their required destination safely, and under cover. We held a public consultation event in February so that interested parties could have their say over what they would like to see in our soon-to-be-built welcome centre, which will be situated where the current entrance six now stands.

Throughout the year, there has been continuous work going on in wards, departments and corridors, with many updates including new flooring, fixtures and fittings and ongoing decorating to ensure that the every area of the hospital is fresh, clean and welcoming.

### Sexual Health Service Returned to MKUH

We were delighted to welcome back the city's sexual health service to the hospital. From April 2015 all sexual health services for the people of Milton Keynes have been handled from the Stratford Suite on site.

## Our People

### Staff Awards

We held our second annual staff awards in November. The event was a huge success and a wonderful celebration of the determination, dedication, skills and expertise of so many of our staff from all areas of the hospital.

### NHS Staff Survey 2015

More staff at the hospital than ever before have reported feeling that the care of patients is the Trust's top priority and that concerns raised about care are acted upon. The survey also revealed that more staff would recommend the organisation as a place to work or receive treatment.

### Schwartz Rounds

Schwartz Rounds were introduced to the hospital in January 2016. The rounds were inspired by Kenneth Schwartz, a Boston Lawyer who died from lung cancer in his 40's. He wrote movingly about the positive impact of receiving compassionate care and the emotional cost to staff that this involves. Schwartz Rounds create safe spaces to reflect and share the psychological aspects of caring.

The rounds are open to all staff to attend, clinical and non-clinical and the aim is not to problem solve, identify priorities or produce action plans. They are a safe time in which challenging work experiences can be spoken about, thought about, or sometimes just simply witnessed.

### A Great Place to Work!

The hospital was named amongst the top 120 best places to work, as compiled by the HSJ, Nursing Times and supported by NHS Employers.

The list celebrated the healthcare workplaces that are working the hardest for their staff and striving to ensure a positive workplace experience. It was collated using data from the NHS Staff Survey and analysed by the Health Service Journal (HSJ) and Best Companies Group, an independent workplace research firm.

### Long service

We celebrated the dedication of over 80 members of staff who have worked for the Trust for 25 years or more. These committed individuals were awarded certificates over afternoon tea.

### Work Experience for Students

Local sixth form students interested in a career in nursing and midwifery participated in a week-long work experience placement, gaining a valuable insight into life as an NHS employee.

The students completed placements in the clinical wards and also received daily, tailored education sessions on a variety of topics such as essential nursing care, how to apply for nurse and midwifery training and mock ups of clinical scenarios.

Supported by Health Education Thames Valley, it was the first year the programme has been run. We're hoping that the success of this project will support student nurses and midwives choosing to train at the hospital.

Feedback showed that the students had a fantastic week, which ended with a presentation ceremony where they received a certificate and a stethoscope.

### Shoebbox Appeal

In December, staff nurse Lisa Driscoll launched a shoebbox appeal for the hospital's older patients to ensure they received Christmas gifts. She was overwhelmed by the number of donations, with the generosity of staff and the community making Christmas really special for those who spent it with us as patients

### Nursing Conference

More than 200 delegates from across the UK attended our conference at the Open University on the future of nursing education. The event showcased the innovative work we do in ensuring that nurses and midwives continue to develop their careers.

The free event included keynote speeches from Dr Kathleen Duffy from NHS Education Scotland and Professor John Clark, director of education for LETB (Local Education Training Board) for Thames Valley.

### Hello My Name is...

Ensuring that staff properly introduce themselves to patients is crucial in making them feeling involved in their care. We joined the 'Hello, my name is...' campaign in 2015, committing to do this one simple thing to improve patient experience.

The idea was the brainchild of Dr Kate Granger from Yorkshire. Finding herself on the other side of the hospital bed, as a patient she became frustrated with the number of staff who failed to introduce themselves. Her campaign to change this started on Twitter. It's simple - reminding staff to go back to basics and introduce themselves to patients properly.

### Spring to Green

Over Easter in 2015 we ran our first 'Spring to Green' initiative, a spring-clean approach to hospital practice. This resulted in lots of positive changes, including an average of 20 patients a day being discharged before lunch, wards and departments supporting A&E with rapid transfer to appropriate beds and take-home prescriptions ready well ahead of time.

### Warm Up For Winter

The chilly season version of Spring to Green worked incredibly well. Among the highlights were over 20 patients being discharged in one day – an eight-week record!

### A&E Performance

During September, we saw our best week ever in the department with an amazing 98.6% of patients seen within the recommended four hours.

In the entire seven-day period there were a total of only 20 patients who spent more than four hours in the department, most of those for appropriate clinical reasons

### Glaucoma Patient Support Group

This group, for patients and their families affected by the eye condition, was instigated by the Eye Clinic team. It has proved so successful – and immensely popular – that it has outgrown its original meeting place in the Lecture Theatre and meetings are now held off site. Our Eye Clinic nurses Lorraine Montgomery and Jill Kimber gave a presentation at the Royal College of Nursing to explain the steps they took to create the group, advising other Trusts who want to do the same.

### Twiddlemuffs Campaign

Last year saw the launch of the Twiddlemuffs campaign at the hospital. They are sensory sleeves created for patients living with dementia so that they can entertain their hands instead of fiddling with cannulas and drips. The patients can take the Twiddlemuff home with them once discharged from hospital. They had an overwhelming response from staff, members of the public and local organisations, such as Hobbycraft, who donated wool, buttons and buckles.

### Quacking Idea!

New signage has been introduced to the children's wards following feedback from parents that they were hard to find when walking into the hospital from the parent and child parking spaces near to A&E. The new signage includes duck footprints running along the red brick paths to the entrance and then ducklings along the walls all the way to the wards, in addition to more traditional signage.

### Exciting changes at the Stroke Unit

A new stroke pathway introduced by the team in the Stroke Unit will see patients coming into the ED being assessed and brought up to the unit within four hours.

It has been shown that patients that are brought onto specialist units quickly make far better recoveries in the long-term. A combination of assessment and specialist nursing in the unit ensures that patients receive the best possible care early on in their treatment. In addition, the team have re-organised the acute bays to allow more space for equipment to be used in the acute phase of recovery. The changes have enabled the team to de-clutter and create bay nursing which allows them to provide constant observation and assessment as well as improving patient experience.

## Developments in Maternity

There have been lots of positive developments in our maternity department to ensure that parents and their babies get the best possible care. This includes:

- The creation of a separate clinical division for women and children's services (maternity, obstetrics, gynaecology, neonatology and paediatrics) with a new clinical and managerial leadership team
- The updating of monitoring equipment for unborn babies and relevant additional training for midwives
- Rapid escalation processes if abnormal foetal monitoring traces are identified
- Centralised reviews of all women in labour, with an hourly 'fresh eyes' review carried out by a second midwife independent of the midwife directly involved in the woman's care
- The appointment of a dedicated Labour Ward manager

## Wi-Fi for Patients and Visitors

All patients and visitors now have access to free Wi-Fi access in an effort to make the patient experience even better. With more and more people using smartphones, laptops and tablets, free Wi-Fi seemed a logical next step to enhance the service.

## New EPR

We took the first steps for our new Electronic Patient Records system in August, beginning with a switch from BT to a Gerner data centre. All ward staff have been trained on the new system which will be introduced during 2016.

## Research Partnership with Medical Detection Dogs

Urology consultant Mr Iqbal Anjum has pioneered our first home-grown research study. It's a clinical trial into the detection of prostate cancer using specially trained Medical Detection Dogs from the charity based at nearby Great Horwood. This exciting study will soon be recruiting healthy volunteers to donate urine samples. The news was greeted with great excitement across the world and covered by over 100 news outlets worldwide.

## Launch of hospital newspaper

In the autumn we launched our first hospital newspaper, branded 'The Checkup', aimed at everyone from staff and patients to visitors and the wider community. Features include an insight into the daily routine of an Education Centre Manager, information on our work experience program and life in hospital from a patient perspective.

## Core Clinical

The Core Clinical division started the financial year with a second cohort of Management Awareness Programme trainees finding that they had passed their CMI Level 3 certification, and ends it with its third cohort of trainees having performed well in their assessment and awaiting their results.

## Life saver

In March 2016 Conrad Maramba, Acting Deputy Security and Car Parks Manager, received an award in recognition of work encouraging apprenticeships in the Trust and also received recognition from the police with an Area Commander's Commendation following his bravery in saving the life of a person who attempted suicide by jumping from the top of the multi-storey car park on three separate occasions. Conrad climbed the fence on the top floor himself, and was able to talk the person down, on one occasion having to hold on to them to prevent them from jumping.

## Our Support Team

Support Team has been working with taxi company Skyline, who have signed an agreement to continue sponsorship of wheelchairs and provide taxi free-phones across the Trust. Money generated will be used to increase the number of wheelchairs available to patients and visitors over the three year contract term.

## Catering

Catering has successfully trialled a new system for ordering meals for inpatients. This means that patients now order their food on the day they are going to eat it, rather than the night before. This means they get what they really fancy to eat that day. It has resulted in significantly less food wastage than under the old system and will now be rolled out across the Trust.

## In House training for domestics

The Domestics Department decided last year to bring their training in-house and develop their own training academy. At the end of their first year they have now trained 98% of their staff (180 in total) in subjects such as infection prevention and control, microfibre cleaning methods and health and safety.

## 4Ws: Welcome, Water, Warm, Warning

We launched the 4Ws: Welcome, Water, Warm, Warning. This mantra is to remind staff to introduce themselves to patients, check they can reach their drink, ensure they are warm enough and decently covered, and that they can reach their call bell.

## National Apprenticeship Week 2016

During National Apprenticeship week we held a fantastic celebration event to recognise the achievements of the 24 employees who have finished their apprenticeships at the Trust. There are currently around 60 employees doing their apprenticeships around the Trust. The qualification is the equivalent of two A-levels and two GCSEs. The Trust also held its very own version of The Apprentice as part of the week, where our apprentices were invited to submit ideas as to how we can improve patient experience. Thomas Davidson and Tracie Thompson from Catering were joint winners for their great idea of offering a trolley service from the restaurant to those patients who might not be able to get there themselves.

## Milton Keynes Hospital Charity

We had a successful year with companies and local businesses supporting our charity and appeals – helping us raise over £200,000 to make life that little bit more comfortable for all our patients.

Here are just a few of the highlights:

- The Little Lives Appeal was chosen by Sainsbury's in Central Milton Keynes as their charity of the year and delivered some special Christmas stockings to the neonatal unit for our tiniest patients and their families. Barclays Bank in Bletchley also supported the appeal and helped us raise £400 over the festive period from a Christmas jumper day.
- Easycopiers Limited raised the funds to donate Vapotherms to the Neonatal unit.
- Wyvern School in Wolverton fundraised for our cancer services. They raised over £4,300 by holding a host of events from a cake sale to Christmas cinema, and two staff members took part in the Silverstone half marathon
- The Lions Club of Bletchley donated their time to maintain and spruce up their courtyard garden throughout the year.
- Thousands of pounds were raised at a winter ball and a Frozen sing-a-long cinema screening





Milton Keynes Hospital Charity

# Help us make a difference for patients at Milton Keynes Hospital

Volunteer • Fundraise • Donate

☎ 01908 660033

✉ fundraising@mkhospital.nhs.uk

📱 twitter.com/MKHCharity

📘 facebook.com/MKHCharity

Milton Keynes Hospital Charity is a registered charity number 1048297



Guess the number of sweets in the bucket – and win the bucket!

Hello!

We're raising funds for

THOMAS & FRIENDS The Busy Engines

Smurf

20

475



Milton Keynes Hospital Charity

440

## Governance Of The Trust

### Board of Directors

The Directors of Milton Keynes University Hospital NHS Foundation Trust present the annual report.

### Monitor Code of Governance

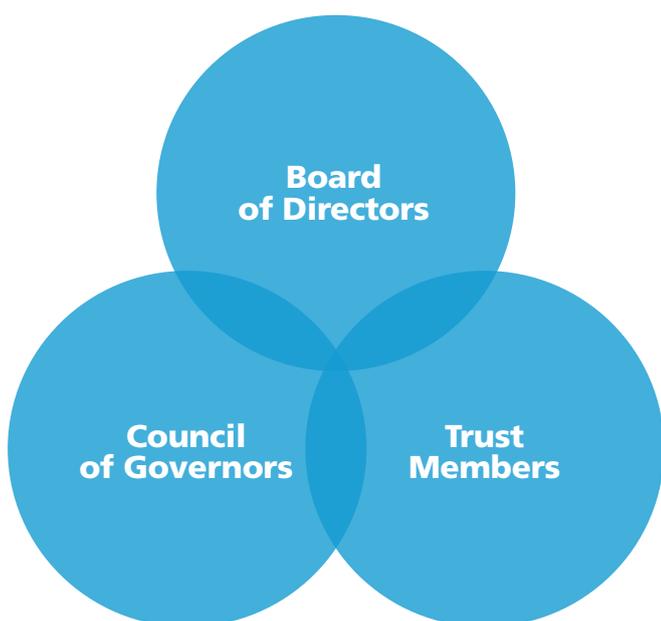
Milton Keynes University Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code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

The Board of Directors consider it is compliant with the Code of Governance except in two areas which are detailed later in the Director's report on page 94.

The Directors consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members and the public to assess the Trust's performance, business model and strategy.

### Corporate Governance

There are legislative requirements concerning the governance of all NHS foundation Trusts which require such organisations to have three principal components of the governance structure.



A brief overview of each is provided below:

The **Board of Directors** (the 'Board') is made up of Executive Directors and 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 Foundation Trust.
- Non-Executive Directors are not employees, but officers; they bring to the Board an independent perspective and have a duty to challenge decisions and proposals made by the Executive Directors and to hold Executive Directors to account.

The Board of Directors is led by the Chairman who is also a Non-Executive Director.

The **Council of Governors** is made up of appointed and elected Governors.

Appointed Governors represent stakeholder organisations such as the local council, Milton Keynes Healthwatch and Milton Keynes CCG.

Elected Governors are elected by their distinct constituencies:

- 'Public Governors' elected by members of the respective public constituency.
- 'Staff Governors' elected from the staff body.

The Council of Governors has a statutory duty to 'hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.

**Members** of the Trust comprise members of the public or staff who work at the NHS Foundation Trust. Members vote to elect Governors and can also stand for election themselves. In accordance with Monitor's 'NHS Foundation Trust Code of Governance', NHS foundation Trusts have a number of statutorily required positions across the Board of Directors and Council of Governors.

These comprise:

- A Chief Executive and Executive Directors including a Director of Finance, Director of Nursing, Medical Director plus other Executive Directors.
- A Chair, plus a Deputy Chair and Senior Independent Director (these roles may be taken by one person) plus other Non-Executive Directors (note: the total number of Non-Executive Directors must always exceed the total number of Executive Directors).
- A Lead Governor plus other Governors.

## Governance structure

Milton Keynes University Hospital NHS Foundation Trust is a public benefit corporation established under the Health and Social Care (Community Health Standards) Act 2003, which was replaced by the National Health Service Act 2006.

The Board of Directors at Milton Keynes attaches great importance to ensuring that the Trust operates to high ethical and compliance standards. In addition, it seeks to observe the principles of good corporate governance set out in the Monitor NHS Foundation Trust Code of Governance updated in July 2014. Furthermore, the Board of Directors is responsible for the management of the Trust and for ensuring proper standards of corporate governance are maintained.

The Board of Directors accounts for the performance of the Trust and consults on its future strategy with its members through the Council of Governors.

The Council of Governors' role is to influence the strategic direction of the Trust so that it takes account of the needs and views of the members, local community and key stakeholders, to hold the Board to account on the performance of the Trust, to help develop a representative, diverse and well-involved membership, and to help make a noticeable improvement to patient experience. Governors undertake this role by speaking to constituents either individually or at local meetings e.g. community group meetings, patient participation group meetings. In addition, Governors are contacted by local residents and have provided their contact details to local community councils to enable residents to contact them easily. The Trust publishes Governor details on its website.



The Chairman has regular informal meetings with the Governors to discuss issues facing the Trust including financial and operational performance and the Healthcare Review. This is in addition to the on-going bi-monthly Board and Council of Governors meetings where this and other business is routinely discussed. The Council of Governors also has to carry out other statutory and formal duties, including the appointment of the Chairman and Non-Executive Directors of the Trust and the appointment of the external auditor.

In the event of a dispute or disagreement between the Council of Governors and Board of Directors, in the first instance the Chairman would endeavour to resolve this. Should a resolution not be reached, the Chairman may ask the Trust Secretary, Senior Independent Director and/or the Deputy Chairman to review the matter further. If a final decision is not reached, the matter would be referred back to the Chairman for a final decision.

## Constitution

The Trust constitution was reviewed during 2015 to reflect the change in title of the organisation to Milton Keynes University Hospital NHS Foundation Trust and other minor amendments were made. The Board approved the revised constitution in July 2015 and is available on the Trust website:

[http://www.mkhospital.nhs.uk/index.php?view=download&alias=879-Trust-constitution&category\\_slug=corporate-documents&option=com\\_docman&layout=table&Itemid=646](http://www.mkhospital.nhs.uk/index.php?view=download&alias=879-Trust-constitution&category_slug=corporate-documents&option=com_docman&layout=table&Itemid=646)

## Cost Allocation and charging requirements

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

## Political and Charitable Donations

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

## Significant Events since the Balance Sheet Date

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, 2016.

## Better Payments Practice Code

The Trust uses the Better Payments Practice Code with regards to paying creditors and has improved its year-on-year position from a rate of 66% of invoices in the year ending 31 March 2015 to 90% in the year ending 31 March 2016, which represented 87% in value terms. The Trust also paid £nil in interest charges in respect of late payment of invoices.

## Accounting Policies and other retirement benefits

The accounting policies for pensions and other retirement benefits are set out in note 1.5 Pension costs of the Financial Statements and the arrangements for senior employees' remuneration can be found in the Remuneration report.

## Statement on fairness, Balance 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.

## 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).



## Enhanced Quality Governance Reporting

### 1. Monitor's Quality Governance Framework

The Trust Board is required to evaluate on a quarterly basis the performance of the Trust against Monitor's Quality Governance Framework. In view that the Trust could not achieve a financial risk rating of 3 for the next 12 months, referral to treat (RTT) not being achieved throughout the year, 62 day cancer target not being achieved in Q3 and A&E 4 hour target not being achieved in Q4, therefore the governance statement has been signed as not compliant in all quarters.

The Trust Board undertook a self-assessment against Monitor's Quality Governance Assurance Framework and the Well Led Framework in July 2014. Aspirant Foundation Trusts (FT) must score less than 4 against the framework to be able to apply for FT status. The Board self-assessment scored the Trust at 3 and requested that the supporting evidence be reviewed and reported to the Board in September. Following internal review and challenge it was agreed that the self-assessment score was 5.5, because some of the associated assurance had not been approved e.g. a quality improvement strategy. The quality improvement strategy was approved by the Board in September 2014. The Trust is now moving towards formal assessment under the combined Monitor and CQC Well Led Framework.

The CQC undertook an inspection in October 2014 and the Trust was rated Good for well led. Therefore, following discussions with Monitor it was determined that an independent well led review was not required in 2015/16.

### 2. Care Quality Commission - Review of Compliance of Essential Standards of Quality and Safety

The Trust had a planned inspection from the CQC during the week commencing 21st October 2014. There has been no further inspection since this date, making the matrix below the current rating, despite being 18 months old.

Milton Keynes University Hospital NHS Foundation Trust received no notification of compliance or enforcement action required within the report.

Areas for improvement – identified in 2014 and how we have improved these since the inspection

#### 1. Calling for help in the Medical Assessment Area waiting area.

- The area in question is no longer in use and therefore this matter has been resolved.

#### 2. Secure storing of cytotoxic waste.

- Our recent audits on the storage of cytotoxic waste indicate the work we undertook has made us compliant on this issue.

#### 3. Full and accurate records relating to care and treatment, (VTE, dementia, fluid balance)

- The Trust is compliant on VTE and dementia audits. We continue to work on our implementation of fluid balance charts and have just introduced a new chart and process to improve completion.

Specialty Area	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and Emergency services	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement	Requires improvement
Medical care	Requires improvement	Requires improvement	Good	Requires improvement	Good	Requires improvement
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	Requires improvement	Good	Good	Good	Good	Good
Outpatients and Diagnostic Imaging	Good	Not Rated	Good	Good	Good	Good
<b>Overall</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Good</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Requires improvement</b>

#### 4. Staff uptake of mandatory training.

- The Trust has an 89% compliance with mandatory training.

#### 5. Transferring inpatients from MAU within 72 hours.

- The Medical Director has undertaken significant work to redesign the patient flow from the medical assessment areas. We are presently auditing this to see if the changes undertaken have resulted in sustained improvement in delays.

#### 6. Pre-operative safety checks.

- The Trust has a 100% audit on the pre-operative safety checklist.

#### 7. Cleaning schedules for shower chairs and stools.

- These are in place and being checked on a regular basis.

#### 8. Privacy and dignity in A&E.

- Since the CQC visited, we have redesigned our A&E Department and built new areas to improve the patient experience. All of the new initiatives have been undertaken to ensure the privacy and dignity of patients in the Department.

#### 9. Do Not Attempt Cardiopulmonary Resuscitation (DNA CPR) documentation

- Policy has been revised to include recent legislation and was adopted in 2015. There has been extensive communication to clinical staff regarding the DNA CPR policy.

#### 10. Completion of action plans in Maternity and Gynaecology.

- Please see full maternity update in Quality Section of report.

#### 11. Operational protocols for partners on Ward 9 overnight.

- These have been completed and we have received excellent feedback from parents on this issue.

### Compliance with Monitor (NHS Improvement) Licence

In 2014/15 the Trust was in breach of its Licence conditions with regard to the non-delivery of the A&E 4 hour target, financial deficit position and governance rating. In January 2015 enforcement undertakings were agreed by the Trust under s106 of the Health and Social Care Act 2012. The conditions included:

- Delivery of a financial improvement plan
- Strategy – Healthcare review
- Board Governance actions
- A&E performance improvement

Compliance with the enforcement conditions were reviewed at the regular Performance Review meetings with Monitor (NHS Improvement).



## Board of Directors

The diagram below details the membership of the Board of Directors as at 31 March 2016:



\* Not Executive Directors  
 \*\* Appointed Feb 2016

In addition to the above Board Members, other members of the Board in 2015/16 were:

Frank Burdett, Non-Executive Director left the Trust in February 2016

Andrew Blakeman, Non-Executive Director joined the Trust in February 2016

## Non-Executive Directors Roles and responsibilities

### **Non-Executive Directors (including the Chairman):**

The Board of Directors is collectively accountable for the performance of the Trust and Non-Executive Directors play a key role in taking a broad, strategic view, ensuring constructive challenge is made and supporting and scrutinising the performance of the Executive Directors whilst helping to develop proposals on strategy. Furthermore, Non-Executive Directors should satisfy themselves as to the integrity of clinical, financial and other information, and that there are effective and robust systems of risk management and control mechanisms. The appointment of, and remuneration of, Executive Directors' is the responsibility of Non-Executive Directors performance.

**Chairman:** together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Chairman is responsible for leadership of the Board of Directors and the Council of Governors. Furthermore, the Chairman is responsible for ensuring the effectiveness of the Board of Directors and the Council of Governors on all aspects of their role and leading on setting the agenda for meetings. The Chairman also leads on the evaluation of the Non-Executive Directors.

**Deputy Chairman:** together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Deputy Chairman will deputise for the Chairman in his absence, which may involve chairing the Board of Directors' and/or Council of Governors' meetings and any other such meetings for which the Chairman of the Trust is also the appointed Chairperson.

The Deputy Chairman is responsible for supporting the Chairman in ensuring the effectiveness of the Board of Directors' and Council of Governors' meetings.

**Senior Independent Director:** together with the other Executive and Non-Executive Directors, collectively accountable for the performance of the Trust. The Senior Independent Director has a key role in supporting the Chairman in leading the Board of Directors and Council of Governors, providing advice as required. The Senior Independent Director maintains regular contact with, and attends meetings of, the Council of Governors to obtain a clear understanding of Governors' views on key strategic and performance issues and matters of concern, and is responsible for leading the appraisal of the Chairman with the Lead Governor of the Council of Governors.





## Executive Directors

**Executive Directors (including Chief Executive):** are accountable, with Board colleagues, for engaging with the local community and staff in creating a vision for the organisation and developing the strategy for implementing it. They are accountable also for exemplary corporate leadership and governance of the organisation, dedicated to the delivery of healthcare services that meet quality standards, are value for money and, are provided with professionalism, compassion and care.

**Chief Executive:** is responsible for leading the Executive Directors in managing an organisation that is committed to excellence, working together and facing the future as it delivers professional, high quality healthcare services.

**Deputy Chief Executive:** is responsible for directing and leading the delivery of professional information technology, and business strategy, information and performance services, estate and facility services.

**Director of Finance:** is responsible for directing and leading the delivery of professional finance and procurement services.

**Director of Workforce:** is responsible for directing and leading the delivery of professional human resources, organisational development.

**Medical Director:** is responsible for directing and leading the delivery of professional, high quality medical services and, with the Director of Patient Care and Chief Nurse, leads on clinical quality (Clinical Governance).

**Director of Patient Care and Chief Nurse:** is responsible for directing and leading the delivery of professional, high quality nursing and midwifery services and, with the Medical Director, leads on clinical Governance.

**Director of Operations (not an Executive Director):** is responsible for directing and leading, together with the professional, high quality day-to-day operation of the organisation, including the management of the site, working hand-in-hand with medical, nursing, midwifery and other clinical, scientist and management colleagues.

**Director of Corporate Affairs (not an Executive Director):** is responsible for directing and leading media and public engagement, corporate services including the company secretariat, and clinical governance.

**Director of Service Development (not an Executive Director):** is responsible for directing and leading the programme of integration and transformation across all specialities and functions provided in the hospital and the implementation of the Electronic Patient record (EPR) system.

## Operation of the Board of Directors

The Board of Directors meets regularly and has a formal schedule of matters specifically reserved for its decision. This includes high level matters relating to strategy, business plans and budgets, regulations and control, annual report and accounts, audit, and monitoring how the strategy is implemented at operational level. The Board delegates other matters to Executive Directors and senior management.

Board of Directors meeting follow a formal agenda, which includes operational performance and performance against quality indicators set by the Care Quality Commission (CQC), Monitor and by management, strategic issues, financial and non-financial performance, and clinical governance. The performance measures include patient access to the Trust emergency department, length of stay, infection control targets, areas of quality for patients including complaints, and the results of the Friends and Family Test. The Board also reviews performance against that of other Trusts.

## The Board of Directors and their Independence

At the end of the financial year 2015-2016, the Board of Directors comprised:

- Chairman of the Trust;
- Six further Non-Executive Directors;
- Chief Executive;
- Five further Executive Directors;
- Three non-voting Directors.

As at 31 March 2016, 37.5% of the members of the Board of Directors were female (6 female and 10 male Board members). The Board of Directors reviewed and confirmed the independence of all the Non-Executive Directors who served during the financial year 2015-2016.

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.

The Executive Directors did not hold any other Non-Executive Directorships or commitments disclosable under the Monitor Code of Governance.



## Board Performance

The performance of the Trust Board was monitored through a series of meetings with the independent regulator Monitor. Impending non-executive director vacancies were discussed with Monitor with regard to the skills and knowledge required to strengthen the Board.

The Chairman of the Board meets with each non-executive director on a one to one basis to discuss forthcoming issues and their individual performance. The non-executive directors have a telephone conference on a weekly basis to discuss issues and these are raised by the Chairman with the Chief Executive.

The Board undertook a self-assessment using Monitor's Well Led framework in July 2015 which identified areas for further development which has formed the basis of the Board development days. The Board has received development sessions on the Board Assurance Framework and risk appetite, themes and lessons learnt from Savile enquiry, changes to funding arrangements for the Trust, Introduction to Department of Health mandated GS1 standards and the EU Directive for Pan European Public Procurement OnLine (PEPPOL) and presentation from Heart of England lead Director regarding the surgical lookback exercise.

Baroness Wall's performance as Chairman was assessed by David Moore, SID, in conjunction with the Lesley Bell, the Lead Governor and was reported to the Council of Governors in December 2015.

The Chairman undertook an appraisal with each NED which included receiving feedback from Board members on performance and reported the outcome to the Council of Governors in January 2016.

## Board, Board-level Committee and Directors' performance appraisal

The Executive and Non-Executive Directors recognise the importance of evaluating the performance and effectiveness of the Board of Directors as a whole, sub-committees of the Board of Directors, and individual directors. The performance is assessed during the year in terms of:

- Attendance at the Board of Directors and committee meetings;
- The independence of individual directors;
- The ability of Executive and Non-Executive Directors to make an effective contribution to the Board and other committees through the range and diversity of skills and experience each director brings to the role;
- The Board of Director's ability to make strategic decisions and to lead the Trust effectively.

The Board of Directors and its committees have opted to conduct an effectiveness evaluation through questionnaires and discussion.

In respect of individual appraisals:

- The Chairman undertakes the appraisal of the Chief Executive and other Non-Executive Directors;
- The Chief Executive undertakes the appraisal of the other 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 e.g. MKCCG.
- The Chief Executive discusses and reviews the Executive Directors' appraisals with the Chairman and the Remuneration Committee.

The process for the review of the Chairman and the Non-Executive Directors was 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.

To assist the Trust in identifying any training needs, the Governors also evaluate the performance of the Council of Governors. The Council of Governors retains the power to hold the Board of Directors' to account for its performance in achieving the Trust's objectives, in accordance with Monitor's NHS Foundation Trust Code of Governance.

The result of the evaluation process of the Board of Directors' performance in respect of the year ended 31 March 2016 was that the Board collectively and the Directors individually were deemed to have performed well. There remains a need to continue to focus on external engagement and communication both internally and externally.

Evaluation of the committees also indicates that they are working well with a good level of debate and interaction between the Executive and Non-Executive Directors and others who attend meetings.

### Board Development

The Board is cognisant that it needs to continually develop collectively and individually to improve strategic leadership and strengthen corporate governance to meet the future challenges for the Trust. It has commissioned People Opportunities to undertake a bespoke Board development programme which involves one to one discussions, observation at Board and Committee meetings and dedicated Board development sessions in 2016/17.

### Board of Directors Composition:

The composition of the Board of Directors at 31 March 2016 is detailed below:

NON EXECUTIVE DIRECTORS	
Name	Appointment
Baroness Margaret Wall	Chairman
Jean-Jacques De Gorter	Non executive director
Robert Green	Non executive director
Simon Lloyd	Non executive director
David Moore	Non executive director
Tony Nolan	Non executive director
Andrew Blakeman	Non-executive director (appointed February 2016)

EXECUTIVE DIRECTORS	
Name	Appointment
Joe Harrison	Chief Executive
Lisa Knight	Director of Patient Care and Chief Nurse
Martin Wetherill	Medical Director
John Blakesley	Deputy Chief Executive
Ogechi Emeadi	Director of Workforce
Jonathan Dunk	Director of Finance
Kate Burke	Director of Corporate Affairs (Maternity leave from May 2015 to Jan 2016)
Caroline Hutton	Director of Operations
Emma Goddard	Director of Service Development

OTHER BOARD MEMBERS DURING 2015/16	
Name	Appointment
Sophia Aldridge	Interim Director of Corporate Affairs (May 2015 to January 2016)
Frank Burdett	Non-Executive Director until February 2016

## Board of Directors: biographies

Biographies for individuals who served as directors on the Board at any time during the year ended 31 March 2016 are detailed below. As can be seen from the directors' biographies and from the Trust's compliance with the requirements of the Monitor NHS Foundation Trust Code of Governance (updated in July 2014), the Board of Directors has an appropriate composition of skills and depth of experience to lead the Trust. The Board considers all the non-executive directors to be independent as they are appointed to the role and are not employees of the Trust.

## Non-Executive Directors

### Baroness Margaret Wall

#### CHAIRMAN (FROM 1 JULY 2014)

- Baroness Margaret Wall of New Barnet joined the Trust in July 2014 for a period of three years. In January 2016, the Council of Governors approved an extension to the Chairman's term of office until end July 2018.
- Before joining us, she was Chair at Barnet and Chase Farm Hospitals NHS Trust.
- Achievements during her tenure at Barnet and Chase Farm Trust include a complete turnaround in performance, with the hospital now one of the best performing in London across all areas of patient care; and a move towards sustainability and security for acute health provision through a locally led and delivered service reconfiguration.
- Baroness Wall's career was in the Trade Union movement, latterly as National Secretary and Head of Politics/Policy at Amicus, whose members include NHS professional and technical staff.
- She was created a life peer in the House of Lords in 2004 and was Chair of the Labour Party from 2001 to 2002.
- Baroness Wall is passionate about ensuring services Milton Keynes University Hospital provides for local people are safe, effective and responsive and will continue to be able to meet the needs of our communities.

### Dr Jean-Jacques de Gorter

#### NON-EXECUTIVE DIRECTOR

- Joined the Trust in March 2014. Three year appointment.
- Dr de Gorter has held hospital and GP appointments in the NHS, Australia and New Zealand before joining NHS Direct as a Medical Director
- Joined the private sector as Director of Clinical Services at BUPA Hospitals.
- Since 2007 he has been Group Medical Director of Spire Healthcare Ltd.
- He lives in Buckinghamshire.

### Andrew Blakeman

#### NON-EXECUTIVE DIRECTOR

- Joined the Trust in February 2016 for a three year period.
- Andrew 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 the 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.
- Andrew is committed to ensuring patients are cared for safely and compassionately, that risks are identified and managed and the Trust's objectives are achieved.

## Robert Green

### NON-EXECUTIVE DIRECTOR

- Joined the Trust in January 2013. Four year appointment.
- Qualified Chartered Accountant with PwC
- Over 30 years Board and senior financial experience mostly in the UK but also in the Far East and US
- Was Group Finance Director of Wilson Connolly, based in Northampton, a FTSE 250 company
- MA Mathematics, Oxford University
- Has lived in Milton Keynes for 14 years

## Simon Lloyd

### NON-EXECUTIVE DIRECTOR

- Joined the Trust May 2015 for a three year period.
- Originally qualified as a solicitor and spent some years in private practice as a corporate lawyer.
- Simon 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 Bank of Ireland in the UK, including HR, Premises and Shared Services.
- Simon joined Alliance & Leicester in 2003 as Group Secretary and became Group Secretary and HR Director in 2007. Simon was People & Talent Director for Santander UK between 2009 and 2014 and until recently Chief People Officer & General Counsel for Santander UK. He is now General Counsel & Chief Administrative Officer.

## David Moore

### DEPUTY CHAIRMAN (SENIOR INDEPENDENT DIRECTOR FROM 1 MARCH 2014)

- Joined the Trust in March 2012 for a four year period. Following a recruitment process David Moore was appointed for a further two years in February 2016.
- Spent 28 years working internationally for Citibank returning to the UK in 2008 as Managing Director for Citi Private Bank Operations Division in EMEA and Asia before retiring at the end of 2011
- Significant experience in governance, finance, operations, strategic planning, quality and change management
- Public Member of Network Rail from 2008 through 2011
- Lay Member of the Council of the University of Leicester sitting on Finance, Remuneration and Health & Safety Committees
- Independent Auditor for the Welton Townlands Trust
- Holds a Masters of Business Administration (MBA) and BA in Social Sciences

## Tony Nolan

### NON-EXECUTIVE DIRECTOR (FROM 1 MAR 2014)

- Joined the Trust in March 2014. Four year appointment.
- Held senior positions in multi-national companies
- Currently the Group Head of Business Improvement for Vodafone Group.
- Extensive experience in performance in a customer focused setting.
- Lives in Buckinghamshire.

## Executive Directors

### Joe Harrison

#### CHIEF EXECUTIVE

- Joined the Trust in February 2013.
- Formerly Chief Executive at Bedford Hospital for two years.
- 25 years' experience of working in the acute sector of the NHS, covering both big teaching hospitals and district general hospitals.
- Roles have included a range of senior operational and corporate positions at several London hospitals with a track record of improving patient services and performance

### John Blakesley

#### DEPUTY CHIEF EXECUTIVE

- Over 30 years of experience in the NHS. His career started in Pathology, before moving into general management. He has undertaken a range of executive director 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 with a specialised surgical company.
- Particular interest is using information systems as a means to improve patient care and decision-making
- Becoming the substantive Director of Performance and Delivery on 1 April 2014

### Kate Burke

#### 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, police and criminal justice agencies, national government agencies and private companies.
- 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 as associate director of corporate affairs and communications and company secretary.
- Kate is passionate about staff and patient engagement, leadership, culture and transformation and about developing integrated governance systems to support the delivery of safe, effective, high quality care.

### Jonathan Dunk

#### DIRECTOR OF FINANCE

- CIPFA qualified accountant with 10 years senior experience in the acute Trust setting.
- Currently part of the NHS Leadership Academy, Nye Bevan Programme, taking high performing NHS employees through to a new qualification in NHS Executive Leadership.
- Prior to arriving at Milton Keynes was heavily involved in the pioneering acute Trust franchise process implemented at Hinchingbrooke NHS Trust.
- Been employed within the NHS for 14 years, initially entering through the National Graduate Programme.

### Ogechi Emeadi

#### DIRECTOR OF WORKFORCE

- Prior to joining the Trust in March 2014, was Deputy Director of HR at North Middlesex University Hospital.
- Over 20 years' experience working in HR in the NHS delivered on strategic and operational human resources initiatives and organisational development agenda.
- Passionate about improving staff health and wellbeing and driving forward staff development.

### Caroline Hutton

#### DIRECTOR OF OPERATIONS

- 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.
- Caroline is a registered nurse with 29 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 large complex cross organisational projects and programmes.
- Caroline 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 and is passionate about encouraging collaboration of teams to consider new approaches to delivery of patient care as well as encouraging a data driven approach to operational planning and delivery.

### Emma Goddard

#### **DIRECTOR OF SERVICE DEVELOPMENT**

- Appointed in December 2014 as the Director of Service Development.
- Experience includes various senior operational posts, in a range of NHS Hospitals, over a number of years. This has led to significant experience gained, across clinical services of the acute sector, and partnership working with commissioners, primary care services and the private sector.
- Prior to joining Milton Keynes University Hospital as Director of Service Development, Emma spent some years working at Board level at Bedford Hospital working as the Chief Operating Officer. She has also spent some time working in the interim as Director of Operational Performance, responsible for the day to day running of the sites and supporting the Foundation Trust applications at the Hillingdon Hospitals.

### Lisa Knight

#### **DIRECTOR OF PATIENT CARE**

- Appointed as Chief Nurse and Director of Patient Care in October 2012, with 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.
- Operations Manager for surgery at Chase Farm, 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.
- Particular nursing interests include effective pathways for the care of the elderly, safeguarding adults and managing the needs of patients with dementia.

### Mr Martin Wetherill MRCS LRCP MB BS

#### **MEDICAL DIRECTOR**

- Worked for Milton Keynes University hospital for more than 20 years and has a special interest in teaching and service transformation
- Trust's Clinical Transformation Director
- Led the trauma, orthopaedics and rheumatology teams as clinical director at Milton Keynes from 1991
- Active committee member for regional and national committees including those regarding professional practice, teaching and assessment for consultant status of orthopaedic surgeons
- Medical Director from July 2011

## Other Board Members in 2015/16

### Dr Frank Burdett

#### **NON-EXECUTIVE DIRECTOR (LEFT IN FEBRUARY 2016)**

- Joined the Trust in February 2012. Four year appointment.
- Until recently Pro Vice Chancellor at The University of Northampton with responsibility for strategy across research, innovation, enterprise, marketing, and international, as well as oversight of the School of Health, Northampton Business School and the School of Science and Technology
- Created over £30 million of successful projects including the Portfolio Innovation Centre, the ICON Sustainable Construction Centre and the NVision 3D Immersive Visualisation Centre
- Co-founded the University's Research Centre for Health & Wellbeing with the local PCT and County Council
- Prior career includes roles as Associate Dean and then Director of Commercial Affairs at the University of Bedfordshire, as Marketing Manager at Acorn Computer Group plc and as an academic at Bath Spa University
- Previously Council member of East Midlands Innovation (EMInn), Board member of Northamptonshire Enterprise Limited (NEL), Board member of Business Link Northamptonshire, Chair of East Midlands Universities Association Innovation Committee, Steering Group member of the Lord Stafford Awards, Director of BLC Leather Technology Centre, Director of UN Enterprise Ltd. and Director of ICON (EM) Ltd

### Sophia Aldridge

#### **INTERIM DIRECTOR OF CORPORATE AFFAIRS (MAY 2015 TO JANUARY 2016)**

- A qualified CIMA accountant, with 15 years post qualification experience. Her experience spans across both industry and public sector.
- Sophia has been at MKUH for 7years, previously in the role of Deputy Director of Finance.
- She is committed to staff development and the application of financial and corporate governance

## Non-executive Directors Appointments (formally Nominations Committee)

In February 2015, David Moore and Frank Burdett's term of office came to an end. The Trust undertook a robust recruitment campaign and employed Harvey Nash as recruitment advisors.

There were 48 applications received and the Non-Executive Director Appointment Committee undertook a process to longlist 12 candidates and subsequently short listed 6 candidates for interview. The interviews took place on 22 February 2016 with a panel from the Trust comprising:-

Governors – Lesley Bell (Chairman of the Panel),  
Brian Hobbs, Liz Wogan and Hilda Kirkwood

Trust Chairman – Baroness Wall of New Barnet

Independent Assessor – Roger Quince,  
Chair of West Suffolk Hospital Foundation Trust.

The Trust Secretary provided support to the panel.

The Council of Governors approved the panel's recommendations at a special meeting on 25 February 2016, that Andrew Blakeman be appointed for a period of three years. David Moore was appointed for a period of two years, with an option for an additional year following an annual re-appointment process. David Moore had already served four years as a non-executive director and Monitor's code of conduct specifies:

“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. Any term beyond six years (e.g., two three-year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board. Non-executive directors may, in exceptional circumstances, serve longer than six years (e.g., two three-year terms following authorisation of the NHS foundation Trust) but this should be subject to annual re-appointment. Serving more than six years could be relevant to the determination of a non-executive's independence.”

## Chairman's term of office

The Senior Independent Director, David Moore and the Lead Governor, Lesley Bell, undertook the Chairman's appraisal which included receiving 360 degree feedback from non-executive directors, directors, governors, stakeholders and Trust staff.

The Chairman's positive appraisal was reported to the Council of Governors in December 2015 meeting. In January 2016 the Council of Governors were asked to consider the extension of the contractual term of the Chairman by one year, which was discussed by the Chairman and Lead Governor as part of the appraisal in terms of providing continuity in leadership for the Board and the Trust. This was felt to be particularly important as the Healthcare Review was due to go out to consultation in 2016/17 and the Chairman's contract was due to terminate on 30 June 2017.

In addition, the Council of Governors were cognisant that the Chairman has developed strong working relationships with stakeholder organisations e.g. MKCCG, Monitor and given that the Trust is facing significant strategic change, felt it was important that these relationships are maintained.

The Council of Governors approved the extension by one year to the Chairman's contract to 30 June 2018.

## Board Register of Interests

The Trust maintains two registers of interests. The first includes interests of all directors; the second interests of the Council of Governors. Both documents are available for public inspection (contact the Trust secretary). An annual report is made to the Trust Board regarding the interest of executive directors and Non-executive directors. If there is any item which could have a conflict of interest at a Board or Committee meeting the respective Director is required to declare the interest and leave the meeting.

## Board Of Directors - Declarations of Interests as at 31 March 2016

The table below sets out the declarations of interests made by all members of the Board of Directors.

Director and Title	Do you, your spouse, partner or family member hold or have any of the following: - A directorship of a company? - Any interest or position in any firm, company, business or organisation (including charitable or voluntary organisation) which has or is likely to have a trading or commercial relationship with the Foundation Trust? - Any interest in an organisation providing health and social care to the National Health Service?	Do you, your spouse, partner or family member have a position of authority in a charity or voluntary organisation in the field of health and social care?	Do you, your spouse, partner or family member have any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders of banks?
<b>Blakeman, Andrew</b> Non-executive director	Yes: 1. BP Oil UK Ltd 2. BP P.I.C and subsidiaries (possible provision of road transport fuels, fuels payment and cards) 3. Independent external member of the Quality and Clinical Government Committee of Public Health England (Commissioning of population health screening services, other public health services)	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Blakesley, John</b> Deputy Chief Executive	Partner works for NHS England – Senior Manager	Yes: 1. Trustee of Milton Keynes Hospital Charity 2. Partner is Trustee of Facial Palsy Charity 3. I am a Trustee for Arts for Health	Yes:Trustee for Arts for Health
<b>Burke, Kate</b> Director of Corporate Affairs	Yes: 1. Partner is director of Elevation Public Relations Ltd 2. Family Member working in South Lincolnshire CCG and previously (in year) Cambridgeshire and Peterborough CCG.	Yes: 1. Trustee of Milton Keynes Hospital Charity 2. Trustee of Applepips pre-school and out of school club Charity (Registered by Charity Commission)	No
<b>DeGorter, Jean-Jacques</b> Non executive director	Yes: 1. Spire Healthcare Ltd 2. Classic Hospitals Ltd 3. Thames Valley Hospital Ltd	Yes: Trustee of Milton Keynes Hospital Charity	Yes: Commercial arrangements in place at four sites in the UK with Cancer Partners UK
<b>Dunk, Jonathan</b> Director of Finance	Yes: Wife: Legal Department at Cambridge University Hospitals NHS FT Brother: Managing Director of Slamdunk IT LTD	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Emeadi Ogechi</b> Director of Workforce	Yes: 1. Sister Medicine Management, North East London Clinical Support Unit 2. Brother-in-law GP trainee, London practice. 3. Board member of Health Education England – Thames Valley 4. Board member of Thames Valley and Wessex Leadership Academy	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Goddard, Emma</b> Director of Service Development	No	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Green, Robert</b> Non executive director	Yes: 1. Bond Estates Holdings Ltd 2. Bond Estates Ltd 3. Chasely Associates Ltd 4. Independent member, Deputy Chairman – MK Development Partnership (Part of MK Council)	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Harrison, Joe</b> Chief Executive	Yes: 1. Spouse Director, NHS England 2. Two Family members Durrow Health Management consultancy 3. Board member of NHS Provider Board 4. Board member of University of Buckingham Council 5. 3M Consultant 6. Guidepoint Consultant 7. Keele University – Visiting speaker	Yes: Trustee of Milton Keynes Hospital Charity	No

## Board Of Directors - Declarations of Interests as at 31 March 2016 (continued)

The table below sets out the declarations of interests made by all members of the Board of Directors.

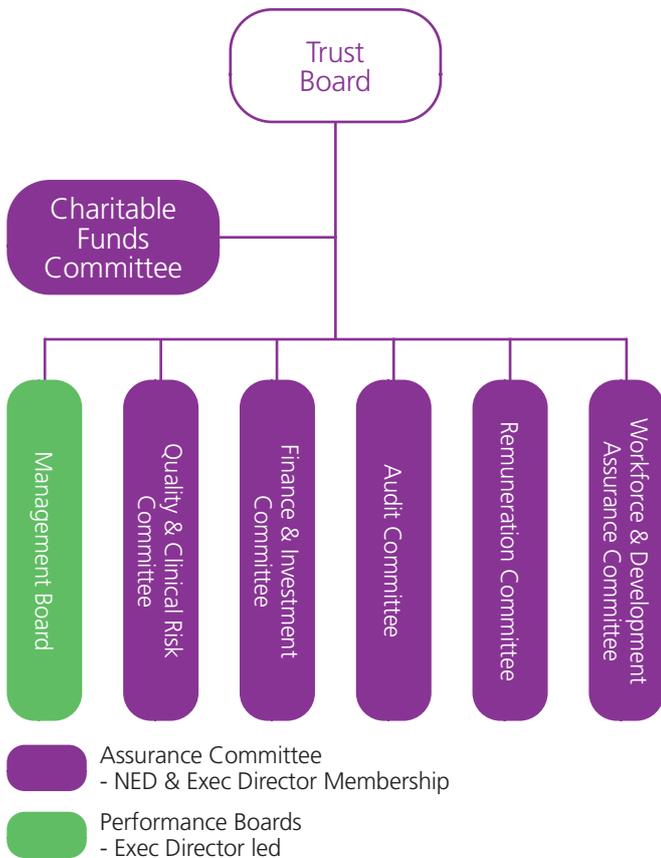
Director and Title	Do you, your spouse, partner or family member hold or have any of the following: - A directorship of a company? - Any interest or position in any firm, company, business or organisation (including charitable or voluntary organisation) which has or is likely to have a trading or commercial relationship with the Foundation Trust? - Any interest in an organisation providing health and social care to the National Health Service?	Do you, your spouse, partner or family member have a position of authority in a charity or voluntary organisation in the field of health and social care?	Do you, your spouse, partner or family member have any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders of banks?
<b>Hutton, Caroline</b> Director of Operations	Yes: Non executive director on MK Urgent Care Service Board	Yes: Trustee of Milton Keynes Hospital Charity	Yes - MKUCS
<b>Knight, Lisa</b> Director of Patient Care & Chief Nurse	Yes: 1. Spouse is group Finance Director Alto digital 2. Co-opted Member of MK Council – Health & Wellbeing Board	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Lloyd, Simon</b> Non executive director	Yes: 1. Santander UK Foundation limited 2. General Counsel for Santander UK PLC	Yes: Director of Santander UK Foundation LTD	Yes – General Counsel for Santander UK PLC
<b>Moore, David</b> Non executive director	Yes: 1. College Court Conference Centre Ltd 2. Treasurer and lay member of council - University of Leicester	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Nolan, Tony</b> Non executive director	Yes: Pinkglove Care Services Ltd	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Wall, Margaret</b> Non executive director	No	Yes: Trustee of Milton Keynes Hospital Charity	No
<b>Wetherill, Martin</b> Medical Director	Yes: Partnership with spouse– Orthopedic Practice Shalstone Medical Services	Yes: Trustee of Milton Keynes Hospital Charity	No

## Register Of Interest Council Of Governors

Director and Title	Do you, your spouse or partner hold or have any of the following: - A directorship of a company? - Any interest or position in any firm, company, business or organisation (including charitable or voluntary organisation) which has or is likely to have a trading or commercial relationship with the Foundation Trust? - Any interest in an organisation providing health and social care to the National Health Service?	Do you, your spouse, partner or family member have a position of authority in a charity or voluntary organisation in the field of health and social care?	Do you, your spouse or partner have any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders of banks?
<b>Douglas Campbell</b> Public Governor	Yes: 1. Douglas Campbell Consulting Ltd (Director) 2. Headway Milton Keynes Ltd (Trustee and Non-executive Director) 3. Independent Scrutiny Board for Parking Appeals on private land (Non-executive Board member) 4. Expert by Experience Care Quality Commission (employed by Choice Support)	Yes: 1. Headway Milton Keynes Ltd (Trustee and Non-executive Director) 2. Rotary club of Milton Keynes (Compliance Officer, Equality and Diversity officer, PR and Communications officer and member of Club Council) 3. Rotary International District 1260 (Equality and Diversity Officer)	No
<b>Laura Davison</b> Staff Governor	Yes: Spouse is partner at Asplands Medical Centre, Woburn Sands	Yes: Spouse is partner at Asplands Medical Centre, Woburn Sands	Yes: Spouse is partner at Asplands Medical Centre, Woburn Sands
<b>Alan Hancock</b> Public Governor	No	Yes: Healthwatch MK (Management Board member)	No
<b>Alan Hastings</b> Public Governor	No	Yes: 1. Chair of Whaddon Medical Centre, Patient Participation Group 2. Healthwatch MK authorized representative – CCG's MSK Services Commissioning project	No
<b>Hilda Kirkwood</b> Appointed Governor	No	Yes: Chair of Healthwatch Milton Keynes	No
<b>Vincent Leiu</b> Public Governor	No	No	No
<b>Adrienne Rutter</b> Public Governor	No	No	No
<b>Lesley Sutton</b> Staff Governor	Yes: Damsels in Success Milton Keynes	No	No
<b>Kim Weston</b> Staff Governor	No	No	No
<b>Liz Wogan</b> Public Governor	No	No	No

## Trust Committees

The Board and Board-level committee structure at Milton Keynes University Hospital NHS Foundation Trust as at 31 March 2016 is illustrated below:



### Committees

The Board has six sub committees; audit, quality and clinical risk, finance and investment, charitable funds, workforce and development assurance and remuneration committee.

### Audit Committee

The audit committee is chaired by non-executive director Bob Green. The chair has recent financial experience as detailed in the biography above.

The audit committee meets five times a year, each meeting (apart for that in May) considers:

- The work of the internal audit, including whether audits have been followed up and issues resolved. The committee requests that senior officials and/or directors attend where actions have not been followed up to its satisfaction. The committee agrees the work plan of internal audit once a year;
- the work of the external auditors, including any issues that they wish to raise;
- the work of the Trust's counter-fraud team;
- a list of all debts that are to be written off;
- updates to the IFRS work and accounting policies;
- the board assurance framework and corporate risk register.

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 monitors the review of the board assurance framework and the significant risk register.

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 audit committee is satisfied that there are no issues that compromise the external auditors' independence from work outside the Trust. The Chairman of the Audit Committee regularly discusses the effectiveness of both internal and external auditors with the Director of Finance. In 2015/16 detailed discussions were undertaken regarding the effectiveness of external audit providers, Deloitte, before the agreement to opt for the additional 2 years of the contract.



The audit committee has monitored the actions taken against the recommendations made by the external auditors Deloitte on the 2014/15 Quality Account. The audit committee has reviewed and agreed the significant risks identified by the external auditors in the audit plan 2015/16 and subsequent update reports that will be reported in the audit report, which were:

- Going concern
- Value for Money – financial position of the Trust
- Data quality
- Capital expenditure
- Valuation of properties
- Recognition of income.

The audit committee is responsible for ensuring robust clinical governance processes are in place. It reviews the internal audit reports which provide recommendations for improvement e.g. Serious incident review. In addition, the audit committee receives a quarterly report on progress against the clinical audit programme.

#### **Internal Auditors**

Details of the internal audit function carried out by KPMG is provided in the Annual Governance Statement.

#### **External Auditors**

Deloitte LLP has been the Trust's external auditors for 2015/16. Their statutory audit responsibilities include the audit of the financial statements and reporting on value for money. The total cost recognised in the accounts for this statutory audit work is £90,000 (including VAT). Other audit remuneration was £13,000 for the quality report.

In 2012, Deloitte LLP was appointed as the Trust's external auditor on a three year contract with an option to extend the contract for a further two years. Following an evaluation of the Deloitte's performance, the Director of Finance, in consultation with the Chairman of the Audit Committee approved the extension to the contract for a further two years.

In order to ensure that independence is maintained, in instances where the external auditors are used for work other than the external audit, the Council of Governors approve this and the audit committee is also informed.

The Chair of the Audit Committee confirms the independence of the external auditors to the Council of Governors at its meeting where the Annual Report and Accounts were presented and also reports any exceptional issues to the Governors during the course of the year.

#### **Policies on fraud and corruption**

The Trust has a suite of policies available to all staff on the intranet. The Trust commissions KPMG to provide regular fraud awareness training and staff communication tools and support investigation and policy reviews.

#### **Disclosure of information to the auditor**

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 Deloitte LLP is not aware. They also confirm that they each have taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that Deloitte LLP knows about that information.

The Executive and Non-Executive Directors who held office at the date of the approval of the Directors' report confirm that they have taken all the steps as a director in order to do the things mentioned above, and made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

### Quality and Clinical Risk Committee

The quality and clinical risk committee chaired by non-executive director, Jean-Jacques deGorter meets quarterly and met 4 times in 2015/16. It reports directly to the Board and provides assurance about the quality of care to patients and for overseeing the delivery of the quality priorities set by the Trust in its quality accounts.

The quality and clinical risk committee oversees the implementation of the strategic objectives for improving patient safety, patient experience and clinical effectiveness. The committee escalates issues to the Board on areas of concern that have been highlighted by the committee through the clinical governance reporting e.g. quarterly reports on serious incidents and mortality. The committee has provided assurance to the Board regarding mortality rates and there has been significant improvement in performance with the Trust having the fourth best Hospital Standardised Mortality rate in the acute Trust sector nationally.

At each meeting the quality and clinical risk committee continues to monitor performance against key indicators in the quality dashboard, complaints, mortality, serious incidents and Board Assurance Framework risks associated with the Committee's remit.

The committee has also monitored the actions being taken to improve the stroke service performance and the cancer patients' survey results. The 2015 cancer patient survey results are due to be reported to the Committee in April 2016.

The quality and clinical risk committee has also received the CQC compliance report and received updates on the action plan to address the areas of improvement.

### Finance and Investment Committee

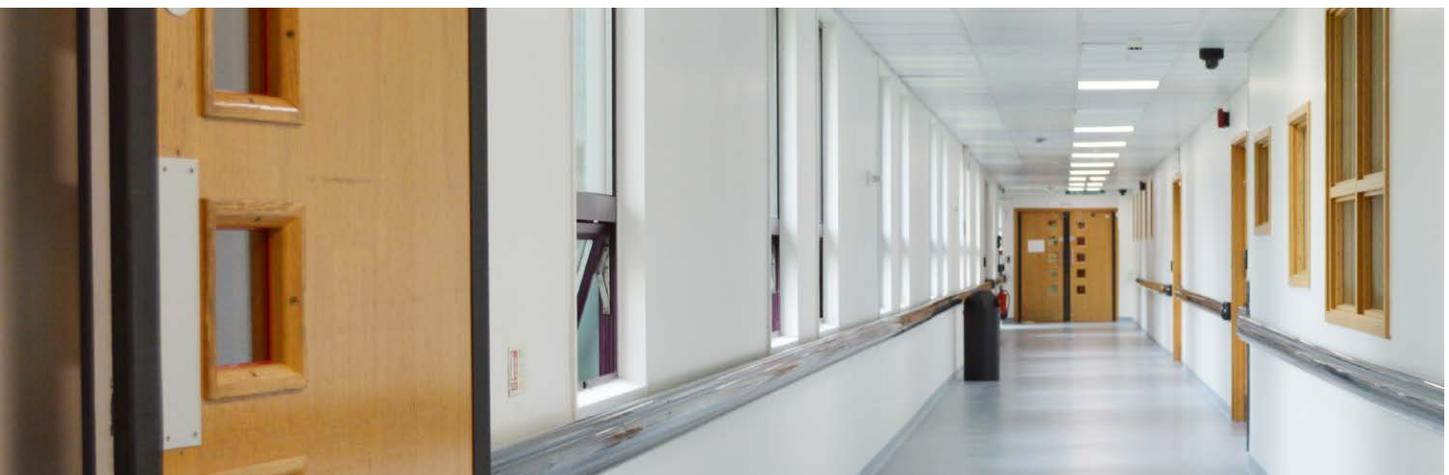
The finance and investment committee chaired by non-executive director David Moore met 11 times during the year. It received monthly reports on the financial position of the Trust, cash flow forecast and transformation programme updates. The committee was also responsible for monitoring the capital spend and through regular reporting monitors the implementation of business as usual capital projects and strategic capital projects.

The committee undertook deep dives into transformation projects which include digital technology, improving productivity and workforce projects. The committee continues to monitor the financial consequences of the implementation of the new Electronic Patient Record.

The committee has considered, evaluated and recommended to the Board changes to the funding arrangements proposed by Monitor.

The financial planning process for 2016/17 was considered by the committee which recommended the interim budget to the Board of Directors.

The committee will be considering the recommendations of Lord Carter's report and the potential benefits for the Trust of implementation of the recommendations.



### Charitable Funds Committee

The charitable funds committee was chaired by a non-executive director Frank Burdett (until February 2016) and met 3 times in 2015/16. The registered charity Milton Keynes Hospital Charity has to adhere to the rules of the Charities Commission. The committee approved the annual accounts for 2014/15 at its meeting in November 2015 and these were submitted to the Charity Commission by the deadline. The charitable funds committee has encouraged the use of charitable funds to improve the service provided to patients and has continued in the practice of hearing from a service that has received charitable funds on the improvement it has made to patient care. Examples of this are the sensory trolleys used in children's services to bring stimulation to the child's bedside and enhanced physiotherapy equipment which has assisted with patient rehabilitation.

The membership of the committee has been expanded to include two Governors.

### Workforce and Development Assurance Committee

The workforce and development assurance committee was chaired by non-executive director Tony Nolan and has met 4 times during 2015/16. The workforce and development assurance committee was responsible for developing the workforce strategy which was approved by Trust Board in November 2014 and providing assurance to the Board that it is being implemented effectively.

The committee has introduced a staff story at the beginning of each meeting to hear directly from an employee of their experience working for the Trust.

The Committee receives quarterly workforce reports, learning and development updates, monitors progress of the WeCare programme and equality and diversity reports. As part of the Trust's commitment to the health and wellbeing of its staff, the committee receive update reports and has welcomed the introduction of the Employee Assistance Programme provided by Care First.

### Remuneration Committee

The remuneration committee is a sub-committee of the Trust Board and is chaired by the Trust Chairman. The remuneration committee agrees the salaries of the chief executive and the executive directors. The committee comprises of the Trust chairman and all the non-executive directors. The chief executive and director of workforce attend the meeting, but leaves when discussing the salary for their own position.

The remuneration committee met three times in 2015/16.

A table of attendees at the Board and its sub committees is attached at Appendix 2.

### Board of Directors and Preparation of Accounts

The annual report and accounts have been prepared under a direction issued by Monitor. In support of the chief executive, as accounting officer of the NHS Foundation Trust, the Board of Directors has responsibilities in the preparation of the accounts.

Monitor, the independent regulator of NHS Foundation Trusts, 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.

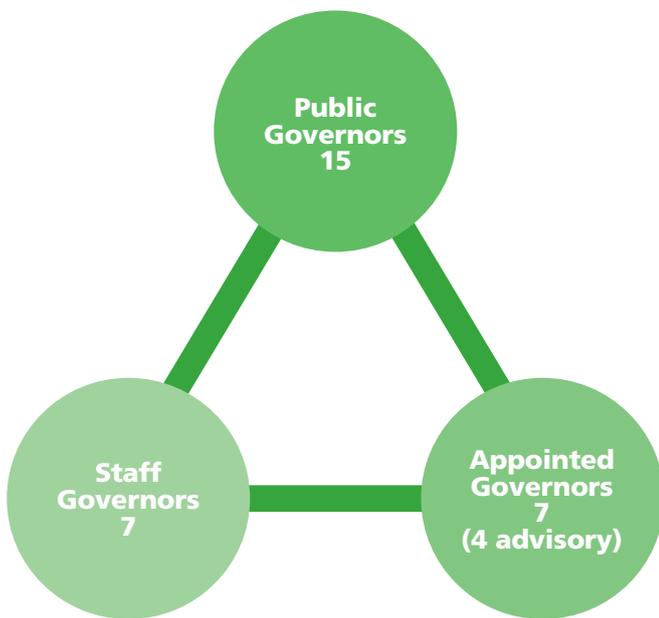
To this end, the Board of Directors are required to:

- apply on a consistent basis accounting policies laid down by Monitor 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 NHS Foundation Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned Act
- safeguard the assets of the Foundation Trust and hence take reasonable steps for the prevention and detection of fraud and other irregularities

## Council of Governors and membership

### Council of Governors

The Trust has a Council of Governors which comprises elected and appointed Governors of the Trust.



### Public Governors

There are 15 Public Governors elected by the members of one of eight public constituencies. The public governors serve a three year term with the maximum of three terms, except in exceptional circumstances and the Trust's constitution details the approval process for a Governor to stand for a fourth term.

### Staff Governors

There is 7 staff Governors which represent one of four staff constituencies. The staff governors serve a three year term with the maximum of three terms, except in exceptional circumstances and the Trust's constitution details the approval process for a Governor to stand for a fourth term.

### Appointed Governors

There are 7 appointed Governors, three of which represent Milton Keynes Business Leaders (currently vacant), MK Healthwatch and Volunteers. In addition there is one representative from Milton Keynes Council, MK Clinical Commissioning Group and two representatives from youth participation who attend the Council of Governors in an advisory capacity.

## Council of Governors

The Trust has a Council of Governors which comprises elected and appointed Governors of the Trust. 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.

Governors report matters of concern raised at their local health event constituency meetings to their counterparts and to the Directors. Members of the public are given the opportunity to ask questions addressed to the Governors, Directors or any other staff members in attendance at the local health events or Council of Governor meetings.

All Board Members (Executive Directors and Non-Executive Directors) are asked to attend the Council of Governors' meetings in order to gain an understanding of the views of the Trust's Governors and Members. Furthermore, other persons may attend for the purpose of providing assurance or to report on progress of any key matters of interest.

The Board of Directors receive feedback on the views of Governors by:

- Attending the Council of Governors meetings;
- The Chairman holds informal meetings with Governors in months where there are no formal Council of Governor meetings.

Plans are being made to hold two meetings each year for non-executive directors and Governors to meet privately to discuss issues facing the Trust.

## Role of the Governors

In addition to their duty to 'hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors', the Council of Governors is responsible for:

- appointing or removing the Chairman and the other Non-Executive Directors;
- approving an appointment (by the non-executive Directors) of the Chief Executive;
- deciding on the remuneration and allowances, and the other terms and conditions of office, of the Chairman and the other Non-Executive Directors;
- appointing or removing the Trust's auditor;
- appointing or removing any auditor appointed to review and publish a report on any other aspect of the Trust's affairs;
- approving significant transactions;
- Approving any changes to the Trust's Constitution.

To allow the Governors to exercise their statutory duties, the Board of Directors is responsible, among other things, for ensuring the Council of Governors:

- receives the Annual Report and Accounts;
- is consulted on the content of the Quality Accounts;
- is presented with other management reports detailing Trust performance in all areas: clinical, operational and financial performance;
- is able to provide its views to the Board of Directors when the Board of Directors is preparing the document containing information about the Trust's forward planning;
- is able to engage with each Governor's specific member constituents or, in the case of an appointed Governor, to do so with members of the representing organisation.

## Membership of 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 (1 vacant at 31 March 2016), each representing a geographic constituency, seven governors elected by staff of the Trust (1 vacant as at 31 March 2016), and six appointed governors (two from MK Youth Council). The table at Appendix 1 shows the constituencies and their governors.

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

## Register of Governors' Interests

A register of governors' interests is maintained by Milton Keynes University Hospital NHS Foundation Trust. A copy of the latest version submitted to the Council of Governors may be inspected during normal office hours at the Trust Secretary's office.

## Lead Governor

The publicly-elected Governors select amongst themselves one Public-elected Governor to be the Lead Governor of the Council of Governors. The Lead Governor coordinates any communication that might in extreme circumstances be necessary between Monitor (the independent regulator) and the other Governors and acts as a main point of contact for the Chairman and the Senior Independent Director. Throughout the year ended 31 March 2016 Lesley Bell was the lead governor.

## Elections

In 2015/16 elections were held for the following seats on the Council of Governors.

Date	Constituency (see Appendix 1 for key)	Result
May 2015	PUBLIC: Hanslope Park, Olney, Sherington, Newport Pagnell	Liz Wogan (uncontested)
May 2015	PUBLIC: Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	Alan Hastings (elected)
October 2015	STAFF: Technical the Scientists, technicians and allied health professionals	Keith Marfleet (unopposed)
October 2015	STAFF: Admin and Clerical Non-clinical Staff Group	Lesley Sutton (elected)
October 2015	PUBLIC: Stantonbury, Stony Stratford, Wolverton	Carolyn Peirson (elected)
February 2016	PUBLIC: Hanslope Park, Olney, Sherington, Newport Pagnell	Alan Hancock (elected)
February 2016	STAFF: Admin and Clerical Non-clinical Staff Group	Laura Davison (elected)

The Trust commissioned the services of UK Engage to undertake the election process. The literature produced by UK Engage was more user friendly and easier to complete. There has been an increase in contested elections and turnout in 2015/16, particularly in staff Governor elections.



## Governor Development

In 2015/16, the format for the Council of Governors meetings was changed to include presentations on key issues which developed Governors understanding of their role and issues facing the Trust and the NHS. An example of this was a session on the national nursing workforce, where the Director of Patient Care and Chief Nurse informed the Council of Governors of the changes in nursing requirements following the Francis report and the increase in training positions from Health Education England. The Governors were informed of the national and local nursing vacancies and the actions the Trust was taking to substantively employ nursing staff. This included international recruitment where values based recruitment was used in addition to the technical knowledge testing and an assessment of the applicant's communication skills in English was also carried out.

The Trust worked in partnership with Luton and Dunstable University Hospital Foundation Trust and commissioned NHS providers to provide bespoke Governor training in November 2015. The event gave Governors from both Trusts an opportunity to share knowledge and experience and the following items were covered:

- Introduction to the NHS – including national pressures, accountability in relation to partners and the 5 year forward view and new models of care.
- Governance and the role of the Governors – including the Board's role in good corporate governance and how this links to Governors, holding to account and Governors role in engaging members and public.
- Effective questioning and challenge
- Significant transactions including Mergers & Acquisitions

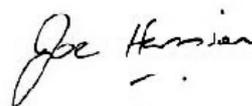
There was positive feedback on the event from Governors from both Trusts, NHS Providers and the Monitor representative, who attended as an observer. There were common issues that the Governors wanted to take forward and further joint meetings are planned for 2016/17.

Governors are encouraged to attend external events and the attendee prepares a summary of the learning and presents it to the Council of Governors.

Newly elected Governors are invited to attend the one day Trust induction day for volunteers and governors.

The engagement group, which comprises of governors, have been involved in developing the governor development programme. There are three elements to the development programme:

Mandatory	Recommended	Other
Governance of trust		
Role of Governor, Non executive directors	Risk management Dementia awareness	Internal & external opportunities
Trust induction	External audit	
NHS providers Induction Programme		



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016

## Remuneration Report

The remuneration report comprises three parts:

1. annual statement on remuneration
2. senior managers' remuneration policy and
3. annual report on remuneration

### Annual statement on remuneration

The disclosure of the remuneration to senior managers is limited to the executive and non-executive directors of the Trust. The Trust does not link director pay progression to individual performance or award performance related bonuses.

In accordance with the NHS constitution, the Trust has two committees for this purpose:

The remuneration and expenses for the Trust chairman and non-executive directors are determined by the **Council of Governors**, taking account of the guidance issued by organisations such as the NHS Confederation and Monitor. Remuneration of Trust's most senior managers (executive directors who are members of the Trust Board) is determined by the **Remuneration Committee**, which consists of the chairman and all of the non-executive directors.

The Council of Governors receives a report in advance of any non-executive recruitment process and agrees the process and remuneration for the appointment.

The remuneration committee is provided with benchmarking information provided by Capita NHS Foundation Trust Board Remuneration Report - March 2015 on comparable roles in other NHS Trusts when considering the remuneration of executive director positions.

The table in Appendix 2 sets out the membership and attendance of the remuneration committee for 2015/16. No other party, who was not a member of the committee advised or assisted the remuneration committee in 2015/16, however, the chief executive and the director of workforce were in attendance.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

No major decisions were made in respect of senior managers' remuneration except the remuneration committee's decision to freeze pay for executives for the period 2015/16, in line with recommendations of national agreements.

## Annual statement from the chair of the remuneration committee

For the period until 31 March 2016 there was no Trust board members employed via non payroll engagement.

There was a temporary change to the executive team, where Sophia Aldridge covered the role of director of corporate affairs, whilst Kate Burke took a period of maternity leave. There were seven non-executive and nine executive directors on the Board of Directors in 2015/16.

The Trust has made no provision for compensation for early termination and no payment for loss of office for senior managers.

There have been no payments to past senior managers.

In response to the Treasury recommendation, the Trust has incorporated into its standard contractual terms and conditions the requirement to allow the Trust to seek assurance around tax obligations.

In line with the Secretary of States for Health request in his letter of 2nd June 2015, I personally scrutinise and approve the remuneration of very senior managers to ensure that they are necessary and justifiable.

## Senior Managers' Remuneration Policy

The Trust continues to review its remuneration practice relating to executive directors during 2016/17 and is in the process of agreeing a remuneration policy and strategy. Until the remuneration strategy and policy is agreed, the current practice of not linking director pay progression to individual performance, and of not having performance related bonuses will continue. 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 2nd June 2015 to chairman 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's appointment in the Trust.

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 £142,500 has been maintained for 2015/16. Employees of the Trust are not consulted on senior manager remuneration.

The remuneration committee took the decision to freeze pay for executives for the period 2015/16, in line with recommendations on national agreements. All the executive directors are employed on permanent contracts and are required to give six months' notice to terminate their contract. In line with NHS employers guidance, the notice periods 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 from [page 37](#).

The remuneration for non-executive directors is set by the Council of Governors and is subject to consideration of benchmarking comparable remuneration for this role at other Trusts.

## Tenure and notice periods of Board of Directors

NON EXECUTIVE DIRECTORS			
Name	Date of Appointment	Unexpired Term	Notice period
<b>Baroness Margaret Wall</b> Chairman	July 2014	June 2018	1 month
<b>Jean-Jacques De Gorter</b> Non executive director	March 2014	Feb 2017	1 month
<b>Robert Green</b> Non executive director	Jan 2013	Dec 2016	1 month
<b>Simon Lloyd</b> Non executive director	May 2015	April 2018	1 month
<b>David Moore</b> Non executive director	March 2012	Feb 2018	1 month
<b>Tony Nolan</b> Non executive director	March 2014	Feb 2018	1 month
<b>Andrew Blakeman</b> Non executive director	Feb 2016	Feb 2019	1 month

EXECUTIVE DIRECTORS			
Name	Date of Appointment	Unexpired Term	Notice period
<b>Joe Harrison</b> Chief Executive	Feb 2013	N/A	6 months
<b>Lisa Knight</b> Director of Patient Care and Chief Nurse	Oct 2012	N/A	6 months
<b>Martin Wetherill</b> Medical Director	July 2011	N/A	6 months
<b>John Blakesley</b> Deputy Chief Executive	Apr 2014	N/A	6 months
<b>Ogechi Emeadi</b> Director of Workforce	Mar 2014	N/A	6 months
<b>Jonathan Dunk</b> Director of Finance	Mar 2014	Left Trust in April 2016	6 months
<b>Kate Burke</b> Director of Corporate Affairs (Maternity leave from May 2015 to Jan 2016)	May 2014	N/A	6 months
<b>Caroline Hutton</b> Director of Operations	Oct 2014	N/A	6 months
<b>Emma Goddard</b> Director of Service Development	Dec 2014	N/A	6 months

OTHER BOARD MEMBERS DURING 2015/16
Name
<b>Sophia Aldridge</b> Interim Director of Corporate Affairs (May 2015 to January 2016)
<b>Frank Burdett</b> Non-Executive Director until February 2016

Details of remuneration, including salaries and pension entitlements of the board of directors are published in section 4.6 in the annual accounts. Details on the median/ mid-point and highest paid director are included in Section 4.7 of the annual accounts.

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 actuarial 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'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. The Trusts policy is not to employ anyone through their own company if they do not meet the self-employment status.

### 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:MK Executive. Details of the claims made in 2015/16 are attached at table 2. Details of Governors who held office in 2015/16 are given at Appendix 1.

## Annual report on remuneration

### Salaries & Expenses- Directors Remuneration Statement 2015/16 (subject to audit)

Name and title	Year Ended 31 March 2016					
	Salary	Taxable Benefits	Annual Performance Related bonuses	Long term Performance Related bonuses	Pension Benefits	Total
	(Bands of £5,000) £	(Bands of £100) £	(Bands of £5,000) £	(Bands of £5,000) £	(Bands of £2,500) £	(Bands of £5,000) £
<b>Joseph Harrison</b> Chief Executive Officer	165-170	0	0	0	32.5-35	200-205
<b>Jonathan Dunk</b> Director of Finance	130-135	0	0	0	45-47.5	175-180
<b>Lisa Knight</b> Director of Patient Care / Chief Nurse	105-110	0	0	0	22.5-25	130-135
<b>John Blakesley</b> Deputy Chief Executive	145-150	0	0	0	0	145-150
<b>Ogechi Emeadi</b> Director of HR & Workforce Development	95-100	0	0	0	40-42.5	140-145
<b>Martin Wetherill</b> Medical Director	170-175	0	0	0	72.5-75	245-250
<b>Emma Goddard</b> Director of Service Development	105-110	0	0	0	37.5-40	145-150
<b>Sophia Aldridge</b> Acting Director of Corporate Affairs May 15 to Jan 16	60-65	0	0	0	72.5-75	135-140
<b>Kate Burke</b> Director of Corporate Services	65-70	0	0	0	7.5-10	75-80
<b>Caroline Hutton</b> Director of Operations	105-110	0	0	0	15-17.5	125-130
<b>Baroness Margaret Wall - Chairman</b> Chairman	40-45	0	0	0	N/A	40-45
<b>Tony Nolan</b> Non Executive Director	10-15	0	0	0	N/A	10-15
<b>Dr Jean-Jacques De Gorter</b> Non Executive Director	10-15	0	0	0	N/A	10-15
<b>Penny Emerson</b> Non Executive Director	0-5	0	0	0	N/A	0-5
<b>Robert Green</b> Non Executive Director	10-15	0	0	0	N/A	10-15
<b>David Moore</b> Senior Independent Director	10-15	0	0	0	N/A	10-15
<b>Frank Burdett</b> Until February 2016 Non Executive Director	10-15	0	0	0	N/A	10-15
<b>Simon Lloyd</b> Non Executive Director	0	0	0	0	N/A	0

## Salaries & Expenses- Directors Remuneration Statement 2014/15 (subject to audit)

Name and title	Year Ended 31 March 2015					
	Salary	Taxable Benefits	Annual Performance Related bonuses	Long term Performance Related bonuses	Pension Benefits	Total
	(Bands of £5,000) £	(Bands of £100) £	(Bands of £5,000) £	(Bands of £5,000) £	(Bands of £2,500) £	(Bands of £5,000) £
<b>Joe Harrison</b> Chief Executive Officer	165-170	0	0	0	65-67.5	<b>235-240</b>
<b>Jonathan Dunk</b> Director of Finance	125-130	0	0	0	105-107.5	<b>235-240</b>
<b>Lisa Knight</b> Director of Patient Care / Chief Nurse	110-115	0	0	0	70-72.5	<b>180-185</b>
<b>John Blakesley from April 2014</b> Deputy Chief Executive	145-150	0	0	0	0	<b>145-150</b>
<b>Ogechi Emeadi</b> Director of HR & Workforce Development	95-100	0	0	0	162.5-165	<b>260-265</b>
<b>Martin Wetherill</b> Medical Director	175-180	0	0	0	167.5-170	<b>345-350</b>
<b>Emma Goddard from December 2014</b> Director of Service Improvement	35-40	0	0	0	30-32.5	<b>70-75</b>
<b>Kate Burke from May 2014</b> Director of Corporate Services	65-70	0	0	0	25-27.5	<b>90-95</b>
<b>Caroline Hutton</b> Interim Director of Operations May14 to September 14 Director of Operations – from October 2014	45-50 50-55	0 0	0 0	0 0	0 42.5-45	<b>45-50</b> <b>95-100</b>
<b>Darren Leech – left June 2014</b> Director of Strategy and Estates	25-30	0	0	0	N/A	<b>25-30</b>
<b>Baroness Margaret Wall – from July 2014</b> Chairman	30-35	0	0	0	N/A	<b>30-35</b>
<b>Chris Mellor- left June 2014*</b> Chris Mellor- left June 2014*	50-55	0	0	0	N/A	<b>50-55</b>
<b>Tony Nolan</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>Dr Jean-Jaques De Gorter</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>Robert Green</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>David Moore</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>Frank Burdett</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>Penny Emerson</b> Non Executive Director	10-15	0	0	0	N/A	<b>10-15</b>
<b>Kate Robinson – left April 2014</b> Non Executive Director	0-5	0	0	0	N/A	<b>0-5</b>

### Notes

John Blakesley opted out the pension scheme from the 1st April 2014; therefore there are no pension benefits for this Director.

All the Executive directors (9 in both 2014/15 and 2015/16),

except John Blakesley have benefits accruing under : defined benefit schemes

## Salaries & Expenses - Directors Expenses Statement 2015/16

Name and title	Non Taxable Expenses	
	Other Remuneration	Travel & Subsistence
	(To the nearest £100) £	(To the nearest £100) £
<b>Joseph Harrison</b> Chief Executive Officer	900	4,100
<b>Jonathan Dunk</b> Director of Finance	100	100
<b>Lisa Knight</b> Director of Patient Care / Chief Nurse	0	0
<b>John Blakesley</b> Deputy Chief Executive	200	0
<b>Ogechi Emeadi</b> Director of HR & Workforce Development	0	0
<b>Martin Wetherill</b> Medical Director	0	500
<b>Emma Goddard</b> Director of Service Development	0	0
<b>Sophia Aldridge</b> Acting Director of Corporate Affairs May 15 to Jan 16	0	400
<b>Kate Burke</b> Director of Corporate Services	0	100
<b>Caroline Hutton</b> Director of Operations	0	0
<b>Baroness Margaret Wall - Chairman</b> Chairman	0	0
<b>Tony Nolan</b> Non Executive Director	0	800
<b>Dr Jean-Jacques De Gorter</b> Non Executive Director	0	0
<b>Penny Emerson</b> Non Executive Director	0	0
<b>Robert Green</b> Non Executive Director	0	100
<b>David Moore</b> Senior Independent Director	0	2,100
<b>Frank Burdett</b> Until February 2016 Non Executive Director	0	1,100
<b>Simon Lloyd</b> Non Executive Director	0	0

## Salaries & Expenses - Directors Remuneration Statement 2014/15

Name and title	Non Taxable Expenses	
	Other Remuneration	Travel & Subsistence
	(To the nearest £100) £	(To the nearest £100) £
<b>Joseph Harrison</b> Chief Executive Officer	900	6,300
<b>Jonathan Dunk</b> Director of Finance	0	100
<b>Lisa Knight</b> Director of Patient Care / Chief Nurse	0	0
<b>John Blakesley</b> from April 2014 Deputy Chief Executive	0	0
<b>Ogechi Emeadi</b> Director of HR & Workforce Development	0	500
<b>Martin Wetherill</b> Medical Director	0	1,300
<b>Emma Goddard</b> from December 2014 Director of Service Improvement	0	0
<b>Kate Burke</b> from May 2014 Director of Corporate Affairs	0	100
<b>Caroline Hutton</b> Interim Director of Operations May 14 to Aug 14 Director of Operations - from October 2014	0 0	700 0
<b>Darren Leech</b> left June 2014 Director of Strategy and Estates	0	100
<b>Baroness Margaret Wall - Chairman</b> Chairman	0	0
<b>Chris Mellor</b> left June 2014* Interim Chairman	0	2,400
<b>Tony Nolan</b> Non Executive Director	0	700
<b>Dr Jean-Jacques De Gorter</b> Non Executive Director	0	0
<b>Robert Green</b> Non Executive Director	0	200
<b>David Moore</b> Senior Independent Director	0	2,500
<b>Frank Burdett</b> Until February 2016 Non Executive Director	0	1,000
<b>Penny Emerson</b> Non Executive Director	0	0
<b>Kate Robinson</b> left April 2014 Non Executive Director	0	0

## Total Pension Entitlement (Defined Benefit Scheme) (subject to audit)

Name and Title	Real increase in pension at aged 60 (Bands of £2.5k) £000	Lump sum at aged 60 related to real increase in pension (Bands of £2.5k) £000	Total accrued pension aged 60 at 31st March 2016 (Bands of £5k) £000	Lump sum at aged 60 accrued pension at 31st March 2016 (Bands of £5k) £000	Cash equivalent transfer value at 31st March 2015 (Bands of £1k) £000	Real increase in Cash equivalent transfer value (Bands of £1k) £000	Cash equivalent transfer value at 31st March 2016 (Bands of £1k) £000
<b>Joe Harrison</b> Chief Executive Officer	2.5-5	0	45-50	135-140	709	29	757
<b>Jonathan Dunk</b> Director of Finance	2.5-5	0-2.5	20-25	60-65	247	21	275
<b>Lisa Knight</b> Director of Patient Care / Chief Nurse	0-2.5	0	35-40	110-115	603	10	629
<b>John Blakesley *</b> Deputy Chief Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ogechi Emeadi</b> Director of HR & Workforce Development	0-2.5	0-2.5	25-30	80-85	436	22	470
<b>Caroline Hutton</b> Director of Operations	0-2.5	0	30-35	85-90	488	5	506
<b>Sophia Aldridge</b> Acting Director of Corporate Services April 15 to Jan 16	2.5-5	0	5-10	0	9	39	49
<b>Kate Burke</b> Director of Corporate Services	0-2.5	0-2.5	5-10	15-20	74	7	84
<b>Emma Goddard *</b> Director of Service Improvement	0-2.5	0	10-15	N/A	63	17	82
<b>Martin Wetherill *</b> Medical Director	2.5-5	0	70-75	125-130	N/A	N/A	N/A

### NOTES

John Blakesley opted out the pension scheme on 1st April 2014, therefore there is no information relating to the pension scheme

Emma Goddard is in the 2008 pension scheme for which there is no information available relating to lump sum.

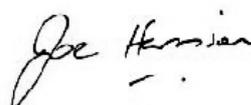
Martin Wetherill has left the pension scheme and therefore there is no CETV value.

## Governor Expenses 2015/16

Governor	Amount £
Lesley Bell (April 2015)	133.75
Arun Nathan (Jun 2015)	8.00
Douglas Campbell (Apr to Jun 2015)	60.00
Hilda Kirkwood (Jun to Aug 2015)	30.00
Douglas Campbell (Jul to Aug 2015)	30.00
Alan Hastings (Jun to Oct 2015)	50.00
Hilda Kirkwood (Sep to Dec 2015)	40.00
Douglas Campbell (Oct to Nov 2015)	20.00
Liz Wogan (Feb 2016)	16.00
Alan Hastings (Nov 2015 to Feb 2016)	40.00
Hilda Kirkwood (Jan to Mar 2016)	60.00
Douglas Campbell (Jan to Mar 2016)	60.00
<b>Total</b>	<b>547.75</b>

## Governor Expenses 2014/15

Governor	Amount £
Liz Wogan (Govern Well event April 2014)	38.05
Peter Ballantyne (Govern Well event April 2014)	38.05
Lesley Bell (Govern Well event April 2014)	38.05
Michael Moutrie (Govern Well event April 2014)	105.00
Bob Collard (Sep 2013 to May 2014)	223.00
Lesley Bell (to May 2014)	103.30
Arun Nathan (June 2014)	8.40
Arun Nathan (July 2014)	7.70
Hilda Kirkwood (Oct 2014)	20.00
Brian Hobbs (Govern Well core skills Oct 2014)	42.50
Arun Nathan (Nov 2014)	16.55
Arun Nathan (Jan 2015)	8.00
Arun Nathan (Mar 2015)	10.55
Hilda Kirkwood (Mar 2015)	20.00
<b>Total</b>	<b>679.15</b>



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016

## Staff Report

### Expenditure on consultancy

Except for the Healthcare Review team (PA Consulting), the trust has not engaged any external consultants or consultancies to support or deliver any work on its behalf in 2015/16.

### Off-payroll engagements

The trust has engaged one off-payroll arrangements throughout 2015/16. Paul O'Connor has been engaged, to provide leadership of the trust's activities in supporting the Healthcare Review. As a former NHS chief executive, such an appointment was necessary in order to ensure ongoing delivery of a system wide approach to our planning, in line with the requirements of the healthcare review.

<b>Table 4B:</b> For all off-payroll engagements as of 31 Mar 2016, for more than £220 per day and that last for longer than six months	<b>8A1 2015/16 Number of engagements</b>
No. of existing engagements as of 31 Mar 2016	1
<b>OF WHICH:</b>	
Number that have existed for less than one year at the time of reporting	1
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
<b>CONFIRMATION</b>	
Please confirm that all existing off-payroll engagements, outlined above, have at some point been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.	Yes

<b>Table 4C:</b> For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2015 and 31 Mar 2016, for more than £220 per day and that last for longer than six months	<b>8A2 2015/16 Number of engagements</b>
Number of new engagements, or those that reached six months in duration between 01 Apr 2015 and 31 Mar 2016	0
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	0
Number for whom assurance has been requested	0
<b>OF WHICH:</b>	
Number for whom assurance has been received	0
Number for whom assurance has not been received *	
Number that have been terminated as a result of assurance not being received	

<b>Table 4D:</b> For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 Apr 2015 and 31 Mar 2016	<b>8A3 2015/16 Number of engagements</b>
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.	17

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 which seeks to test the nature of the engagement, whether the individual is aware of their obligations in respect of payment of tax and provide assurances in this regard. Following completion of the risk assessment, approval is sought of the director of finance and director of workforce in order to finalise the arrangement.

### Exit packages

No exit packages have been agreed by the trust in 2015/16, whether through compulsory redundancy, voluntary redundancy, or any other type of agreed exit package.

## Workforce strategy (2014 to 2017)

To deliver the trust's large and complex agenda over the coming years, an integrated approach to patient care, workforce management, development and planning is essential. This change agenda needs to be managed whilst, at the same time, continuing to provide the highest quality service. The workforce strategy sets out the strategic framework for the MKUH workforce and was approved in 2014. 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.

Aligned to the trust's mission and strategy, the workforce strategy was developed with input from key stakeholders (including Trust Board and senior leadership, the workforce and development assurance committee, management board, workforce board, Clinical Board, Joint Consultative and Negotiation Committee and Local Negotiating Committee). Colleagues also contributed to this through a staff engagement programme.

The aim of the strategy is to develop a flexible, skilled and motivated workforce which has the competencies, capacity and capability, alongside demonstrable behaviours in line with the trust values, to meet the trust's objectives and future challenges. The strategy supports the trust's Business Plan and the trust's Quality Strategy. It is underpinned by a series of annual workforce and training plans.

However, at its core is the trust's mission, vision, values and goals which will drive a strong values based approach to the effective recruitment and management of the workforce. Whilst the strategy naturally has a focus on the trust's vision of being an employer of choice, it is vital not to lose sight that it will also directly and actively contribute to being a service and organisation of choice for service users and commissioners respectively.

The strategy recognises the culture of the trust, how it is led and how it recruits and retains staff, building on the progress of the WeCare programme, to ensure we deliver the highest possible care to our patients.

The trust has a proven track record of supporting its staff through its commitment to education based on a philosophy of lifelong learning. The trust's organisational development plan is a key part of the workforce strategy and is integral to, and underpins it.

## Our workforce

The table below shows a breakdown of our average workforce by staff group as at 31st March 2016.

Staff Group	Bank	Fixed Term Temp	Locum	Non-Exec Director/Chair	Permanent	Headcount
Add Prof Scientific and Technic	17	3	0	0	93	113
Additional Clinical Services	389	14	0	0	548	950
Administrative and Clerical	68	27	0	7	634	736
Allied Health Professionals	17	1	0	0	130	148
Estates and Ancillary	26	25	0	0	299	349
Healthcare Scientists	16	1	0	0	111	127
Medical and Dental	26	158	76	0	225	484
Nursing and Midwifery Registered	179	18	0	0	948	1145
<b>Total</b>	<b>737</b>	<b>245</b>	<b>76</b>	<b>7</b>	<b>2987</b>	<b>4051</b>

The following is a breakdown of staff by gender:

Staff Group	Female	Male	Total
Senior managers	6	10	16
Employees	2627	631	3258
<b>Total</b>	<b>2633</b>	<b>641</b>	<b>3274</b>

The definition of 'senior managers' is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS trust'. For the purposes of this report this description covers; the chairman, the executive and non-executive directors of trust.

As at 31 March 2016, the trust Board comprised; seven non-executive directors (six male, one female) and nine executive directors (four male and five female).

## Absence rate for year 01/04/2015 to 31/03/2016:

Trust Absence 12 months to:	Cumulative Abs (WTE) Days	Cumulative Avail (WTE) Days	Cumulative % Abs Rate (WTE)	Short Term % Abs Rate (WTE)	Long Term % Abs Rate (WTE)	No of Episodes
March 2016	42,321.63	1,015,036.05	4.16%	1.85%	2.31%	6,671

The top ten reasons for absence for the trust are now reportable due to improvements that have been made to our absence returns.

The health and wellbeing of our 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 conclusions to long term individual cases and identify areas of best practice to champion, from which to learn. In addition to this, we have sought to improve absence reporting in order to more easily identify trends and patterns within departments and divisions.

Using a variety of methods, we continue to educate managers on their role in managing sickness absence and have a structured programme of activity to reduce our level of long and short term sickness absence, including:

1. Reconfiguration and consolidation of eRostering (the trust's electronic rostering system) for all wards which allows for real-time sickness absence reporting; more accurate and timely information.
2. Use of Health Education Thames Valley project monies to review and develop a new 'positive return' absence reporting form in order to capture reasons and type of absences.
3. Monthly monitoring of staff that have triggered against our policy targets
4. A range of health education and promotion strategies to encourage staff health and wellbeing

## Staff policies and actions applied during the financial year

Our 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 which not only promotes equal opportunities at the recruitment stage, 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, 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 management policy and working with disabilities guidance provide policy and procedural guidance in this regard and manager, 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 more expert, technical or financial support.

The trust's appraisal and statutory and mandatory training policies 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 of disability of an individual in a supportive way.

In terms of engagement, the trust uses various means of communicating matters of concern to our 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 is increasingly being used for this purpose, in addition to the staff forum/bulletin board. Our payroll providers, SBS, produce payroll and pensions leaflets and undertake payslip messaging as part of their contract with the trust. '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. temporary staffing survey, staff friends and family test. Encouraging the involvement of our staff in the trust's performance is also regularly undertaken through these means.

The trust has a long standing recognition agreement with staff side partners, the terms of which were reviewed in 2015/16. This provides the agreement for regular joint consultative and negotiation committees (JCNC) meetings which are co-chaired by the staff side chair and the director of workforce.

A full and comprehensive review of all workforce policies and procedures has commenced in 2015/16 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).

Furthermore, the trust's management of organisational change policy provides framework agreed in partnership with staff side colleagues for consultations. In this way, early staff side involvement in organisational change programmes is gained 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 and diversity network, the on-call working group, workforce transformation programme board, and job matching panels, 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.

## Health and safety performance and occupational health

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

The OH 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, providing a face to face counselling service for psychological support.

In 2015/16 two key developments have taken place:

1. Introduced the 'Care first' employee assistance programme; providing confidential, impartial advice and support 24 hours a day, 365 days a year. Common subjects include; family and personal, debt, workplace (such as bullying and harassment, health and safety at work. Access to the Care first 'Zest' website and mobile application (interactive health and personal fitness portal) is freely available to all staff, enabling personalised training programmes, weight management programmes, food and exercise diaries and goal setting.
2. Appointed substantive consultant occupational health physician. The trust's health and wellbeing strategy has been in development since 2015/16 to support the trust's top ten objectives; initiatives such as delivery of the local proactive flu fighting campaign, introduction of the Care first employee assistance programme and health and wellbeing clinics have been introduced in the past year. We also benefit from the support from a dietician on a weekly basis to assist with the wider public health issues, such as tackling obesity. The appointment of the consultant occupational health physician provides valued clinical leadership to the strategy and will drive the health and wellbeing agenda in 2016/17.

The trust has numerous policies and procedures with respect to countering fraud. 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.

## Staff engagement and staff survey

The 2015/16 national staff survey was undertaken between October to December 2015. This year, the trust selected the market leader in the national staff survey, 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.

The national survey samples a random selection of staff and the analysis for the CQC report is based on this sample only. For 2015/16 the trust took the step of surveying the full census of its workforce; enabling a rich and valuable return in terms of both quality and quantity.

1517 colleagues returned their completed survey; a response rate of 50%, which is in the best 20% for acute trusts in England, compared with 49% in 2014/15 (sample based survey; 378 returns). A variety of methods were used to encourage returns, including regular communications with staff, publicity at meetings, monitoring and chasing of non-return areas and a prize draw.

## Summary of performance – NHS staff survey

The four key findings for which MKUH compares most favourably with other acute Trusts are:

- Staff confidence and security in reporting unsafe clinical practice (MKUH 3.70, average for acute Trusts 3.62, MKUH is in the highest (best) 20% compared to other acute Trusts)
- Percentage of staff reporting errors, near misses or incidents witnessed in the last month (MKUH 92%, average for acute Trusts 90%, MKUH is in the highest (best) 20% for acute Trusts)
- Quality of non-mandatory training, learning or development (MKUH 4.06, average for acute Trusts 4.03, MKUH is above (better than) average for other acute Trusts)
- Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse (MKUH 42%, average for acute Trusts 37%, MKUH is above (better than) average for other acute Trusts)

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

- Percentage of staff experiencing physical violence from staff in last 12 months (MKUH 4%, average for acute Trusts 2%, MKUH is in the highest (worst) 20% for acute Trusts)
- Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell (MKUH 67%, average for acute trusts 59%, MKUH in the highest (worst) 20% for acute Trusts)
- Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (MKUH 17% average for acute Trusts 14%, MKUH is in the highest (worst) 20% for acute Trusts)
- Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (MKUH 32%, other acute Trusts 28%, MKUH is in the highest (worst) 20% for acute Trusts)



Through the trust's "We Care" initiative, we will work with colleagues and take action to continue improving MKUH, for the benefit of both our patients and our staff. A summary of the survey response is as follows:

Overall the results were better than average and/or in the top 20% of acute trusts for 25% of the survey's outcomes, in the following areas:

- Staff satisfaction with the quality of work and patient care that they are able to deliver
- Quality of appraisals
- Quality of non-mandatory training, learning and development
- % reporting most recent experience of violence
- % reporting most recent experience of harassment, bullying or abuse
- % reporting errors, near misses or incidents witnessed in the last month
- Fairness and effectiveness of procedures for reporting errors, near misses and incidents
- Staff confidence and security in reporting unsafe clinical practice

## 2015 NHS staff survey results

Response Rate	2014 (National average)	2015 (National average)	Trust improvement / deterioration
	49%	50% (41%)	Increase of 1%

Top 4 ranking scores	2014		2015		Trust improvement / deterioration
	Trust	National Average	Trust	National Average	
Staff confidence and security in reporting unsafe clinical practice	70%	67%	3.70	3.62	-
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	90%	90%	92%	90%	Improvement of 2%
Quality of non-mandatory training, learning or development	-	-	4.06	4.03	N/A
Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse	-	-	42%	37%	N/A

In certain cases a dash (-) appears in the tables. This is either because the Key Finding was not calculated in previous years, or there have been changes in how the Key Finding has been calculated this year.

Bottom 4 ranking scores	2014		2015		Trust improvement / deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff experiencing physical violence from staff in last 12 months	2%	3%	4%	2%	Deterioration of 2%
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	31%	29%	32%	28%	Deterioration of 1%
Percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell	25%	26%	67%	59%	Deterioration of 42%*
Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months	15%	14%	17%	14%	Deterioration of 2%

\*The NHS has seen a significant increase in the score of the survey question staff feeling pressure in the last 3 months to attend work when feeling unwell. The Trust will put particular focus in implementing further measures to improve the health and well-being of its staff.

### Actions taken since 2014 staff survey:

Based on the key findings and direct feedback from colleagues in the course of the 2013 and 2014 staff surveys, a number of initiatives have been implemented over the past year:

- Continuation of the Annual Staff Awards
- Held a 30 year service celebration event
- Continuation of the Staff, Family and Friends test
- Revised the Appraisal paperwork to reflect our values
- Increased the number of staff receiving an appraisal
- Increased the number of staff undertaking their statutory and mandatory training
- Launched the Careers Development Unit for Nursing Staff
- Supported over 70 HCA's and support workers to undertake a Dementia course with the Open University
- Supported 48 HCA's to complete the End of Life Care programme with the Open University
- The chairman regularly visits hospital departments
- The executive director's regularly undertake ward rounds
- The Care Certificate was introduced in April 2015

The Trust has signed up to be part of the streamlining programme which aims to agree mapping subject delivery to a national framework, and a library of e-Learning

Although the Trust's scores and percentages have deteriorated compared to acute Trusts only one area has deteriorated for the Trust since the 2014 survey, which is the effective use of patient/service user feedback.

However, it is clear that there continues to be work to do in order to improve in key areas and continue to build on the action plan developed from last year's survey (2014)

The results will be discussed with the Joint Consultation and Negotiation Committee (JCNC), Local Negotiating Committee (LNC), and Medical Advisory Committee (MAC), the Management Board, and the Workforce and Development Assurance Committee.

It will be shared with staff widely through a comprehensive communications plan and divisional and CSU teams. Input from these groups, and staff generally, will be sought and encouraged in order to develop a collaborative action plan to address the key findings. The action plan will be developed in conjunction with the 'We Care' and equalities programme and will be brought back to the Workforce Board, Management Board and Workforce and Development Assurance Committee for future monitoring.

Key areas for improvement are:

- A reduction in the percentage of staff experiencing physical violence from staff in the last 12 months.
- A reduction in the percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell.
- A reduction in the percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months.
- A reduction in the percentage of staff experiencing harassment bullying or abuse from patients, relatives or the public in the last 12 months.
- A reduction in the percentage of staff working extra hours.

### Equality and Diversity

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 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 help us to achieve this aim.

The workforce lead and the service lead for equality and diversity are both members of the Workforce and Development Assurance Committee which is responsible for overseeing equality and diversity for the trust.

Supporting the local (staff survey), regional and national requirements (workforce race equality scheme and equality delivery scheme 2) and public sector duties of the Equality Act 2011, an equality and diversity network 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.

## Workforce resourcing

Aligned to the workforce strategy and the trust's objectives, 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:

- Overseas nursing recruitment campaigns (Italy, Spain, Portugal & Croatia)
- Supporting junior doctors rotations to ensure that medical staffing skill mix, support and education is timely and appropriate.
- Improvements to the advisory appointments committee (consultant recruitment) process
- Introduced recruitment metrics to monitor activity and areas for improvement
- Retrospective disclosure and barring service exercise to ensure compliance with NHS employment checking standards
- Introduced enhanced bank rates in order to reduce reliance on high cost agency alternatives
- Introduced recruitment and retention premia in areas that are recognised as 'hard to recruit' and/or retain.

Acting on feedback received from key stakeholders has been critical to improving the way in which the trust recruits and retains its workforce in a competitive acute healthcare environment.

The introduction of recruitment metrics has enabled the trust to monitor the entire recruitment pipeline, from resignation/vacancy control, through to offer letter and start date. This has helped to identify blockers and improve our systems in order to streamline our processes to great effect.

In collaboration with senior nursing colleagues, the workforce resourcing team has embarked on overseas recruitment campaigns and supported local, regional and national recruitment events. Both of these types of support have helped to provide assurance that the Trust is well positioned to compete with neighbouring Trusts for both newly qualified and experienced nurses for whom it is recognised there are national shortages.

Through the trust's nursing and midwifery workforce forums, the team has also been able to develop packages of education with the practice development team, in an effort to reduce turnover. An onboarding questionnaire has been developed to pick up new colleagues within their first 6 months of trust employment and address any concerns that they might have which, if left unchecked, would otherwise

lead to them looking elsewhere to work. In addition to this, a renewed exit questionnaire and process have been developed in order that we can best learn from the experiences of departing colleagues.

The trust's e-rostering solution (Healthroster) was implemented in 2012. In October 2015, a number of system enablers and outputs were reviewed, including; utilisation, effectiveness and reporting. In response to the findings, a comprehensive programme of development, training and establishment set-up, control and maintenance has been developed, delivery of which has commenced in early 2016.

Concurrently, an intensive improvement programme has been ongoing to increase use of internal bank staff in place of high cost agency solutions. This work extends to internal system and procedures, negotiations with agencies in pursuit of compliance with the NHS Improvement agency rules and a revision and implementation of a new temporary staffing policy that includes a clear and explicit escalation process for shifts which exceed the caps set out in the agency rules. This escalation process outlines justification criteria under which requests to exceed the caps may be considered, including critical matters of patient safety and quality, which can only be authorised by executive level directors.

The trust has also sought to improve its internal bank utilisation by incentivising hard to fill shifts and implementing a weekly payroll infrastructure.

In 2015, the trust implemented a direct engagement model for medical locums enabling us to maximise operational and cost efficiencies at scale and pace for this part of the workforce.

Together, the improvements in both e-rostering and the temporary staffing function will deliver significant benefits to the trust in line with a reduced reliance on high cost agency solutions.

## Workforce planning

It is in the context of the Healthcare Review that the trust continues to assess the different dimensions of workforce planning and the need to have a coordinated approach that meets the long term strategic objectives of the trust.

To realise a comprehensive workforce strategy, planning information consists of 10% clean data, 20% analysis and 70% intelligence. In broad terms, this supports realisation of the trust's objectives, integrated workforce strategy and its transformation agenda. Progress since the appointment of the strategic workforce planner in November 2015 has been the successful deployment of two key stages, which by their nature are ongoing, that of data cleansing and making the data available.

The next stage of using workforce intelligence, horizon scanning and tactical and strategic workforce planning has begun; establishment of a robust workforce planning model, cycle and process that meets divisional, CSU and trust requirements and alignment with business and activity planning. Workforce plans will be further refined as commissioning intentions, plans for integration and partnership working become clearer.

Our workforce planning will actively seek to consider national, regional and local analyses of workforce availability and we work closely with commissioning groups, local area teams and HETV in workforce and education planning matters. The trust will, for the first time, be required to consider the impact of changes in the commissioning landscape for 2017/18 announced by Health Education England in its comprehensive spending review.

In specific terms, the trust will further develop its pay and reward framework to take account of drivers identified locally and through its integrated workforce planning cycle. Specific interventions are planned to address long term gaps that we are aware of in the medical and nursing workforce.

In January 2016, the trust signed off a business case to undertake large scale nursing recruitment in the Philippines, having exhausted EU alternatives in 2015/16. This will add significant numbers to the nursing establishment by the end of Q3 in 2016/17 and we will seek to develop this further by planning quarterly overseas recruitment campaigns as the policy decisions of previous governments continue to affect nursing education in England. It is expected, as stated by Health Education England, that nursing shortages will continue into 2018/19.



As the changes of the Health Education England comprehensive spending review take effect, the trust is uniquely positioned in the realisation and further development of its independent medical school in partnership with the University of Buckingham. In real terms, our ability to commission medical education is greatly enhanced by the advent of the medical school and will ensure that we remain agile in our ability to reshape clinical service delivery that is aligned to medical education programmes.

With regard to clinical engagement, in addition to clinical leader input into divisional workforce planning, the trust has consistently improved its job planning for medical staff over recent years, in terms of quality and volume. Following NHS England visits in late 2014 and follow up in December 2015 and the positive feedback received, the trust has incorporated a number of policy developments for the year ahead; including strong and robust linkage to service capacity and demand.

## Learning & Development

### Corporate Trust Induction

On a monthly basis the team delivers a topical, comprehensive and professional induction experience for all new recruits, which includes key information such as Trust values and objectives, and starts with a personal welcome from the Chief Executive who shares a latest Trust update.

Every corporate Trust induction is evaluated by topic and by day, and this feedback is shared with subject matter experts to continually refine and improve the programme and to tailor it to our new recruits needs.

### Mandatory training

The department offers a blended learning approach for all mandatory training requirements, which includes face to face, e learning, E- Assessment and workbooks.

The compliance rate as at 31st March 2016 was 89% which is a continually improving picture. The compliance rate is displayed by division, group and CSU and all staff can access their mandatory training records on-line at any time.

The Trust is part of the East Midlands Streamlining Programme and for mandatory training has declared alignment to the Core Skills Training Framework (CSTF). Declaring compliance means we can use Inter Authority Transfers to move mandatory training records between NHS organisations for each employee and streamlines recruitment, occupational health and factual reference processes.

### Appraisal

The compliance rate for appraisals as at 31st March was 84% against its target of 90%. A reminder system was implemented and appraisal status can be viewed on-line, by all staff at any time.

### Revalidation for Nurses and Midwives

The Trust has been preparing our nurses and midwives for Nursing and Midwifery Council (NMC) revalidation which comes into force from April 1st 2016. A series of Royal College of Nursing (RCN) workshops and confirmer sessions have been facilitated, and were well attended, a new intranet web page has been developed for revalidation and revalidation resources files have been placed in all areas and departments of the Trust.

### The Care Certificate

The Care Certificate was introduced in April 2015, for all those working as healthcare assistants and social care workers (HCSW) to undertake this learning as part of their induction programme across all health and social care sectors. It is an assessment of both knowledge and competence and sets out 15 standards against which relevant staff are assessed as competent. Participants have 16 to 20 weeks in which to complete the certificate and this is supported within the Trust by staff being released for 3 study days, approximately a month apart. These days are facilitated and supported by Practice Development and the Library. A large proportion of staff have been awarded their Care Certificate badges at the Chief Executive Roadshows – a forum for staff to meet and discuss issues with the chief executive.

### Learning Beyond Registration (LBR) funding

Each Trust receives an annual allocation of funding from Health Education Thames Valley (HEE-TV) for the Continuing Professional Development (CPD) of non-medical staff in bands 5-9. For the financial year 2015/16 the Trust was allocated £203,000.

Funding requests received from across the Trust totalled nearly four times the allocation, these requests were then discussed and prioritised against overall service needs by an internal education panel resulting in the reduction in the number of requests to meet the exact HEE-TV allocation. An evaluation system has been implemented based upon Kirkpatrick's model – which assesses the impact of the education provided against expected outcomes to improve patient care or service delivery.

## Central Courses

There are a number of central courses which are available without charge to develop our workforce and aid their leadership and management skills. We have successfully delivered a number of personal development courses regularly run throughout the year, including Assertiveness Skills, Customer Care, Communication Skills and Appraisal Training. Other popular development courses are Managing Meetings, Aspiring Managers, Coach to Lead, Influencing Skills, Negotiation Skills, Vital Conversations and Vital Conversations. All these courses evaluate extremely well, and continue to be in demand.

We also facilitated several 'Start to Sign' courses, which has proved to be extremely successful, the feedback has been very positive, some of the delegates were seen practising their newly learnt sign language skills with each other during their lunch breaks. Following feedback from the trainer we are introducing some deaf awareness information to all future delegates, this will give them a basic level of understanding of deaf awareness before attending the next Start to Sign course in 2016. The Trust offers a four-day team leader development programme and a 6-day 1st line manager development programme both of these are accredited to the ILM (Institute of Management and Leadership).

## Widening Participation

Each Trust has the opportunity to submit an annual education funding bid for staff working within bands 1 to 4 and in 2015/6 the Trust submitted an overall bid for £160,000. This funding has supported 57 staff from bands 1 to 4 through a range of apprenticeship frameworks, accredited certificates and short courses.

## Apprenticeships

The Trust has gradually increased opportunities for apprenticeships completing 5 in 2013/14, 28 in 2014/15 and 57 in 2015/2016. We have increased the range of apprenticeships we offer and have held events during apprenticeship week to promote staff development through this route.

## Work Experience

We offer three structured programmes for work experience

- A 5-day clinical work experience for 16-18 year olds
- A 5-day non-clinical experience for 16-18 year olds
- A 2-day Accident and Emergency work experience for those who can demonstrate they are eligible to apply for medical school training

In order to be eligible for work experience at Milton Keynes the young person must either live within Milton Keynes area and or attend a local Milton Keynes school or college. This is because demand for places far outstrips the available places.

## NHS Management Training Scheme (MTS)

The Trust was successful in placing two trainees during 2015/2016 in HR and Finance. Applications for the 2016 intake were submitted to HEE-TV in March 2016 for new MTS trainees to start on placement at the Trust in September 2016.

## Leadership Development

The New Consultant Development Programme was launched in September 2015 – a four day development programme based over 8 months and built around the development needs of the cohort. This programme includes learning new knowledge about the NHS infrastructure, financial flows, commissioning and production of business cases, Myers Briggs Type Inventory (MBTI), the workings and structures of our local Clinical Commissioning Group (CCG), and tools for change management, service transformation and service delivery. 44 Consultants attended the launch of the programme in January 2015; the programme is tailored for medical staff who have been a consultant for less than two years, and is delivered in partnership with NHS Elect. The programme has evaluated very positively.

## New Leadership Programme

A full tender process has been undertaken during 2015/16 to commission a new 'Leadership Development Programme' for middle/senior managers both clinical and non-clinical. The new leadership programme will include a number of face to face workshops, leadership theory styles and behaviours, a 360 appraisals and feedback, and the programme requires each delegate to undertake a service improvement project in the workplace. Action learning sets are also part of the programme which aims to develop leaders by understanding their leadership style and behaviours, building an effective team, projects and change management, the wider NHS today, and effective communications.

## Medical Education

### Junior Doctors' Training

A full programme of lecture based and simulation training is up and running for our Junior doctors in training across all specialties. Regional teaching is also in progress which sees our juniors visiting other hospitals in the region to share good practice and ensure curriculum competencies are met in their areas of specialty. We had an A&E Registrar (regional) training day in October which centred on inter-professional working in the simulated setting.

In August 2015, we saw our core medical training cohort rise from 5 trainees to 12. With this in mind we have an exciting and interactive teaching programme in place for them which has an inter-professional feel and also incorporates simulation sessions to learn from serious incidents (SIs) and is mapped to their curriculum. The feedback and attendance to these sessions is very encouraging and we have opened sessions up to Trust appointed doctors in medicine who are now also enjoying the benefits.

### Specialty and Associate Specialist (SAS) Doctors:

Our SAS tutor, Mr Dawar Abbas, organises regular training and teaching opportunities for the SAS grades of doctor in the Trust. Throughout 2015 he has run lecture based sessions as well as e-learning opportunities for this particular staff group which has received very positive feedback.

### Trainer Accreditation:

Training for educational and clinical supervisors changed format from 1st April 2015. All named clinical supervisors now have to complete an online e-learning package to keep their skills up-to-date, this needs to be updated every three years. For named educational supervisors they are required to complete the online package and also attend a one-day workshop. This format replaces the 3 half day workshops which ran previously. This change was instigated to ensure that the Trust is complying with the GMC's implementation plan for the Approval and Recognition of trainers and the Oxford Deanery's Policy for the Approving and Recognising Medical and Dental trainers.

### GMC Survey 2015:

The GMC survey for 2015 closed on the 6th May. All junior doctors who are in a training post are required to complete this survey. It is seen as their opportunity to comment and give opinion on their training and experiences at a local level at Trusts. The overall picture from the survey results for this year was on the whole more positive than previous years with the Trust receiving 11 green (positive) outliers. We received 10 red outliers which were mainly in the areas of Surgery and Medicine. An action plan is in place.

### Medical Education Quality

We facilitated 5 quality assurance visits over this year which were

- Cardiology 15 January 2016
- Ophthalmology 10 February 2016
- Paediatrics 1 March 2016
- Surgery 4 March 2016
- Annual Dean's visit – 15th March 2016

In May 2015, 61 students from the Buckingham Medical School starting their medical training and in May 2016 another 82 students will commence their training as medical students. The feedback from students has been positive. Consultants and other senior medical staff remain engaged with the provision of training and development to the Buckingham Medical School Students.

Dr Jyothi Srinivas was appointed as Deputy Director of Medical Education with overall responsibility for quality assurance.

### Library and e-learning

The Library and e-Learning Services Team assist and advise staff with finding and navigating resources, using evidence-based information to provide improved care to patients, and supporting those undertaking continuing professional development activities and research.

In addition the library is now central to the updating of policies, guidelines and procedures across the Trust, having established robust collaborative working practices with clinical governance. Evidence-based information, latest national guidelines and patient information is collated and disseminated to clinicians, enabling them to review and amend the documentation, which underpins patient safety and clinical effectiveness.

Support is also offered to HCAs undertaking the Care Certificate and to those whose first language is not English. Input to the drugs calculations test which will become part of revalidation for nurses and midwives has been some of the work undertaken.

In response to user need the Library is also providing a clinical support tool, Clinical Key and all doctors are encouraged to use this resource.

Regionally, the Library inputs to the redesign of e-assessments for statutory and mandatory training, and also designs guidelines and purchases software to improve access to e-learning for those with disabilities.

The library supports staff undertaking statutory, mandatory and CPD training via e-learning.

The drug calculations and antibiotic e-learning modules were re-launched following close work with advanced nurse practitioners, clinical governance, pharmacy and consultant colleagues.

### Organisational Development (OD)

The Trust has an overarching OD Programme called “We Care” which seeks to influence the culture of the organisation, through interventions which improve staff wellbeing and engagement and patient experience, by embedding the Trust values and by modelling positive behaviours consistently.



The ‘We Care’ interventions are based upon the premise that a happy, well-motivated, engaged workforce with the requisite knowledge and skills is directly related to positive patient experience. Colleagues who feel actively engaged in their work, who demonstrate discretionary effort, simply provide better care to patients and this, in-turn drives better patient outcomes when coupled with advances in healthcare science and research.

The We Care programme direction and interventions are based upon the feedback received from the annual staff survey, from in-house surveys, from ‘Ask Joe’ and from feedback received in a variety of forums. There are strong links with the patient experience group and a clear link between ‘you said...we did’, the staff survey action plan. A new intranet web page has been developed to give staff more information about We Care activities.

## Schwartz Rounds

Schwartz Rounds are multi-disciplinary forums designed for staff to come together once a month to discuss and reflect on the non-clinical aspects of caring for patients i.e. the emotional and social challenges associated with their jobs.

Schwartz Rounds consist of a facilitated discussion which focuses on a particular patient case that is introduced by a mixed panel of staff, led by a doctor, who were involved in the patient's care. The panel gives a brief summary of the patient's case story and panellists take it in turns to describe their involvement and, in particular, how it made them feel and what sort of challenges it may have raised for them. The discussion then opens up to the floor for participants to ask questions, share experiences and reflect on the challenges of care.

Rounds are designed to be a safe and confidential environment to promote sharing. By giving staff a safe forum to connect with others research has shown that staff report decreased feelings of stress and isolation, improved team work and interdisciplinary communication, increased insight into social and emotional aspects of patient care and confidence to deal with non-clinical issues relating to patients, specific changes in department or organisation wide practices have occurred as a result of insights that have arisen from discussions in Rounds. A new Trust intranet web page has been developed to give staff information about Schwartz Rounds.

## Long Service Awards

A long service awards ceremony was held in April recognising 80 colleagues who had worked at the Trust for over 25 years. Recipients and their guests enjoyed a tea party, and each received a framed signed certificate and a gold (30 years) or silver (25 years) name badge to mark their long service. Several members of staff reminisced about their time at the Trust with genuinely moving anecdotes of their feelings for colleagues and teams and they retold fondly, candidly and with humour how changes have been made over their years in the Trust.

## P2P Person to Person

The Trust has started to put in place a new listening service for staff, based upon successful models used in the ambulance services. The P2P listening service aims to provide a space for colleagues to share and offload things which they are struggling with, either within their work or outside. It does not aim to offer advice or to make suggestions as to how someone might tackle their problem, in contrast to professional or clinical mentoring, but can help them to make sense of the situation, help them to see the choices they have and / or refer them onto suitable services with permission or give the person information about where they might be able to gain advice if needed. The scheme is being coordinated by the Trust Chaplain, with support from the We Care steering group and the trained mentors/listeners will be identified by wear a 'P2P' badge to alert colleagues who may need a listening ear that they could be approached.

## Remuneration

Details of the Board of Directors remuneration are included in the Remuneration Report. (section 2.2)

## Volunteers

Milton Keynes University Hospital NHS Foundation Trust has over 200 volunteers that enhance the experience of patients, visitors and staff. Our teams of volunteers make a positive impact on the care that the hospital delivers, and have supported the Trust during 2015/16 by giving over 52,000 hours of their time.

People volunteer for different reasons but one thing our volunteers have in common, is that they want to make a positive difference by giving their valuable time for free, for no financial reward, to benefit others. Our volunteers bring a range of skills and knowledge, and we welcome individuals from a wide range of backgrounds, from retirees to students who want to train as doctors, physiotherapists, nurses and midwives.

We have at least 50 different volunteering opportunities within the Hospital where volunteers give their time to support areas such as A&E, Chaplaincy, Hospital Radio, Hospital Shop, Trolley Rounds, Macmillan, and on the wards. Our volunteers support us in a number of ways, for example, by assisting with clerical tasks, greeting and signposting visitors and patients to the site, and assisting the ward at mealtimes. We can usually match an individual to a role which is of interest to them, that they find rewarding and fits in around their work and personal life.

## Regulatory Ratings

We also benefit and greatly appreciate the time and commitment that is given on a regular basis by other Voluntary Services and Charities, and their volunteers, such as Arts for Health, Bucks Vision, Carers MK, Hospital Radio and LFMKH Ltd.

The volunteers were delighted to attend a session & thank you event with the CEO in which they received an update on the Hospital along with the planned future developments.

We are constantly looking for new ways in which we can grow and develop the volunteers role in the Trust and this year have been able to bring in the following new roles;

- Stroke Ward Befriending Role, Ward Support Role, Assisting with the After Francis Project and Friends & Family Surveys
- New Voluntary Service on site – Carers MK (providing help and support for carers)
- Hospital Radio building second Studio
- LFMKH Ltd – moving of shop to new premises, purchasing of restaurant tables and chairs
- Arts 4 Health – Launched Gardening on Prescription Project

We have developed a strategy for the next 3 years for the Volunteer Services department and are looking forward to the next steps of this and the future of volunteering at the Trust.

Milton Keynes Hospital NHS Foundation Trust is regulated by Monitor, the sector regulator for health services in England. Monitor categorises Foundation Trust's financial risk using the 'Continuity of Services rating' where '4' represents least risk and '1' most risk. Details of how 'Continuity of Services ratings' are calculated can be found on the Monitor website: [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk)

The Trust continues to measure performance on a monthly basis and taking additional actions where required, with quarterly self-declarations submitted to Monitor, which are shown below. These recognise that the Trust remains subject to Enforcement Action whilst improving services and performance.

Rating Category	Annual Plan	2015/16 Actual			
		Q1	Q2	Q3	Q4
Continuity of Services rating	1	1	1		
Financial Sustainability				2	2
Governance rating	Red / Amber	Red	Red	Red	Red

Rating Category	Annual Plan	2014/15 Actual			
		Q1	Q2	Q3	Q4
Continuity of Services rating	1	1	1	1	1
Governance rating	Red / Amber	Red	Red	Red	Red

Actions being taken regarding Monitor's Licence enforcement undertakings and the CQC report is given on page 46 and 47.

## 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 two 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.

As per 'The NHS Foundation Trust Code of Governance' (updated July 2014), produced by Monitor, the independent regulator, *'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.'*

### Additional and Public Interest Disclosures

#### Health and Safety Performance 2015/2016

During 2015/2016, 395 staff incidents (including violence and abuse incidents) were recorded compared to 370 in 2014/15. This represents a 7% increase from the previous year.

Incident	15/16	14/15	13/14	12/13	11/12
Violence & Abuse	156	159	154	140	175
Sharps/Needlesticks	76*	67*	54	89	80
Slip, trip or fall on level	42	36	37	44	45
Collision/Contact with an Object	29	36	24	21	33
Musculoskeletal Injury	21	21	31	39	27
Contact with moving machinery/equipment	7	11	5	2	6
Cut with sharp object (not sharps)	7	9	8	5	10
Exposure to Harmful substances (e.g. chemical/x-ray)	10	6	3	4	4
Patient Handling Injuries	11	5	9	6	8
Bodily Fluids	13	4	3	4	6
Illness - Collapsed/Fainted	4	4	0	1	4
Load Handling Injuries	9	3	12	6	9
Struck by moving object	4	3	4	6	13
Near Miss	2	3	3	0	1
Fall from height	1	2	1	3	3
Hot Burn	3	1	7	3	4
Exposure to Excessive Noise	0	0	0	0	1
<b>Totals</b>	<b>395</b>	<b>370</b>	<b>355</b>	<b>373</b>	<b>429</b>

\* This data reflects the incidents reported on the Datix the Trust electronic incident reporting system and it is noted that there is some variance with those incidents reported to Occupational Health.

#### 1. Comparison of type of incidents reported by year from 2011-2016

The above table denotes the categories of incidents reported onto the DATIX system.

The top 5 categories with the highest reported incident rates include:

- Violence and abuse
- Sharps/needlestick injuries
- Slips, trips and falls
- Collision/contact with an object
- Musculoskeletal injury

## Actions taken

Actions taken to minimise the incident rates and consequences are as follows:

### Violence and abuse

A decrease in incidents reported is observed.

Additional security staff has been provided to help manage challenging behaviours and support staff. Violence and abuse incidents are experienced from individuals who both have full understanding of their actions and those with little or no understanding due to a medical condition such as dementia. The security team have received training in relation to the management of patients with dementia and conflict resolution training is available to key staff groups within the Trust identified as vulnerable to these types of incident.

Post incident support to staff and others is available through local debriefs and the Trust employed the services of Care First from 1 September 2015 to provide counselling support to staff and others who may require it.

### Sharps/Needlestick injuries

There has been an increase in incidents under this category despite the implementation of the use of sharps safety devices. Promotion of safe use and disposal of sharps is ongoing via incident follow up and articles placed in the Chief Executive weekly message.

### Slips, Trips and Falls

An increase in incidents of this nature is noted. The publication of the Trust policy for the management and prevention of slips, trips and falls (staff and Trust users) in November 2015 may have prompted staff to report more accurately the number of incidents occurring across the site.

### Collision/contact with an object

These predominantly relate to incidents where due care and attention has not been displayed by the person involved. Staff are reminded during Risk Management and Health and Safety Training of the importance of being vigilant on site due to the varying hazards that they may come into contact with.

### Musculoskeletal injury

No change in the number of incidents reported under this category is noted. Staff receive manual handling training and are requested to complete display screen user risk assessments to identify any concerns which could lead to ill health.

## 2. Incident reportable under Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 2013

The table below identifies incidents reported onto DATIX which were subsequently reported to the Health and Safety Executive under the legal notification requirements of Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 2013.

Of the 395 incidents recorded on DATIX, 29 were reportable under the regulations. These were either specified injuries as outlined in RIDDOR, over 7 day incapacitation incidents or dangerous occurrences such as exposure to biological agents.

All incidents are investigated and where actions to prevent or reduce recurrence are identified, these are implemented and regularly reviewed for validity.

Sub Category	Total
Staff Accident - Slip, trip or fall on level	5
Staff Accident - Collision/Contact with an Object	4
Patient - Fell from Bed - Bed Rails Up	2
Patient - Lost Balance	2
Staff Accident - Contact with moving machinery/equipment	2
Staff Accident - Load Handling Injuries	2
Cross-infection(healthcare associated)	1
Needle	1
Patient - Collision /Contact	1
Patient - Tripped on Hazard	1
Privacy and Dignity Compromised	1
Staff Accident - Cut with sharp object (not sharps)	1
Staff Accident - Musculoskeletal Injury	1
Staff Accident - Patient Handling Injuries	1
Staff Accident - Struck by moving object	1
Unsafe Environment - Other	1
User error with non-medical equipment	1
Violence and Abuse - Public to Staff - Physical	1
<b>Total</b>	<b>29</b>

### 3. Improvements to health and safety management

In June 2015 the Trust appointed a new Health and Safety Advisor. A work plan has been drawn up for 2015/16 with priority areas identified in order to improve health and safety management within the organisation. Key areas include:

#### Review of health and safety policies

- Gap analysis relating to current health and safety compliance levels against HSE guidance.
- Implementation of health and safety audit and inspection programme.
- Development and Implementation of a policy and process relating to Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 2013 (RIDDOR).
- Development of the risk assessment process in line with the Management of Health & Safety at Work Regulations 1999.
- Development of a legal register.
- Development of a health and safety risk register and compliance dashboard.

To date reviews have been undertaken in relation to the DSE, Management of Rooftop Incidents; Slips, Trips and Falls Policies and a RIDDOR policy and process has been developed. Policies have been written with guidance provided by the HSE – HSG65 Managing for health and safety in mind and provide greater clarity in relation to managing these areas of risk across the Trust.

The CEO weekly bulletin has been utilised as a carrier for key health and safety information in order to raise awareness amongst staff in relation to:

- The importance of reporting accidents at work.
- The requirements of RIDDOR.
- Health & Safety Executive prosecutions relevant to healthcare.
- The importance of reporting sharps injuries.
- Slips, trip and falls awareness.

This information sharing may have contributed to the increase in incidents reported which would signify a positive reporting culture and is a positive step in organisational health and safety management.

Going forward, other methods of communication with staff will be looked into to ensure health and safety messages and information are cascaded throughout the organisation in all directions.

Risk Management and Health & Safety Training continues to meet Trust targets for completion. Review of the session content and accompanying workbook has taken place during 2015 with some amendments made to make clearer roles and responsibilities and legal requirements under health and safety laws. A separate work book for volunteers is currently under development.

## Counter Fraud Qualitative Assessments

### Countering Fraud and Corruption

The Board of Directors have established policies and procedures to minimise the risk of fraud and corruption, along with a specific procedure to be followed in the event of any reported fraud. Members of staff with reasonable suspicions are encouraged to report them, and the Trust's policy is that no employee will suffer as a result of reporting any reasonably-held suspicion(s).

The reporting procedure is detailed in Appendix A of the Trust's Standing Financial Instructions. The guidance also includes contact details for the Trust's local counter-fraud specialist (LCFS), which is provided by KPMG the Trust's internal auditor, and the NHS Fraud and Corruption Reporting Line.

The Trust raises awareness of fraud and corruption through a number of ways including regular messages on staff payslips, fraud awareness posters, fraud awareness days, staff training, intranet articles including fraud alerts, and the Trust's whistle blowing policy.

Reported concerns are investigated by the local counter-fraud specialist who reports to the Director of Finance and liaises with NHS Protect and other agencies as necessary. If the reported concerns are substantiated the matter will be pursued in accordance with criminal, civil or disciplinary proceedings, or a combination thereof as appropriate. The Trust works hard to create an anti-fraud culture and to prevent and detect fraud and corruption. The local counter-fraud specialist produces regular progress reports to the audit committee including an annual report detailing the proactive and reactive work undertaken during the financial year.

The Trust partakes in the National Fraud Initiative (NFI) exercise. The NFI is the Audit Commission's data matching exercise which is designed to help participating bodies detect fraudulent and erroneous payments from the public purse. The exercise is run every two years and it works by matching data provided by the Trust against data provided by other participating public bodies. Matches include areas such as payroll, pensions and housing benefits.

## Counter Fraud Qualitative Assessments

At the end of each financial year, NHS Protect requires organisations to provide an annual statement of assurance against the anti-fraud standards. This statement of assurance is provided through completion of the annual report and the Self Review Tool (SRT).

The purpose of the anti-fraud, bribery and corruption quality assurance programme is to be constructive and supportive. The assurance and assessment processes do not focus solely on non-compliance with the standards: they also highlight compliance, outcomes achieved and effective practice where it is found. Where standards are not being met NHS Protect will, provide advice, support and assistance to organisations in order to help them improve performance.

Further advice and guidance on the quality assessment programme can be found in the Standards for Providers. The Standards are available at <http://www.nhsbsa.nhs.uk/3577.aspx>.



## Information Governance and Data Security

The Information Governance Steering Group (IGSG) oversees the Trust's Information Governance Toolkit annual assessment and action plan. Through this governance structure the Trust's Information Governance Statement of Compliance (IGSoC) is assessed on an ongoing and annual basis to ensure connection to the NHS National Network (N3) and the use of the NHS Care Records Service applications.

Data security risks are managed via an Information governance framework, which comprises of an information governance policy, related policies and guidance and the information governance Steering group (IGSG). In particular, the Trust's risk management 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 in the Trust's risk register and will therefore be subject to the formal management attention commensurate with the assessed risk.

The Trust completes the Information Governance Toolkit (IGT) annually to demonstrate adequate practice and provide assurance that all aspects of information risk management are appropriately managed. The IGT assessment is externally reviewed by the Trust's Internal Auditors. The SIRO, Caldicott Guardian and IGSG monitor progress and compliance with the IGT on an on-going basis. The SIRO and Caldicott Guardian sit on the Management and Trust boards.

The Trust continues to achieve good percentages on the Information Governance Toolkit (IGT) (version 12). In 2014/2015 the Trust achieved 84%, compared with this year 2015/2016 which is currently at 85%.

The Trust operates in a complex environment and exchanges data with a number of organisations. The Trust therefore continues to prioritise activities to reduce the risk of data loss or accidental disclosure of personal data. Information governance policy and guidance is continually reviewed and training and awareness raising programmes target all Trust staff. Information Governance Training includes an assessment of understanding of key aspects of policy and assessment scores will indicate the success of 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.

The Trust has comprehensive and relevant policies covering information governance and IT Security, data quality and records management.

During 2015/16 we had 4 information governance serious incidents which related to:

1. Patient who was discharged was given bag with his belonging. The bag also contained a Ward list and information pertaining to others on the ward.
2. Email containing personal data of 132 patients was emailed outside the hospital to another NHS organisation in error.
3. List of patients sent in error to patient who requested access to their Medical Records.
4. Staff member accessing multiple records of friends and relatives.

All these breaches were reported to the Information Commissioners Office (ICO) and an assessment was undertaken. The Trust were found to have robust policies and procedures in place and the ICO was satisfied with the investigations and actions the Trust took.

## Freedom of Information

Freedom of Information continues to be very time consuming as requests become more complicated each year, the Trust received 515 requests in 2015/16, which included 2910 questions compared to 2014/2015 where 516 requests were received which included 2910 questions. These continue to increase in complexity. The Trust continues to deliver an effective service and have answered 72% within the 20 working day deadline.

## 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 Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by the Monitor.

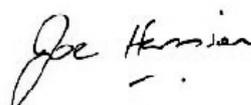
Under the National Health Service Act 2006, Monitor has directed Milton Keynes University Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Milton Keynes 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 NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016

# Annual Governance Statement

## Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

## 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 Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

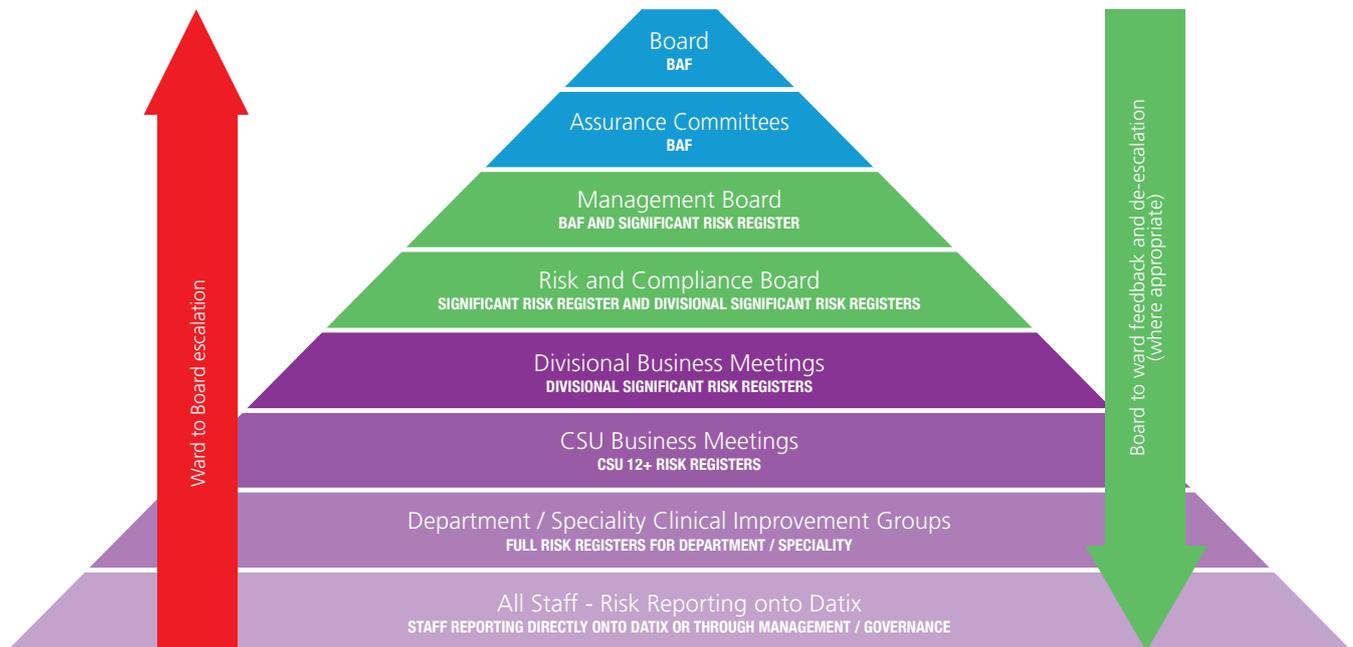
## Capacity to Handle Risk

The Board of Directors (Board) has overall responsibility for the effective management of strategic risks identified through the Board Assurance Framework (BAF) which links them to the Trust's strategic objectives and achievement thereof.

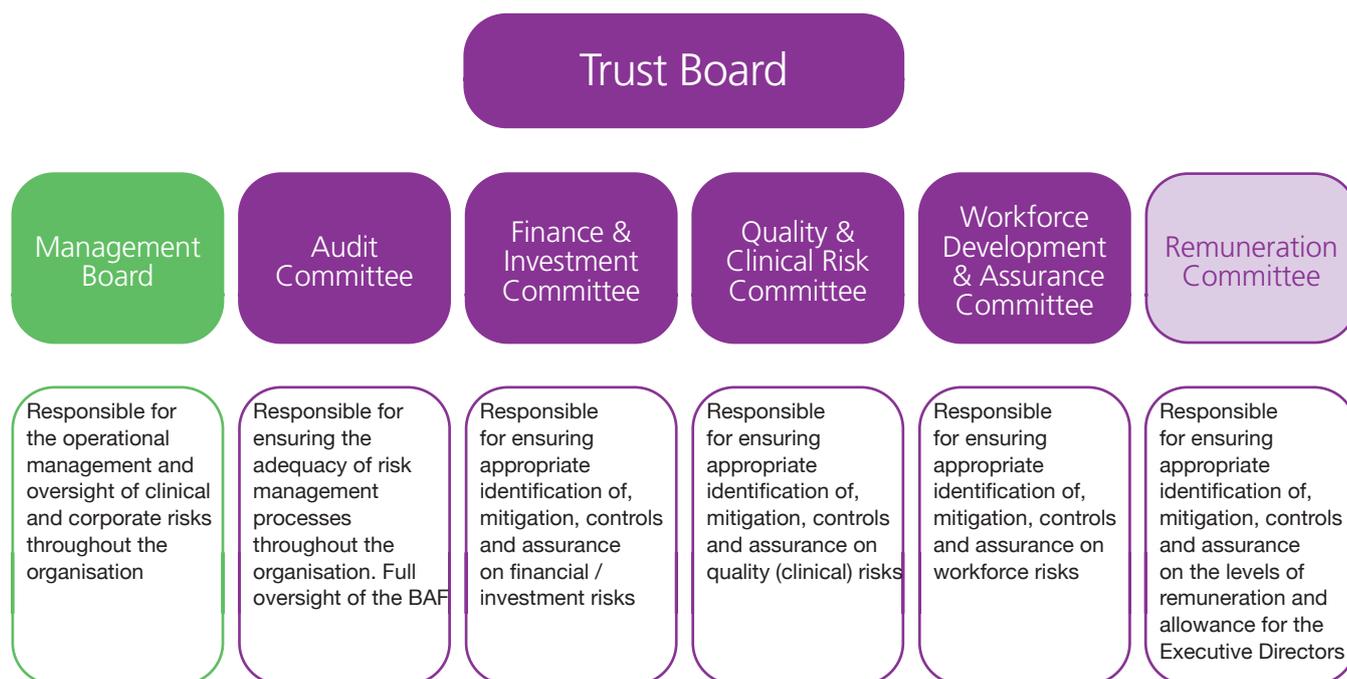
The Audit Committee provides assurance to the Board on the robustness of the systems and processes surrounding the management of risk throughout the organisation and provides assurance to the Board on their adequacy.

The Trust has a Risk Management Strategy, reviewed in May 2015, 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 diagram below:

Each committee of the Board reviews relevant risks on the BAF on at least a quarterly basis and if necessary, escalates either the risks or risk management issues to the Board.



The Board committee structure is set out below:



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 to reduce each risk, assesses risk score, approves corporate risks, reviews linked risks across specialties, departments and divisions, 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 issues e.g. CQC/ regulatory guidelines and NICE guidelines, NCEPOD, and other relevant statutory, legislative, or regulatory compliance requirements or guidance.

Risk is the responsibility of all staff. A risk handbook has been developed to assist staff with understanding responsibility for reporting risks and the organisational processes on risk management. 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. The Trust is further developing its risk assessment process for designated 'competent persons' to support rigorous annual review and ongoing risk assessment processes.



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 debriefing sessions and committees. A standardised learning audit cycle is being introduced to ensure recommendations to change practice or policy are sustained.

### The Risk and Control Framework

Risk management is an inherent part of the Trust's approach to quality improvement and good governance and is a central part of the Trust's internal control processes, as well as its strategic and operational management. 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 puts in place robust and effective controls to mitigate those risks.

The aim of risk management is to safeguard patients and staff, improve safety and reduce the probability of failure to meet regulatory compliance requirements or achieve strategic and operational objectives

The risk management process involves the identification, evaluation and treatment of risk as part of a continuous process aimed at helping the Trust and individuals to reduce the incidence and impact of the risks they face. Risk management is therefore a fundamental part of both operational and strategic delivery and planning.

The Trust is committed to working in partnership with staff to embed risk management as a core organisational process and to ensure that it is an integral part of the Trust philosophy and activities. This is achieved by building and sustaining an organisational culture which sets appropriate risk appetite(s), effective internal control systems and accountability for organisational learning in order to continuously improve the quality of services the Trust provides.

### Board Assurance Framework (BAF)

The BAF has continued to be developed as an active Board management and assurance tool, with presentation and discussion at Board meetings. It is used as the principal reporting mechanism for the monitoring and management of the key risks which are aligned against the Trust's strategic objectives. The reporting template enables the Trust Board to clearly identify any changes in the risk profile.

The Trust's risk assessment processes, investigating incidents, complaints and claims procedures are the principle sources of risk identification. The risk assessment identifies the criteria for risk scoring both likelihood and consequence on a scale of 1 to 5, with the highest risk being accorded a score of 25 (5x5). The risk assessment process also requires an appropriate risk management plan. Risks are considered against the 'treat, tolerate, transfer, terminate' criteria. Risks graded above 12 are escalated onto the divisional (or corporate directorate) risk registers and those above 15 onto the SRR. Risks are scrutinised and challenged at specialty, divisional and executive level, according to the severity grading. Controls are tested and gaps in control or breached review dates challenged at Risk and Compliance Board and by the central risk team.

The risk assessment process, as described in the risk management strategy, clearly states the escalation process to senior managers to monitor, manage and mitigate the risk according to its overall likelihood and consequence. The risk assessment process is applied to all types of risk, clinical, financial, operational, capital and strategic.



It requires divisions to maintain and monitor their own risk registers. All divisional risks with a score of 15 or above are included on the significant risk register which is reviewed by the monthly Risk and Compliance Board. Issues (e.g. poor controls/ mitigation) are escalated to Management Board on a monthly basis and to Board assurance committees, where appropriate, for potential inclusion on the BAF.

All business cases have a risk assessment on the corporate template and the risk rating strongly influences priorities within the Trust's capital programme.

The BAF helps provide assurance to internal and external stakeholders in relation to meeting the Trust objectives. Assurance of the risk management system is also supported by independent assurance processes both internal and external, and achievement of satisfactory outcomes or results.

The BAF identifies the Trust's strategic objectives and principal risks and is developed in consultation with the executive team, taking account of the wider risk environment and the changing NHS landscape. The control systems, which are used to manage risks, are identified together with the evidence for assurance that these are effective. Lead managers and directors are identified to deal with gaps in control and assurance and are responsible for developing action plans to address the gaps. The Board has considered and agreed a risk appetite statement for 2015/16 which clearly sets out its appetite for risk based on whether to avoid, minimise, be cautious, be open, seek or mature when reviewing its risk.

The Board continues to increase the profile and ownership of quality performance and continues to take steps to strengthen governance arrangements at all levels of the organisation.

The Trust has a quality governance framework in place structured to provide Ward to Board visibility across the quality agenda. The structure includes service and divisional level Clinical Improvement and Quality Groups, a doctor-led Mortality Board, an executive-led Serious Incident Review Group, an executive-led Quality Board, an executive-led Risk and Compliance Board (which tracks CQC registration compliance, including progress against inspection action plans, along with other areas of quality compliance including audit, NICE, NCEPOD and others); and a non-executive chaired Quality and Clinical Risk Committee.

At the end of the 2015/16 reporting year, the Trust committed to establishing a Data Quality Compliance Board to provide scrutiny, challenge and assurance on all aspects of data quality, including performance information. This Board was established and met in May 2016 chaired by the Deputy CEO. They will work closely with the other Board assurance committees to report to the Management Board, and onwards to provide assurance to the Audit Committee.

The Trust promotes the reporting of risk and incidents throughout the organisation; providing regular training on the Datix risk and incident reporting system; weekly information and alerts on issues and learning to all staff; and support for staff in developing competencies to assess, control and manage risk effectively.

Risk appetite is addressed in the Trust's risk strategy and risk appetite against the Trust's strategic objectives is identified, evaluated and controlled through the Board Assurance Framework process via assurance committees and the Board.

The Board ensures effective communication and consultation at all levels within the organisation and with external stakeholders. Engagement with stakeholders at various forums such as the Council of Governor's meetings and Healthwatch MK meetings provides an opportunity for risk related issues to be raised and discussed.

The Trust has a dedicated Compliance Manager that monitors compliance with CQC registration requirements. CQC compliance is reported to the Risk and Compliance Board and issues are escalated to the Management Board as required. The Trust undertakes periodical CQC peer reviews.

## Risk Appetite

The Trust is committed to not taking risks that would affect care quality or that would place the organisation in breach of regulatory requirements. The Board recognises the need for a clearly defined risk appetite against its strategic objectives, as part of its risk management process.

The Board will self-certify the validity of its Corporate Governance Statement. A number of compliance assessments review the adequacy of the governance arrangements. These are undertaken by the Director of Finance who provides assurance on financial performance; and the relevant executive director on other areas of governance in relation to the Trust's regulations. Assurance on compliance with relevant regulations, internal policies and procedures is undertaken through the Trust's Board assurance committee structure; for example, CQC registration via the Quality and Clinical Risk Committee and fire regulations through the Health and Safety Board. Compliance assessments are also undertaken by internal audit, which has provided assurances in relation to aspects of the Trust's governance arrangements.

## Stakeholder Involvement in Risk Management

In order to ensure that risk management is not seen only as an issue that needs to be addressed within the organisation alone there are arrangements in place for working with stakeholders and partner organisations, including close working with Milton Keynes CCG.

These cover both operational and strategic issues such as service planning and commissioning, performance management, research, education and clinical governance. Issues arising are fed into the Trust's risk capture process and are subject to risk action plans if the risk is graded sufficiently highly on the risk grading matrix referred to above.

Stakeholders attend meetings and are involved with the Trust which gives them opportunities to raise issues relating to risks which impact upon them. These stakeholders include for example:

### A. Patients and Public

- Patient Experience team
- 15 steps (an assessment of patient areas by patients and Governors)
- Local Health and Wellbeing Board
- Annual Members Meeting
- Healthwatch MK
- PLACE survey
- Representatives from local authority, Healthwatch MK, MK CCG and youth representatives on the Council of Governors
- Patient story at Board meetings.

### b. Staff

- Staff survey
- Staff roadshows
- Ask Joe – questions can be submitted to the Chief Executive and are responded to via the intranet
- Quarterly staff magazine
- Whistleblowing policy – which was reviewed and updated in 2013/14 and meets National Audit Office guidelines.

### c. Health partners

- There are regular performance review meetings with CCGs, GPs and Ambulance Trusts
- Stakeholder membership of working groups
- Stakeholder membership on the Maternity Improvement Board with the CCG, CQC and Monitor.
- Involvement in the strategic review of healthcare provision for the residents of Milton Keynes and Bedford.
- Attendance at Health and Wellbeing Board.



## Key Organisational Risks 2015/2016

The organisation's key risks against achieving its strategic objectives are detailed in the Board Assurance Framework (BAF). Forward risks and mitigation plans are also considered in the Trust's Annual Plan submission. The outcomes of risks are assessed as part of the risk management process and this informs the residual risk rating scores. The potential impacts of the risk, should it materialise, are included in the BAF.

The highest rated risks on the BAF at the end of the 2015/16 financial year were:

### **BAF REF 4.1 Failure to deliver key national targets (25)**

Demand for acute services exceeds capacity partly as a result of the CCG failing to appropriately manage demand, an inadequate primary care provision, poor public understanding of health care access points and the closure or suspension of services in the wider local health economy.

**In-year or future risk:** In-year risk

#### **Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Rigorous clinical and operational management of the site on a daily basis (including x3 daily bed meetings)
2. Clear internal and external escalation policies for peaks in demand
3. Weekly- referral to treat (RTT) meetings for all departments
4. Up-to-date BI reports for all areas, including RTT, emergency department ED, activity
5. Emergency care intensive support team (ECIST) meeting chaired by CEO and supported by the operational and transformation teams
6. Monthly Management Board and Trust Board reporting
7. Weekly meetings with the Clinical Commissioning Group (CCG) and Central North West London (CNWL)
8. Patient Access Policy to ensure a consistent approach
9. Daily safety huddle
10. New tripartite requirements for cancer reporting
11. Christmas and New Year plans in place
12. Warm up for winter initiative

### **BAF REF 7.1 Inability to keep to affordable levels of agency and locum staffing (25)**

There is a national shortage of appropriately qualified staff which makes it difficult to recruit to posts across all disciplines but particularly in medicine. This is compounded by short notice sickness, difficulty in planning for short term activity peaks and annual leave together with an increased requirement for enhanced observation levels of care.

**In-year or future risk:** In-year risk

#### **Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Weekly vacancy control panel to authorise all agency bookings
2. Control of staffing costs identified as a key transformation work stream
3. Capacity planning
4. Robust rostering and leave planning
5. Headcount budgets aligned to activity plans with divisional triumvirate sign off
6. Nursing agency reduction action plan prepared and being measured against.
7. Weekly executive led agency reduction group now meeting with aim of delivering required agency reduction and compliance with price caps.

### **BAF REF 1.4 Reputational risk resulting from the instigation of the Surgery Look back Exercise (20)**

Public concern regarding the safety of services at the Trust whilst a review into the practices of one clinician is undertaken.

**In-year or future risk:** In-year risk relating to immediate programme; future risk relating to uncertainty around potential findings

#### **Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Project plan in place
2. Seeking to learn from best practice in other organisations
3. Working with the NHSLA

**BAF REF 2.4 Failure to respond to patient experience feedback, specifically regarding Maternity services (20)**

The Trust has received feedback from national surveys which rate patient experience as poor and the Trust fails to respond appropriately and is currently a national outlier for patient experience causing patients to choose to be treated elsewhere.

**In-year or future risk:** In-year risk

**Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Appointment of dedicated patient experience team – led by clinicians
2. Survey results are shared with all relevant areas within the Trust
3. Action plans in place to address concerns raised

**BAF REF 8.3 Failure to adequately succession plan for Executive appointments (20)**

There has been a lack of a cohesive succession plan and a failure to recognise professional development requirements of the executive team. This is enhanced by the pension cap and assumed restrictions relating to very senior managers making the roles less attractive.

**In-year or future risk:** Future risk

**Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Newly formed Executive Remuneration and Nominations Committee
2. Engagement in Nye Bevan (NHS Leadership Academy) training

**BAF REF 8.1 Inability to recruit to critical vacancies. (20)**

There is a national shortage of appropriately qualified clinical roles particularly at consultant level.

**In-year or future risk:** Future risk

**Actions taken to mitigate risk**

The Trust has taken the following actions to mitigate the risk:

1. Continual focus on nursing recruitment to proactively manage attrition
2. Identification of difficult to recruit to roles with proactive strategies for retention and recruitment
3. Networking with other Trusts
4. Working with Academic Health Science Networks, Local Education and Training Boards, Universities and other academic institutions to recruit students as appropriate
5. Oversight at Workforce Board
6. Workforce metrics
7. Published workforce strategy
8. Overseas recruitment

These risks are reviewed at the Board on a monthly basis.

The Trust continues to run at a deficit and is reliant on Department of Health funding to meet its financial obligations. This risk is included on the BAF which is reported to the Finance and Investment Committee and trust Board.

### Care Quality Commission Registration Requirements

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

### Pensions

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.

### Sustainability

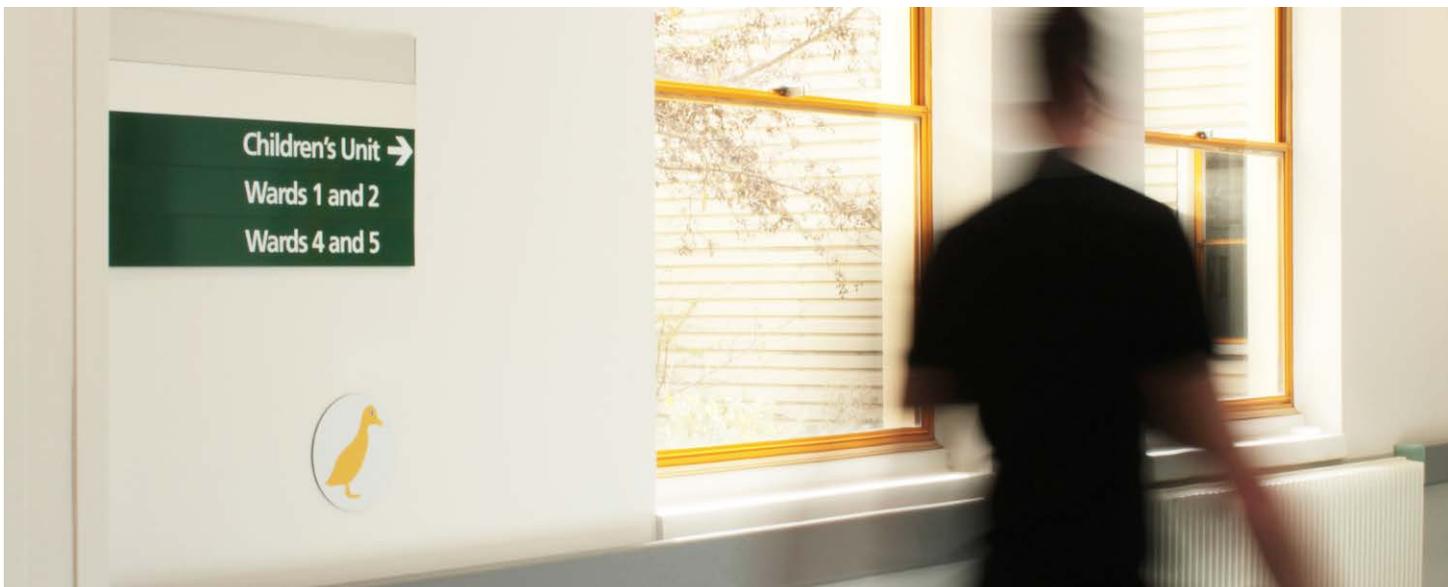
The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and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

The Trust's 2007 carbon baseline assessment was 12,747 tonnes per annum, with a target to reduce carbon to 9,559 tonnes by 2014/15.

The following table shows CO2 performance per annum to date:

2010/11	11,808 Tonnes
2011/12	11,108 Tonnes
2012/13	11,183 Tonnes
2013/14	10,508 Tonnes
2014/15	9,786 Tonnes
2015/16	9,681 Tonnes

The decrease in carbon from last year will be due in large part to a relatively mild winter with decreased heating gas requirement offset by increased Trust work activity around the Trust leading to an increase in electricity usage. The Trust continues to invest in energy saving projects and other carbon reducing schemes to reduce carbon production.



## Information Governance and Data Security

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The Trust has comprehensive and relevant policies covering information governance and security, data quality and records management.

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4. A staff member accessing multiple records of friends and relatives.

All these breaches were reported to the Information Commissioners Office (ICO) and an assessment was undertaken. The Trust was found to have robust policies and procedures in place and the ICO was satisfied with the investigations and actions the Trust took.

## Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust relies on robust, quality information and data to make informed decisions and is committed to maintaining the highest standards of data quality through effective management. The Trust is actively engaged with its commissioners to monitor quality under the national contract and monitors both local and national targets through the use of key performance indicators. Moving forward, the data quality strategy will enable an effective data quality culture aligned to the trust values.

The Management Board, Finance and Investment Committee and Board of Directors receive and consider reports on the latest financial position of the Trust from the Director of Finance at each of their ordinary meetings. A similar report is circulated to Board members at Board strategy days. This is supported by a Board dashboard (produced each month) that allows the Board to monitor a set of key indicators including productivity and efficiency measures. The Board dashboard includes comparative benchmarking data primarily from Dr Foster. The Board also reviews its Standing Financial Instructions and Scheme of Delegation annually.

The Audit Committee is the sub-committee of the Board that supplements the checks of the Board. In particular, it ensures that the work of internal audit is tailored according to the risks and issues facing the organisation; acts as a route by which both internal and external auditors can raise financial and other concerns; and acts as a conduit between the auditors and the non-executive directors. The Chair of the Audit Committee meets with the auditors with no officers present at least every year, so that the auditors can informally raise any issues they have. The Audit Committee also receives quarterly reports from counter fraud and approves the annual counter-fraud plan.

Benchmarking data is obtained for comparison in performance and is reported to the Trust Board. An example of this is the Hospital Standard Mortality Rate (HMSR), pressure ulcer and incident reporting, where the Trust used Dr Foster information for benchmarking.

Business cases for service development and improvement are robustly challenged during consideration by the Clinical Board Investment Group (CBIG) which makes recommendation to the Management Board. The clinical prioritisation process undertaken by CBIG uses benchmarking data as part of the consideration.

Ernst and Young (EY) assisted the Trust from 2013/14 in establishing a transformation programme introducing robust processes and providing project and programme management support. The Trust has built its own team to continue the transformation programme work, reducing the need for support from EY. The Director of Service Development was appointed in December 2014 and has responsibility for the transformation programme.

In 2015/6 the transformation programme savings target was £8.4m which was delivered. The Transformation Board meets on a monthly basis to review progress of the programme and reports to the Trust's Management Board and the Finance and Investment Committee. The Finance & Investment Committee have also undertaken deep dives in transformation project areas e.g. procurement and each of the Divisions reports to the Committee on the transformation schemes in its area on a quarterly basis.

The planning process for the 2016/17 transformation programme began at the end of 2015. There have been regular challenge meetings to challenge progress in the development of the schemes to ensure that delivery of savings is maximised next year. The transformation programme improves a quality impact assessment process to ensure work streams and projects support improvements to care and service quality and/or do not adversely impact care and service quality.

## Managing Public Money

An explanation of how the Trust manages public money is contained in the governance section of the Annual Report (section 3). It details the governance framework of the organisation, including information about the Board's committee structure, attendance at meetings, key areas of work covered at the meetings and an account of corporate governance, including the Board's assessment of its compliance with the Monitor's Code of Governance and the departures from it.

## Annual Quality Report

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. Monitor has issued guidance to the NHS Foundation Trust boards on the form and content of annual quality reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

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 have overseen the quality priorities in the Quality Account to ensure that they reflect the Trust's priorities. The Audit Committee ensures that the Quality Accounts comply with Monitor's guidance.
- The Council of Governors being consulted on the Quality Accounts and having an opportunity to comment on the quality priorities
- Presenting the Quality Account to the Management Board giving an opportunity to comment on the content
- Reviewing policies to ensure they are in line with national guidance.
- Monitoring key quality metrics at the management board and Board of Directors
- Monitoring its national key performance indicators relevant to data quality through the national data quality dashboard produced by the NHS Information Centre

The Trust Board monitors performance against key quality indicators. The 18 week referral to treat elective patients has not been achieved due to the increase in GP referrals and emergency activity. The Trust has developed plans for each specialty with a trajectory to reduce the waiting list to achieve the 18 week RTT in 2016/17.

The Trust achieved the A&E 4 hour wait national indicator in three out of the four quarters of 2015/16. The Trust experienced difficulty in achieving the A&E 4 hour wait target of 95% in quarter 4 due to hospital wide capacity issues. There was increased pressure during the winter period due to the acuity of patients and the number of medically fit patients who could not be discharged due to the lack of appropriate community and social care provision. Capacity in A&E has been increased by four majors' bays and six minors and reconfiguring the area for greater accessibility. The second phase to increase clinical capacity into the former main entrance was completed at the end 2015/16 and will be operational in early 2016-17.



## Appropriate Controls in Place to Ensure the Accuracy of Data

The Trust's external auditors, Deloitte highlighted weaknesses in the Trust's data quality controls during its testing of mandatory and discretionary indicators. The Trust directed internal auditors, KPMG, to undertake an advisory audit into its data quality governance arrangements to help inform improvement and development plans and provide assurance on areas of good practice.

The Trust has assigned an executive lead for data quality (the Deputy Chief Executive) and has established a Data Quality Compliance Board (May 2016) to oversee all aspects of data quality compliance, including the development and execution of a data quality strategy. The Data Quality Working Group (established in late 2015) will report into this Board. The Trust recognises that assurance on data quality controls and continuing to develop the controls to best practice standards is a vital programme of work. The Audit Committee will seek regular assurance updates and track progress during 2016/17.

The Trust assures the accuracy of elective RTT work through weekly progress and governance meetings and has developed a series of tools that support operational managers to validate and prioritise patients appropriately. Policy documents have been updated, refreshed training has been arranged and the data quality team are able to support divisional teams to prioritise areas for improvement.

## Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control has been informed by advice from the Board, Audit Committee, external audit, internal audit, local counter fraud specialist, local security management specialist, the independent assurance commissioned in year and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to 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 the Quality and Clinical Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Issue	Process by which identified	Actions being taken
Risk management systems	Internal audit report concluded that there was partial assurance with improvement required	Internal audit recognise significant progress Report was considered at Risk and Compliance Board in April 2016. Recommendations are being implemented. Monitoring through the Audit Committee.
Data quality governance	External audit and internal advisory audit report	Executive lead appointed. Data Quality Compliance Board established and recommendations being implemented. Monitoring through the Audit Committee
CQC compliance issues rated Trust as requires improvement	External inspection in October 2014	CQC action plan developed, tracked by the Risk and Compliance Board and reported to Quality and Clinical Risk Committee to ensure compliance.
Monitor Licence conditions	Monitor	Action taken against Licence conditions for 2015/16 which are being reviewed by Monitor (now NHS Improvement).

## Compliance with Monitor (NHS Improvement) Licence

In 2014/15 the Trust was in breach of its Licence conditions with regard to the non-delivery of the A&E 4 hour target, financial deficit position and governance rating. In January 2015 enforcement undertakings were agreed by the Trust under s106 of the Health and Social Care Act 2012. The conditions included:

- Delivery of a financial improvement plan
- Strategy – Healthcare review
- Board Governance actions
- A&E performance improvement

Compliance with the enforcement conditions were reviewed at the regular Performance Review meetings with Monitor (NHS Improvement).

In 2015/16 the Trust achieved the 4 hour A&E target in three of the four quarters, met the agreed financial plan and complied with the agreed actions detailed in the enforcement undertakings to improve its governance arrangements. The Trust continues to participate fully in the Healthcare Review to provide a sustainable solution to healthcare provision in Bedfordshire and Milton Keynes.

## Board of Directors

The Board of Directors places reliance upon the Audit Committee for assurance that the system of internal control is sound. The Board continued to monitor and review the Board Assurance Framework (BAF).

At each meeting the Board reviews the performance of the Trust against national and local performance indicators. In tracking the performance of the Trust the Board raised concern during the autumn that the access targets was declining and there was no additional capacity available for the winter.

In particular the Board recognised the correlation between declining performance indicators relating to increased emergency admissions; emergency department four hour maximum wait from arrival to admission/transfer or discharge; length of stay; occupancy rates and cancelled elective procedures. The Trust has also had a high number of patients with delayed transfer of care, which has meant acute beds being used for patients who were medically fit for discharge. This has added pressure on the hospital, particularly in the winter, as beds are not always available when it has been decided to admit a patient from A&E and has meant elective procedures have been delayed which has led to a growing patient waiting list.

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 3 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 in Appendix 2 of the Annual Report.



## Monitor's Code of Governance

In January 2014, Monitor published the NHS Foundation Trust Code of Governance (replacing September 2006 version). The purpose of the Code of Conduct is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of 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 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 two 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 Nominations Committee believes that the Committee should be chaired by a member of the Council of Governors as the Members' Council carried responsibility for its functions. This has been in effect since 2008/9.

## 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.

KPMG are the providers for internal audit and for 2015/16 the Head of Internal Audit opinion was significant assurance with minor improvements required on the overall adequacy and effectiveness of the Trust's framework of governance, risk management and control.

In 2015/16 the following KPMG completed six internal audit reports. There were two core reviews on Financial Management and BAF and Risk management which were rated as follows:

<b>Financial Management</b>	Significant assurance with minor improvement opportunities
<b>BAF and Risk Management</b>	<b>Design:</b> Significant assurance with minor improvement opportunities <b>Operational:</b> Partial assurance with improvement required

In addition KPMG undertook three other reviews which were designed to provide an assurance on the effectiveness of the control environment in operational systems across the Trust. In some cases reviews may be judged to provide only partial assurance but not negatively impact on the Head of Internal Audit conclusion, if this is reflective of the evolution in controls the Trust is aiming to achieve. The three areas reviewed were:

<b>Clinical Audit –monitoring and reporting</b>	Partial assurance with improvement required
<b>Complaints Handling</b>	Partial assurance with improvement required
<b>Doctors revalidation</b>	<b>Design:</b> Significant assurance with minor improvement opportunities <b>Operational:</b> Partial assurance with improvement required

## 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. The external auditor report is outlined in the annual accounts.

## Board Committee Structure

The established committee structure has strengthened the accountability framework by ensuring operational accountability is exercised through the Management Board before the reports are considered by the Board committee's where the executive are held to account. The Workforce and Development Assurance Committee will monitor the implementation of the workforce strategy. The Quality and Clinical Risk Committee monitors and if required takes action on the quality of care being provided. This is an internal mechanism for the Trust to manage performance and ensure national and local targets are achieved and the requirements of the CQC are met in full.

## 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 structures, non-pay and drug cost inflation, as well as nationally set contract penalties for contract performance deviations, combined with commissioner (CCG) expectations to reduce activity through ensuring care can be better provided within the community, i.e. managed outside the hospital.

The Trust has incurred a deficit of £31.8m for the year ended 31 March 2016 (deficit for 2014-15 was £24.9m). 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 continuously align capacity and demand.

The Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received from Milton Keynes Clinical Commissioning Group ("MKCCG") (contractual income), and through DH funding facilities. In addition, the Trust has assumed it will receive £7.3m of non-recurrent Sustainability and Transformation funding, the payment of which is contingent on the Trust achieving its Department of Health (DoH) targeted deficit and its agreed performance trajectories during 2016/17.

The Trust expects the funding requested in its Annual Plan submitted to NHS Improvement 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 casts 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 2016/17 financial year continues to be through a combination of a revolving working capital facility and interim revenue/capital support loans. This has the effect of increasing long term liabilities and reducing net assets. The revenue facilities have a maturity of 3 years, with no principal being repaid until the end of the term, however the capital loan is expected to be repaid over a 15 year period.

The Trust's immediate working capital requirements have been secured as it already has in place from 2015/16 a revolving capital facility of £15.2m. The Trust is in the process of securing a £27.5m Interim Revenue Support Loan and a £19.5m Interim Capital Support Loan for the full financial year at which point the revolving working capital facility will be repaid. The interim funding loans will be required for the duration of the financial year whilst the system Healthcare Review is being progressed, which will then allow a Recovery Plan to be developed which enables a return to a financially sustainable position. On the assumption of receipt of the above funds the Trust would continue to remain a going concern.

Positive cash balances will be maintained throughout the period through successfully securing commitments to necessary funding from DH and a contract with the lead commissioner MKCCG that gives assurance of income flows.

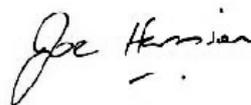
The significant risks facing the Trust are summarised as follows:

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 interim loans of £27.5m and £19.5m required to meet its financial obligations and the £7.3m Sustainability and Transformational funding 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 £11.8m which has been assumed in its 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 and delivery plans.
3. The future for Milton Keynes Hospital NHS Foundation Trust is likely to be influenced by the outcome of the jointly commissioned system review taking place across Bedfordshire and Milton Keynes CCG geography which was originally commissioned in 2013. The review was set up as a result of concerns about the pressures on the local health system and, in particular, the clinical and financial sustainability of Bedford Hospital and Milton Keynes Hospital. The work has progressed and there are currently two options under consideration. The next steps are to continue with testing and alignment of the clinical and financial rational of the options working towards public consultation from Autumn 2016.

There are thus material uncertainties which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore may be unable 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.

## Conclusion

Based on my review, I am aware of significant ongoing internal control issues regarding risk management, data quality, compliance with NHS Improvement licence conditions (Monitor) and CQC quality improvement.



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016





# Section 3

## Quality Report

# Quality Report

## 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 we provide to our patients during 2015/16; as well as to identify where we will focus our efforts next year to make the care and experience we provide as safe, positive and effective as it can be.**

Each year we set our objectives as a hospital and each year our top three objectives are improving patient safety, improving patient experience and improving clinical effectiveness. Those three aims remain at the heart of everything we do and everything we are here to deliver to our patients, every day, for every one of the hundreds of thousands of people we care for every year.

We have made great strides in improving the standards of care we provide at MKUH. We have improved our mortality rates, moving from one of the worst performing hospitals in the country to being in the top 10 in the country (In Aug 2012 the HSMR was 119.5 and in March 2016 it was 82.9). We have continued to invest in many bespoke training programmes for nursing and health care support staff to support patients with different complex conditions, including dementia. We have also reduced hospital acquired pressure ulcers; introduced new pathways for patients who are at risk of or become critically unwell, supported by new bedside technology; and bringing innovative clinical trials to Milton Keynes, including medical detection dogs.



We have continued our focus on sustaining improvements in obstetric and maternity services; with new fetal monitoring equipment and training; investment in teams and leadership development and continued independent external support.

Although the hospital delivered the national target for the first 3 quarters of the year, the first time we have been able to do this, A&E remains a challenging area for us. This is mainly due to the sheer volume of patients who come to our department seeking help. In 2015/16 84,051 people attended A&E compared with 78,388 in 2014/15. A significant number of these patients are also usually very ill and in need of admission for specialist care. We have had several long periods of sustained high demand for emergency care this year, which inevitably puts pressure on staff and services across the hospital. Staff work exceptionally hard to manage that pressure and to ensure every patient is treated safely and appropriately at all times.



Another challenge throughout the year has been achieving the 18-week referral to treatment time for every patient. This constitutional right is something we work tirelessly to ensure we deliver for our patients. As the population of Milton Keynes continues to grow, physical capacity within the hospital becomes an ever more pressing issue, despite the significant additional clinical capacity we have already made. It is clear that we will need to continue to invest and increase capacity to ensure our rapidly growing population receives timely access to treatment and care. In addition to tackling capacity issues, we have completely reviewed how we book patients onto waiting lists and how we ensure patients on waiting lists are seen within the appropriate timeframe.

We continue to work with Milton Keynes Clinical Commissioning Group both in how we make sure people are accessing the right services in the right place, including emergency care; and in developing services to support patients who are medically fit to be discharged home or into a community care setting.

We will continue our unstinting focus on safe and effective care throughout 2016/17. And we will also work hard to ensure that, where we know we deliver the safest care possible, we also deliver a positive experience for patients and families. We know we don't always get that right every single time at the moment and we have bold ambitions - working with, involving and engaging patients and families as the experts - to improve the experience of those who use our services.

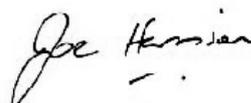
I look forward to another year of developing and continuing to improve our hospital and the care we provide for the people of Milton Keynes.

## 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.

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 the matters identified in respect of the 18 week referral to treatment incomplete pathway, 4 hour A&E wait indicator and last year's 6 week diagnostics indicators as described In the Annual Governance Statement.



Joe Harrison  
CHIEF EXECUTIVE

Date: May 2016

## Introduction

This report provides an overview of performance across our key priorities and illustrates our commitment to providing a quality service for patients.

It also outlines our planned measures for assuring and sustaining our performance for the future. This includes recognition that there are areas which require improvement.

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 a fast-growing population. The hospital provides services for all medical, surgical, maternity and child health emergency admissions.

In addition to delivering general acute services, Milton Keynes University Hospital increasingly provides more specialist services, including cancer, cardiology and oral surgery. It also has responsibility for treating premature babies born locally and in the surrounding areas.

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 against local and national targets. This helps us to continually assess our performance and tackle issues as they arise.

As well as our staff, we are also proud of our strong relationships with our stakeholders. The involvement of patients, the public, governors, local information networks, and health 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 enthusiasm and commitment to fulfilling their role as elected representatives of patients and the public, through their direct activity with the community as well as their participation in Milton Keynes Healthwatch meetings and other community forums. A governor also attends the Quality and Clinical Risk Committee which monitors performance of the hospital against the quality priorities set in the Quality Account.

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.

### Priorities for Improvement

#### Introduction

The Quality Accounts are annual reports to the public about the quality of services that providers of healthcare deliver and their plans for improvement.

The purpose of the Quality Accounts 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 providers to report on the improvements to their services and to set out their priorities for the following year.

As part of our quality account for 2016/17 the Trust is required to choose at least three quality priorities for the year to be included within Part 2 of our Quality Accounts.

There are criteria for choosing these priorities, which are:

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

Once agreed the Quality Account must report upon how progress to achieve the priorities is identified, including how they will be monitored/measured and how they will be reported by the Trust.

## Our Priorities for 2016/17

The following priorities identified have been shared with, and agreed by our governors.

### Trust Objective 1 – Improving Patient Safety

1. Improve systems to reduce the frequency and severity of medication errors
2. Embed the new processes for the identification and management of the deteriorating patient
3. Improve the management of patients with sepsis

## Quality Indicator 1:

Improve systems to reduce the frequency and severity of medication errors

**Measurement:** To be set end of the first quarter (June) following completion of the initial data collection of the medication safety thermometer

### Why we chose this as a priority?

As an organisation we had low number of incidents reported compared to what is expected based upon the number and types of patients we care for. As such last year as one of our local CQUINs there has been a focus on increasing the number of medication incidences; led by our pharmacists we have seen a significant increase which was the intended outcome and will contribute towards learning and improvement for the year ahead.

The Trust has chosen to focus on improving medication safety by focusing on:

- a) The proportion of patients who have medication checked by a pharmacist within 24 hours of admission
- b) The proportion of patients who have had an omitted dose in the last 24 hours
- c) The proportion of patients with medicine allergy status documented
- d) The proportion of patients with an omission of critical medicines
- e) The proportion of patients receiving a high risk medication in the last 24 hours
- f) The proportion of patients on a high risk medication that trigger a multi-disciplinary team (MDT) referral

In the first quarter we aim to introduce the medication safety thermometer (which measures the items a to f above) across the organisation, which will provide a baseline of information. Following on from this we will draw up an action plan identifying measurable outcomes which will be agreed by the Quality and Clinical Risk Committee. This will be monitored on a monthly basis sharing best practice and implementing learning from those areas requiring assistance.

## Quality Indicator 2:

Embed the new processes for the identification and management of the deteriorating patient

**Measurement:** 90% compliant with completion of clinical observations as documented on the nursing metrics

### Why we chose this as a priority?

Early identification of clinical deterioration is important in preventing subsequent cardiopulmonary arrest and to reduce mortality. However, sometimes patients' conditions deteriorate before staff recognise and respond to the signs. This indicates that consistently and effectively detecting and acting on patient deterioration is a complex issue. Points where the process can fail include: not taking observations; not recognising early signs of deterioration; not communicating observations causing concern; and not responding to these appropriately.

Last year the Trust invested in digital technology to assist in the collection of clinical observations (blood pressure, pulse, blood oxygen saturation levels) and successfully implemented the new National Early Warning Score (NEWS). In order to continue to embed this positive piece of work, a focus needs to remain on the continued roll out of education, support and competencies for all staff involved with direct clinical care, in unison with the utilisation of the Rapid Response Team and the continued introduction of the Level 1 pathway (the pathway of care for acutely unwell patients).

Data is currently captured in the nursing metrics about the taking and recording of clinical observations and the appropriate escalation of observations outside normal parameters. The Trust target for achievement of this is 90% completion, with current performance (March 2016) being reported in the high 80% across the board. For 2016/17 it is expected that all areas will achieve the 90% target.

The success of the Level 1 pathway will be captured on a quarterly basis and presented to both the Nursing and Midwifery Board and the Clinical Board, to review recommendations and proactively support the embedding of the new system.

## Quality Indicator 3:

### Improve the management of patients with sepsis

**Measurement:** The timely identification and treatment for sepsis for all inpatients and patients presenting to emergency areas. (Two national indicators)

#### Why we chose this as a priority?

Sepsis is the leading cause of death in hospitals worldwide. The incidence of sepsis is increasing, likely in part to be due to an ageing population who are more at risk of infection. The UK Sepsis Trust estimates that over 12,500 lives per year could be saved if sepsis is recognised and treated in its early stages. Early identification and treatment is key to reduction in death from sepsis. There is evidence to show that we can make improvements in our recognition and treatment of sepsis. Administration of intravenous antibiotics within one hour of diagnosis of sepsis is the gold standard and the priority for treatment.

The Trust has worked very hard in 2015/16 to improve sepsis care in line with best practice and this will continue in 2016/17. We are measured on:

- Every patient who attends one of our emergency areas must have a sepsis assessment and, if they are identified as having sepsis, they must be given anti-biotics within 1 hour. The national minimum target is 50%.

This year we will be extending sepsis assessment to all of our inpatient areas. This will be a significant challenge as it will mean creating and implementing a whole new process for all wards. The national minimum target for delivery of this new indicator is 50%. This will be monitored in partnership with the CCG at the joint CQRM and internally at the Quality and Clinical Risk Committee.

In addition to the three priorities for Patient Safety objective given above, the Board has considered three indicators in Patient Experience and Clinical effectiveness which it will monitor on a monthly basis to provide an overview of care being provided by the Trust. These indicators support the delivery of the Trust objectives which the Board has consulted both the organisation and Council of Governors on.

#### Patient Experience

1. Friends and Family Test recommend rates from patients. In 2015/16 the performance was 93%. The Friends and Family test is a national indicator which can be used to compare the Trust's performance. In addition, the performance from different areas of the hospital are reviewed and where there is a reduced rate from the patients to recommend the service action is taken to improve.
2. Complaints response within agreed time. In 2015/16 the performance was 81% of complaints responded to within the agreed time against a target of 90%. The Patient Experience team is working with individual services to improve the timeliness of responses to complaints.
3. Over 75 year old patient ward moves at night. In 2015/16 there were over 1,800 patients over 75 years old who were moved after 10pm at night. The Board recognise that wherever possible any move is kept to a minimum, however, at times it is necessary to move patients to a bed in a more appropriate care location.

#### Clinical Effectiveness

1. 30 Day re-admissions. In 2015/16 the 30 day re-admission rate was 7.1%. The Board believe this is a key indicator of care provided to the patient and the appropriateness of discharge.
2. Delayed transfer of care. In 2015/16 the number of delayed transfer of care patients was 39 against a target of 25. This has affected flow throughout the hospital and with medically fit patients not being able to be discharged into an appropriate place. This impacts on the operational performance of the hospital. The Trust is working with its partners to improve discharge for patients and the Board will continue to monitor performance of this indicator in 2016/17.
3. Ambulance Handovers under 30 minutes. The Board is committed to ensuring all patients receive timely and appropriate care. Patients that arrive by ambulance are usually the sickest patients and minimising the time taken for the patients to be handed over to clinical staff in the Emergency Department is key to the patient receiving prompt care. In 2015/16 the Trust achieved 1006 handovers over 30 minutes against a target of 1,200. The target for 2016/17 has been set at 5% of ambulance attendances, as the number of attendances can vary.

## How we did last year 2015/2016

### Priority 1

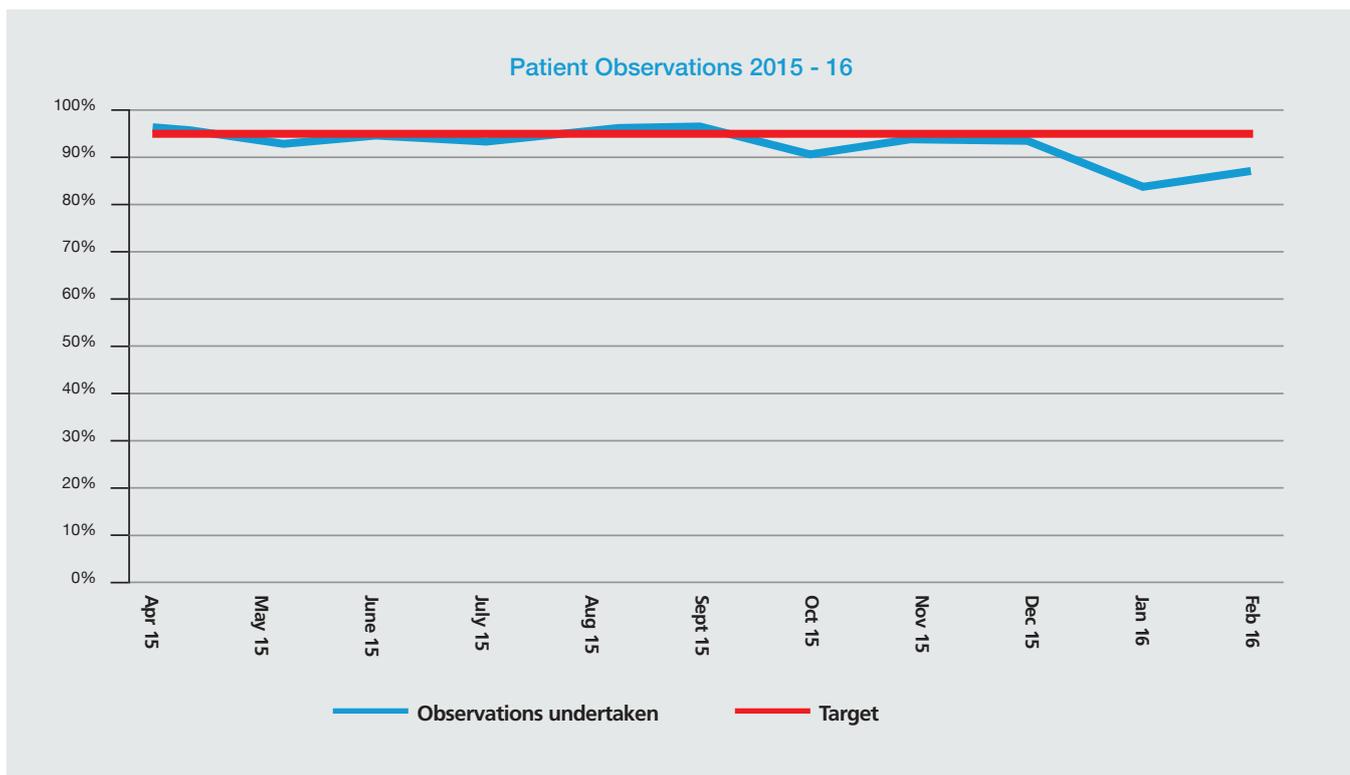
#### Improvement in the collection and management of clinical observations, resulting in better management of the deteriorating patient.

Following the financial investment last year into digital technology to assist in the collection of clinical observations (blood pressure, pulse, oxygen saturation levels) the equipment purchased has been embedded alongside a change in clinical process to using the National Early Warning Score (NEWS) charts. To enable this significant change to occur, our registered nurses, midwives, health care and maternity support workers have received training in the taking of observations, understanding the implications of clinical observations and the appropriate actions required. The training programme also included the medical staff to ensure the changes in process, the use of NEWS, was understood and supported in the Level 1 pathway.

We continue to collect data in the nursing metrics. The target for 2015/2016 was stretched to 95% which has not been achieved in this year. However the questions on the nursing metrics were reviewed and altered during the year to make them more specific and this alteration may be the reason for the slight drop in compliance. The nursing metrics now monitor taking clinical observations at the frequency indicated and if no frequency is indicated then this is recorded as non-compliance even if observations have been recorded frequently.

During the past year clinical staff of the various disciplines (nurses, midwives, doctors and physiotherapists etc.) received training on the use of the new equipment and the NEWS chart and this continues to be embedded in practice.

We continue to review and monitor the nursing metrics at divisional performance meetings through to management board.



## Priority 2

### To consistently achieve a recommendation rate of 92% in the Friends and Family Test in our cancer inpatient and outpatient facilities and to improve the response rate to 30%.

It is vital that we ensure the patients within our cancer services get the positive experience they deserve. As set out in our objectives last year; to improve our Friends and Family Test response rate to 30%, we aimed to improve the collection and response to patient feedback. Unfortunately, although the Friends and Family response and recommendation rate continues to be collected, the response rate remains to be low. A number of solutions were tried to improve the response rate, including leaflets handed out with discharge papers, receptions giving leaflets, free pens in waiting room to complete leaflet, volunteers supporting the process with minimal success. On further investigation into the poor response rate, patients gave feedback reporting that they did not want to participate every time they attended as they felt this was repetitive due to the number of attendances of a prolonged period of time.

Following this response, and the poor national patient survey in 2014, a creative and proactive approach was taken to engaging with the patient group to improve experience. This has led to the patient journal being developed. This is a journal given out on first diagnosis and follows the patient through their treatment. The journals come back to the patient group who identify trends and bring them to our clinical meeting where actions are drawn up. This is a survey run by patients for patients with a ownership from the clinical team to complete the actions and feedback – we trailed 50 successfully and we launched live in November 2015. This feedback is so beneficial and the patients warm to the approach.

		% of respondents who would recommend the service	% of respondents who would not recommend the service	Total Number of responses	Response Rate
Quarter 1	Oncology Suite	100%	0%	100	14.1%
	Ward 22	100%	0%	45	18.4%
	Macmillan Unit	100%	0%	68	6.6%
Quarter 2	Oncology Suite	100%	0%	70	9.7%
	Ward 22	93%	7%	59	27.7%
	Macmillan Unit	100%	0%	12	1.1%
Quarter 3	Oncology Suite	100%	0%	78	10.4%
	Ward 22	100%	0%	47	22.2%
	Macmillan Unit	100%	0%	39	3.3%
Quarter 4	Oncology Suite	100%	0%	49	9.3%
	Ward 22	100%	0%	40	28.0%
	Macmillan Unit	100%	0%	17	2.2%

### Priority 3

#### To deliver the national CQUIN on sepsis.

Sepsis is a potentially life threatening condition where the body's immune system goes into overdrive in response to an infection setting off a series of reactions that can lead to widespread inflammation, swelling and blood clotting. Sepsis is recognised as a significant cause of mortality and morbidity in the NHS with around 35,000 deaths attributed to sepsis annually. Following local reviews of mortality sepsis is identified as a cause for mortality in the organisation and therefore it was deemed imperative that the organisation takes the appropriate steps to improve on how it manages sepsis.

This year we have continued with the successful training and the embedding of new processes to tackle sepsis.

This year we have successfully met the CQUIN for sepsis. Our performance in achieving our CQUIN indicators has been monitored via the Trust's performance dashboard and by our commissioners.

In 2015/16 the trust performance on sepsis was:

	Comprises two parts:	
<b>Sepsis</b>	1) Screening patients for sepsis on admission to hospital in line with local protocol	1) The Trust have delivered 90% of the screening CQUIN
	2) All patients identified as having sepsis on admission are given IV antibiotics within one hour of admission	2) The Trust have delivered 60% of the administration of IV anti biotics within 1 hour of admission

#### Statement of Assurance from the Board of directors

During 2015/16 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 the 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 2015/16 represents 100 per cent of the total income generated from the provision of relevant health services by Milton Keynes University NHS Foundation Trust for 2015/16.

#### Obstetrics and Maternity Services

The Trust has continued its sustained improvement programme in obstetric and maternity services, described in last year's Quality Accounts. These improvements, which have included training and development, new equipment and team development, have been overseen by a Maternity Improvement Board. This Board includes external partners, including the CQC and Monitor (now NHS Improvement). Progress against plan has also been overseen at the Quality and Clinical Risk Committee and Trust Board. This focus will remain to ensure improvements and changes to practice are sustained and the quality of care provided to mothers and babies remains high.

#### Referral to Treat (RTT) 18 week pathway

Over the winter period the RTT measured as the number of open pathways over 18 weeks has deteriorated to 85.7% against an expected performance of 92%. The Trust has put in place robust internal processes for the management of this cohort and progress is beginning to be seen. Joint action plans have been agreed with the CCG and a trajectory to resolve the aggregate position back to the required standard by the end of the calendar year.



Ward 21 →

## Participation in Clinical Audit

There were 43 national clinical audits and 4 national confidential enquiries during 2015/16 relevant to health services that Milton Keynes University Hospital NHS Foundation Trust provides.

During that period Milton Keynes University Hospital NHS Foundation Trust participated in 33 (77%) national clinical audits and 4 (100%) national confidential enquiries in which we were eligible to participate.

The national clinical audits and national confidential enquiries that MKUH participated in, for which data collection was completed during 2015/16, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Where available we have quoted the participation rates provided by the national clinical audits themselves. Case ascertainment may be less or more than 100% in some of these audits, depending on the method used to calculate the expected number of cases.

For national clinical audits marked by an asterisk, confirmation of percentage case ascertainment was not available from the national clinical audit provider in time for publication but we believe our contribution for these audits to be 100%.

Eligible Participated National Clinical Audits 2015-16	% of cases submitted
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	140 cases submitted
Bowel Cancer (NBOCAP)	*100%
Cardiac Rhythm Management (CRM)	*100%
Case Mix Programme (CMP)	*100%
Diabetes (Paediatric) (NPDA)	*100%
Elective Surgery (National PROMs Programme)	*100%
Emergency Use of Oxygen	*100%
Falls and Fragility Fractures Audit programme (FFFAP)	2 x 15 patients
Major Trauma Audit	*100%
Medical and Surgical Clinical Outcome Review Programme	
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme	*100%
National Comparative Audit of Blood Transfusion programme - Use of blood in Haematology	37 patients
National Comparative Audit of Blood Transfusion programme - Audit of Patient Blood Management in Scheduled Surgery	3 patients
National Diabetes Audit - Adults national inpatients	*100%
National Diabetes Audit - Adults national pregnancy	*100%
National Emergency Laparotomy Audit (NELA)	*100%
National Heart Failure Audit	*100%
National inflammatory bowel disease Audit	*100%
National Joint Registry (NJR) – knee	*100%
National Joint Registry (NJR) - hip	*100%
National Lung Cancer Audit (NLCA)	*100%
National Prostate Cancer Audit	70%
Neonatal Intensive and Special Care (NNAP)	*100%
Oesophago-gastric Cancer (NAOGC)	*100%
Paediatric Asthma	*100%
Paediatric Pneumonia	*100%
Procedural Sedation in Adults (care in emergency departments)	*100%
Renal Replacement Therapy (Renal Registry)	*100%
Rheumatoid and Early Inflammatory Arthritis	*100%
Sentinel Stroke National Audit programme (SSNAP)	*100%
UK Cystic Fibrosis Registry – Paediatrics	*100%
Vital signs in children (care in emergency departments)	*100%
VTE risk in lower limb immobilisation (care in emergency departments)	*100%

Eligible Non participated National Clinical Audits 2015-16	Workstream / Component (if more than one)	Participated YES/NO	NCAPOP Audit Yes/NO	Reason for non participation
Adult Asthma	N/A	Cancelled by BTS	No	Cancelled by BTS
National Complicated Diverticulitis Audit (CAD)	Acute surgical services	No	No	No audit lead identified
National Diabetes Audit – Adults	National Footcare Audit	No	No	Footcare service commenced 2016
National Diabetes Audit – Adults	National Diabetes Transition	No	No	Participated in National Diabetes Inpatient Audit
National Diabetes Audit – Adults	National Core	No	No	Participated in National Diabetes Inpatient Audit
National Ophthalmology Audit	Adult Cataract surgery	No	Yes	No electronic means to capture data
National Vascular Registry	N/A	No	No	Service integrated with Bedford
UK Parkinson's Audit	Occupational Therapy	No	No	Community led audit
UK Parkinson's Audit	Speech and Language Therapy	No	No	Community led audit
UK Parkinson's Audit	Physiotherapy	No	No	Community led audit

NCEPOD Study Eligible 2015-16	Participated	Cases Submitted
Mental Health	Yes	5
Acute Pancreatitis	Yes	5
Sepsis	Yes	5
Gastrointestinal Haemorrhage	Yes	2



## Review of Clinical Audits

The reports of three national clinical audits were reviewed by the provider in 2015/16 and MKUH intends to take the following actions to improve the quality of healthcare provided have been put in place. For example:

National Clinical Audit	Actions to improve quality of care
National Emergency Laparotomy	<ul style="list-style-type: none"> <li>Multi-disciplinary teams to identify signs of sepsis and ensure prompt prescription, administration of antibiotics</li> <li>Until evidence is better defined, it is difficult to make firm recommendations about goal directed fluid therapy</li> <li>Hospital-level Audit to look on critical care admission after emergency laparotomy. If not met, a change of local policies should be considered</li> <li>Over 70s should be assessed for multi morbidity, frailty and cognition to guide further input from Medicine Care of Older People</li> <li>Hospitals should examine emergency theatre availability</li> </ul>
Neonatal Resuscitation audit	<ul style="list-style-type: none"> <li>Creation and implementation of a proforma to facilitate structured documentation of assessment and neonatal resuscitation</li> <li>Proforma is now displayed on Resuscitaires in labour ward</li> </ul>
Community Acquired Pneumonia	<p>What we have improved since the previous audit</p> <ul style="list-style-type: none"> <li>30 day mortality</li> <li>Antibiotics within 4 hours</li> <li>CXR reviewed in all cases</li> </ul> <p>What we could improve further</p> <ul style="list-style-type: none"> <li>Adherence to local guidelines</li> <li>Recording CURB65 score</li> <li>Chest X-ray prior to antibiotics</li> <li>Length of hospital stay</li> </ul>

The reports of 44 local clinical audits were reviewed by the provider in 2015/16 and Milton Keynes University Hospital NHS Foundation Trust intends to take the following actions to improve the quality of health. For example:

Local Clinical Audit	Actions to improve quality of care
Patient outcome following anaesthetic review	<ul style="list-style-type: none"> <li>As a result of this audit a new referral has been developed and is in circulation.</li> <li>Anaesthetics anaesthetic referral form reviewed on an ad hoc basis to determine if compliance is being achieved by the POA nurses and the anaesthetists</li> <li>Patients who have an anaesthetic assessment – to ensure that proformas have this documented by Pre-operative Assessment and the hubs are entering this onto the TCI list. the anaesthetists on the day are then alerted about the high risk patients on their list</li> <li>To look at potential one Pre-operative Assessment nurse running a sole clinic for patients to have dual and anaesthetic clinic – to support communication quality of care.</li> </ul>
Prolonged Jaundice audit - Paediatrics	<ul style="list-style-type: none"> <li>To reconfigure the staffing provision in the clinic- To be run by the 'Clinic week Senior House Officer' rather than Paediatrics Assessment Unit Senior House Officer as with the previous set up, assessments were delayed, summaries not completed or chasing up the results was affected.</li> <li>Revision of the assessment proforma</li> <li>Revision of the investigation panel to be used in this clinic</li> <li>A screening document to be used when accepting referrals</li> </ul>
Safe prescribing	<ul style="list-style-type: none"> <li>Implement RAVE protocol poster (Regular medications, Antibiotics, VTE prophylaxis , Eating and drinking )</li> <li>Remind nursing staff to administer drug doses</li> <li>Ensure replacement of drug charts at bedside</li> </ul>
Pressure Ulcer Assessment; Preventative Care and Outcomes Audit	<ul style="list-style-type: none"> <li>Review the assessment of weight on admission, to ensure that all patients are weighed for correct assessment of BMI.</li> <li>The majority of hospital acquired pressure ulcers were superficial suggesting that appropriate measures are in place once ulcers are identified as developing, reinforcement of preventative measures may promote a proactive approach rather than reactive, reducing this further.</li> <li>Scope the availability and knowledge of staff in the use of pressure relieving cushions.</li> <li>Review Trust guidance to ensure best practice is included to ensure that patients with a pressure ulcer or who are at elevated risk should not sit out for no longer than two hours</li> </ul>

## Participation in Clinical Research

The number of patients receiving relevant health services provided or sub-contracted by Milton Keynes University Hospital NHS Foundation Trust in 2015/16, who were recruited to participate in National Institute of Health Research (NIHR) studies approved by a research ethics committee was 4,195. Our target for the year was 3,900 patients so as a Trust it is fantastic to not only beat our target but also go over 4,000 recruits. We are the top recruiting small acute trust in the country this financial year, topping the league table for division 1 (cancer), division 3 (Children, genetics, haematology, reproductive health and childbirth and division 6 (which includes: anaesthesia/peri-operative medicine and pain management, critical care, injuries and emergencies, surgery, ENT, infectious diseases/microbiology, ophthalmology, respiratory disorders, gastroenterology, hepatology). Our next closest rivals were Harrogate and District NHS Foundation Trust with 2187 recruits and our league also included two other University Hospitals. This is a massive achievement for our Trust.

In total 55 studies have contributed to this year's recruitment figure. This year we have given NHS permission for a further 23 portfolio studies as well as a number of Patient Identification Centre (PICs) and non-portfolio research projects. However this year has been an exceptional year for the research team as we have also sponsored our first ever research studies. One of our sponsored trials is our collaborative research study with Medical Detection Dogs which has even been included on the NIHR portfolio and received significant media attention.

The Research and Development department had a budget of £600,000 for 2015/16, 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: pathology, pharmacy and radiology. This year the team has continued to grow to support the increasing number of studies taking place across the Trust. We have secured an increase in budget to £655,000 for 2016/17.

Our aim is to provide patients with the latest medical treatments and devices and offer them an additional choice where their treatment is concerned.

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

This year we have worked to raise the portfolio of research and development within the Trust. This year we have focused on events to tell the people of Milton Keynes, who we work to serve, about the research that is taking place in their local hospital. Our team held a stand at MK play day and enjoyed making flags and telling families about the research that is taking place in paediatrics. We also held a stand for Healthwatch to tell people all about the variety of studies we have on offer for our patients to take part in. The team also presented at the hospital's annual general meeting and took the opportunity to inform people about the variety of research taking place across the Trust and about our aim to generate 'home grown research'. This was well received and resulted in invitation to present at the MK patient congress and the diabetes patient group giving the team further opportunities to talk about Research.

We received ethics permission to start recruitment to our first MKUH sponsored study that has been adopted onto the NIHR portfolio: 'Canine olfactory detection of urological cancer from human urine'. This study has also received much media attention and has been featured on the local news, Reuters, NBC and the One Show as well as being reported in over 100 newspapers worldwide. We are carrying out this research in collaboration with Medical Detection Dogs. We have also held an event for the public to find out more about the study, featuring a presentation and a live demonstration by the Medical Detection Dogs which was thoroughly enjoyed by all.

We have continued to hold monthly research collaboration meetings, which are attended by colleagues from Buckingham University and the Open University along with our own research active clinicians and research staff. We meet to discuss new collaborative ideas, grant opportunities and provide expertise to help push forward own account research.

A second grant submission has been made for our collaboration with the Open University this time to the Medical Research Council. We have applied for a grant for a clinical trial using fluorescence to detect the spread of cancer during surgery, therefore potentially reducing the number of patients recalled for further surgery. This is in collaboration with a researcher from the Open University and with Mr Chin, one of our Consultant general surgeons, as the chief investigator, MKUHFT would act as the sponsor of the clinical trial.

## Goals agreed with Commissioners CQUIN

A proportion of Milton Keynes University Hospital NHS Foundation Trust income in 2015/16 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 payment framework. Further details of the agreed goals for 2016/17 and the following 12 month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-16-17>.

Further details of the agreed goals for 2015/16 are listed below.

Goal	Name	High level detail	Performance 2015/16
<b>NATIONAL GOALS</b>			
1	Acute Kidney Injury (AKI)	Implementing the national AKI alerting system, a management care bundle, and capturing medicines reviews, blood test requirements post discharge.	The national AKI alerting system was implemented along with the care bundle, however, the Trust did not have the appropriate IT systems in place to capture the information required by the CQUIN and therefore did not achieve the required targets
2	Sepsis	Comprises two parts: 1) Screening patients for sepsis on admission to hospital in line with local protocol 2) All patients identified as having sepsis on admission are given IV antibiotics within one hour of admission	1) The Trust have delivered 90% of the screening CQUIN 2) The Trust have delivered 60% of the administration of IV anti biotics within 1 hour of admission
3	Dementia	90% of patients aged 75yrs+, admitted as an emergency, have a dementia screening assessment and investigation carried out, with appropriate onward referral to the memory clinic where indicated	This CQUIN has been achieved in full.
4	Physio Assessment	Provide a baseline assessment for all patients aged 75yrs+ admitted as an emergency, to aid recovery/rehab and reduce length of stay.	The Trust has delivered 53% of this CQUIN
5	Emergency Department Diagnosis Coding	To ensure that all patients receive an appropriate diagnosis code on discharge from the Emergency Department	95% of this CQUIN has been delivered following a change to the IT system in the Emergency Department.
<b>LOCAL GOALS</b>			
4	Improved Discharge Planning	Patients with a LOS >0, who are admitted as emergencies, are discharged before midday on their day of the discharge from hospital.	The Trust have delivered 45% of this CQUIN. The Trust were unable to meet targets in Q4.
5	Improved Discharge Planning – (Tablets to take out) TTOs	% of TTOs written and sent to pharmacy on or before 10am on the day of discharge.	45% of this CQUIN has been delivered this year (Quarters 1&2). The Trust did not meet required milestone in Q3 and Q4 (1% below in Q3 and 7% below in Q4)
6	Respiratory Care Bundle	Providing patients with chronic respiratory disease, where suitable with a discharge care bundle to support early discharge and reduce readmission.	This CQUIN has been achieved in full.
7	You're Welcome Criteria – a project for children's wards	To collaboratively work with the Commissioners and MK Healthwatch to benchmark the Trust against the You're Welcome Criteria and create and undertake an action plan to improve areas which fall below the criteria.	This CQUIN has been achieved in full
8	Surgery Pre-Op Assessment	Increase the number of patients who have a pre-op assessment on the same day they are listed for a surgical procedure at a consultant appointment.	This CQUIN has been achieved in full.
9	HIV – CD4 Testing (white blood cell count testing)	Patients attending the HIV clinic should have no more than one CD4 count test within any nine month period	The Trust has achieved this CQUIN in full.
10	2yr Outcomes in Neonates	To ensure that all babies born with a gestation of less than 30 weeks receive a comprehensive developmental assessment before their third birthday.	The Trust has achieved this CQUIN in full.

Note For the year 2015/16 the Trust has delivered approximately £1.9m out of the total potential £3.6m, but this has yet to be verified officially with the Commissioners.

### Care Quality Commission (CQC) registration and compliance

Milton Keynes University Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is as 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. There are no enforcement actions on the organisation from the CQC. MKUH has not participated in any special reviews or investigations by the CQC during the reporting period.



## Review of Compliance of Essential Standards of Quality and Safety

The Trust had a planned inspection from the CQC during the week commencing 21st October 2014. There has been no further inspection since this date, making the matrix below the current rating, despite being 18 months old.

Specialty Area	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and Emergency services	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement	Requires improvement
Medical care	Requires improvement	Requires improvement	Good	Requires improvement	Good	Requires improvement
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	Requires improvement	Good	Good	Good	Good	Good
Outpatients and Diagnostic Imaging	Good	Not Rated	Good	Good	Good	Good
<b>Overall</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Good</b>	<b>Requires improvement</b>	<b>Good</b>	<b>Requires improvement</b>

### Key findings from the report

- Staff were caring and compassionate, treating patients with dignity and respect.
- The Trust was generally clean and well-maintained.
- Infection rates were in line with national averages. Staff washed their hands between patients.
- The Trust had consistently not met the target for treating 95% of patients attending A&E within four hours. Plans were in place to address this. Demand was exceeding the capacity.
- There were staff vacancies in some areas and some staff felt under pressure, but plans were in place to address this.
- No open mortality outliers at the Trust, outcomes for patients were generally good.
- Patients were given assistance to eat and drink, although fluid and intake charts were not always completed. The Catering Department worked closely with ward nurses and dieticians.

### Areas of outstanding practice

- Sensory walk rounds.
- The Cancer Patient Partnership Group.
- Staff working in bereavement teams.
- Leadership within surgery was "outstanding".
- Consultant medical staff were extremely engaged with leaders in the Trust.

### Areas of compliance or enforcement

Milton Keynes University Hospital NHS Foundation Trust received no notification of compliance or enforcement within the report.



**Areas for improvement – identified in 2014 and how we have improved these since the inspection**

- a) Calling for help in the Medical Assessment Area waiting area.**  
The area in question is no longer in use and therefore this matter has been resolved.
- b) Secure storing of cytotoxic waste.**  
Our recent audits on the storage of cytotoxic waste indicate the work we undertook has made us compliant on this issue.
- c) Full and accurate records relating to care and treatment, (VTE, dementia, fluid balance)**  
The Trust is compliant on VTE and dementia audits. We continue to work on our implementation of fluid balance charts and have just introduced a new chart and process to improve completion.
- d) Staff uptake of mandatory training.**  
The Trust has an 89% compliance with mandatory training.
- e) Transferring inpatients from MAU within 72 hours.**  
The Medical Director has undertaken significant work to redesign the patient flow from the medical assessment areas. We are presently auditing this to see if the changes undertaken have resulted in sustained improvement in delays.
- f) Pre-operative safety checks.**  
The Trust has a 100% audit on the pre-operative safety checklist.
- g) Cleaning schedules for shower chairs and stools.**  
These are in place and being checked on a regular basis.
- h) Privacy and dignity in A&E.**  
Since the CQC visited, we have redesigned our A&E Department and built new areas to improve the patient experience. All of the new initiatives have been undertaken to ensure the privacy and dignity of patients in the Department.
- i) Do Not Attempt Cardiopulmonary Resuscitation (DNA CPR) documentation**  
Policy has been revised to include recent legislation and was adopted in 2015. There has been extensive communication to clinical staff regarding the DNA CPR policy.
- j) Completion of action plans in Maternity and Gynaecology.**  
Please see full maternity update in Quality Section of report.
- k) Operational protocols for partners on Ward 9 overnight.**  
These have been completed and we have received excellent feedback from parents on this issue.

## Data Quality

Milton Keynes University Hospital NHS Foundation Trust submitted records during 2015-16 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data

which included the patient's valid NHS Number was:

- 99.5% for admitted patient care;
- 99.8% for outpatient care; and
- 98.4% for accident and emergency care.

which included the patient's valid General Practitioner Registration Code was:

- 100% for admitted patient care;
- 100% for outpatient care; and
- 100% for accident and emergency care.

Milton Keynes University Hospital NHS Foundation Trust Information Governance Assessment Report overall score for 2015/16 was 85% and was graded green.

Milton Keynes University Hospital NHS Foundation Trust was not selected for an external Payment by Results Audit of clinical coding during the financial year 2015/16.

Milton Keynes University Hospital NHS Foundation Trust is committed to the development of data quality through the following:

1. Trust Board and Sub-Committees monitoring data quality action plans for areas in their remit.
2. Progressing data quality improvements in outpatient bookings.
3. Data Quality Board being established with Internal Audit representation on Board.

## 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.

Domains of Quality	Level	2013/14	2014/15	2015/16
<b>DOMAIN 1 PREVENTING PEOPLE FROM DYING PREMATURELY</b>				
	MKUHFT	1.04 Band 2	0.94 Band 2	<b>1.04 Band 2</b>
Summary Hospital-Level Mortality Indicator (SHMI) value and banding	National	1.00	1.00	<b>1.00</b>
	High /Low	0.63-1.16	0.54-1.19	<b>Data not required in guidance</b>
% of admitted patients whose deaths were included in the SHMI and whose treatment included palliative care	MKUHFT	27.5%	30.8%	<b>44.0%</b>
	National	20.6%	24.7%	<b>26.60%</b>
	High /Low	0-44.1%	0-49%	<b>0-53.5%</b>

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

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 this score, and so the quality of its services, by continuing to review the data set within this indicator for any changes that may indicate a decline in the safety and quality. Banding 2 means that the mortality rate is 'as expected'.

There is an increasing level of scrutiny of mortality information across services provided by the trust and in depth analysis where mortality levels are outside the normal range.

Our priorities this year continue to focus on improving this result as they include management of sepsis and the early recognition of the deteriorating patient.

### Indicator 2: % of admitted patients whose treatment included palliative 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 this score and in turn the quality of its services, by continuing to review the data set within this indicator for any changes that may indicate a decline in the safety and quality. The palliative care team within the organisation are working alongside the supporting teams like the rapid response team, resuscitation team, end of life care teams, cancer teams and to continue to educate and promote the palliative care pathway by increasing the awareness of the health care professionals delivering care.

### Indicator 3: % of admitted patients whose deaths were included in the SHMI and whose treatment included palliative 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 this score, and so the quality of its services, by continuing to review the data set within this indicator for any changes that may indicate a decline in the safety and quality.



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

**What are PROMS (Patient Reported Outcome Measures)?**

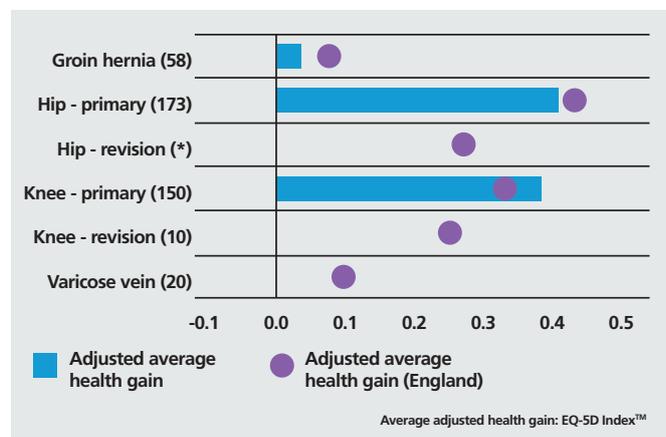
The NHS asks patients about their health and quality of life before they have an operation, and about their health and the effectiveness of the operation afterwards. This assists the NHS to measure and improve its quality of care.

Milton Keynes University Hospital NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by; improving the response rate of post-operative questionnaires and reviewing the newly released data when available. The latest data for 2015/16 was released in March 2016 and relates to the period of April 2015 to September 2015 only.

Full data is available for April 2014 to March 2015 (data published 11 Feb 2016) this shows that the participation rate for pre-operative and post-operative questionnaires was high with a pre-operative participation rate of 93.9% (75.4% in England) and a post-operative response rate of 72% (69.4% in England).

As can be seen in Chart 1 there was a significant average health gain reported following knee surgery. The other surgery's either did not highlight a significant difference from the national average or insufficient numbers of patients either received the treatment or participated in the questionnaires.

Chart 1 Average health gain following surgery at Milton Keynes compared to England



Domains of Quality	Level	2013/14	2014/15	2015/16
<b>DOMAIN 3 HELPING PEOPLE RECOVER FROM EPISODES OF ILL HEALTH OR FOLLOWING INJURY</b>				
*Patient Reported Outcome Measures for:		* Patient Reported Outcome Measures are retrospective reported measures and as such data for 2014/15 IS April 2014 to Dec 2014 only published in May 2015		
Groin hernia surgery	MKUHFT	Insufficient data	0.818	<b>Insufficient data</b>
	National		0.876	<b>79.224</b>
	High /Low		0.801 - 0.946	<b>TBC</b>
Varicose veins surgery	MKUHFT	Insufficient data	N/A	<b>N/A</b>
	National		0.847	<b>77.311</b>
	High /Low		0.74 - 0.902	<b>TBC</b>
Hip replacement surgery	MKUHFT	Insufficient data	0.756	<b>Insufficient data</b>
	National		0.799	<b>76.815</b>
	High /Low		0.686 - 0.899	<b>TBC</b>
Knee replacement surgery	MKUHFT	Insufficient data	0.834	<b>Insufficient data</b>
	National		0.737	<b>73.04</b>
	High /Low		0.577 - 0.834	<b>TBC</b>

Domains of Quality	Level	2013/14	2014/15	2015/16
<b>DOMAIN 3 HELPING PEOPLE RECOVER FROM EPISODES OF ILL HEALTH OR FOLLOWING INJURY</b>				
Emergency Readmissions to hospital within 28 days 0-15yrs standardised percent	MKHFT	12.71%	12.71%	<b>10.55%</b>
	National small acute	9.87%	9.87%	<b>11.04%</b>
Data last published in 2014 for 2011/12	High /Low	0-14.87%	0-14.87%	<b>1-14.88%</b>
Emergency Readmissions to hospital within 28 days >16yrs standardised percent	MKHFT	11.91%	11.91%	<b>6.48%</b>
	National small acute	11.07%	11.10%	<b>7.09%</b>
Data last published in 2014 for 2011/12 only	High /Low	0-12.69%	0-12.69%	<b>5.10-10.42%</b>

**Indicator 8: Emergency Readmissions to hospital within 28 days** (This was changed by the National Information Centre in 2013/14 to 28 days from 30 days readmissions and is retrospective data to 2012/13)

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 this rate, and so the quality of its services, by continuing to review why patients are readmitted. We have developed new discharge pathways with our colleagues in the community health services and local social care teams which allow patients to be discharged earlier and also receive greater support at home to prevent re-admission. This project is called “discharge to assess” and early evidence suggests patients are staying at home for longer periods.

Domains of Quality	Level	2013/14	2014/15	2015/16
<b>DOMAIN 4 ENSURING PEOPLE HAVE A POSITIVE EXPERIENCE OF CARE</b>				
Responsiveness to inpatients personal needs	MKUH	65.3	68.9%	Data not yet available
	National	68.7	65.4%	Data not yet available
	High /Low	54.4-84.2	59.1-86.1%	Data not yet available
% of staff who would recommend the provider to friends or family needing care	MKUH	59%	61%	64%
	National	66%	59%	69%
High is better	High /Low	40-94%	35-84.2%	46-85%

**Indicator 9: Responsiveness to inpatient personal needs**

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 this score by introducing a whole new patient experience team into the Trust. We have introduced the role of Doctor lead for patient experience which we believe is the only one in the country. In addition, we now have a full time patient experience manager to support the programme. The team have been working on how best to use the valuable information that the public give us about our services. Our priorities are:

- Improving food selection for patients;
- Wayfinding around the hospital in light of development of the site; and
- Improving booking and communication of hospital appointments and elective surgery.



## Indicator 10: % of staff who would recommend the provider to friends or family needing 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 this rate, and so the quality of its services by, continuing to ensure staff feel supported and that their feedback is heard and responded to. Staff have a number of ways of giving feedback, face to face and anonymously. Weekly messages from the Chief Executive also include individual accolades received and achievements by teams. We have seen a year on year improvement in this score which we believe represents the general improvements the Trust has made in care and engagement of staff in this process.

Domains of Quality	Level	2013/14	2014/15	2015/16*
<b>DOMAIN 5 TREATING AND CARING FOR PEOPLE IN A SAFE ENVIRONMENT AND PROTECTING THEM FROM AVOIDABLE HARM</b>				
% of admitted patients risk assessed for VTE	MKHFT	96%	96%	<b>95.3%</b>
	National	96%	96%	<b>95.8%</b>
High is better	High /Low	75-100%	74-100%	<b>62/100%</b>
Rate of C difficile per 100,000 bed days	MKHFT	13.7	28.3	<b>Data not yet available on national system</b>
	National	17.3	25	
Low is better	High / Low	0-30.7	8.4-49.0	
Total patient safety incidents	MKHFT	2905	3992* <sub>1</sub>	<b>2208*<sub>2</sub></b>
Rate of patient safety incidents per 100 admissions	MKHFT	18.91	26.16 * <sub>1</sub>	<b>26.88 *<sub>2</sub></b>
	National (Small Acute)	Data not available (report per 100 admissions)	35.89* <sub>1</sub>	<b>39.30*<sub>2</sub></b>
From April 2014 - Rate per 1,000 bed days	High / Low	Data not available (report per 100 admissions)	0.24-74.96	<b>18.07-74.67</b>
Total patient safety incidents resulting in severe harm or death	Total Number MKHFT	26* <sub>3</sub>	29* <sub>3</sub>	<b>10*<sub>3</sub></b>
	% MKHFT	0.3	0.3	<b>0.2</b>
Rate patient safety incidents resulting in severe harm or death	National (Small Acute)	0.6	0.5	<b>0.4</b>
	High / Low	Data not available	0-82.9	<b>0-2.9</b>

### Note

\*1 At time of previous report only the first bi-annual NRLS report had been made available – therefore only 6 months data was reported on. Figures now updated to include full year.

\*2 At time of reporting only 6 months NRLS data is available for 2015-16.

\*3 Data taken from Datix and includes any patient safety incident reported as Major or Catastrophic harm (equivalent of Severe harm or death within NRLS) that has been investigated, finally approved and reported to the NRLS. Note: Some incidents may have ongoing investigations and will not be included in this data. Where these are Serious Incidents they require closure from MKCCG before they are closed by the Trust and are submitted onto the NRLS. Therefore the changes in data on previous years is likely to be where the incident(s) was reported to NRLS since the previous report was collated.

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

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 this rate. The Trust has been compliant with this indicator for several years and continues to check the robustness of its process to ensure continued delivery.

### Indicator 12: Rate of C difficile

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 this rate, and so the quality of its services, by continuing to review each case.

The Trust has seen a 50% reduction in the number of C-difficile cases this year. We have achieved this by strict infection control processes and by restricting the use of anti-biotics linked to C-difficile. This year we will continue to extend this successful programme.

### Indicator 13: Rate of patient safety incidents and % resulting in severe harm or death

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 this rate, and so the quality of its services, by continuing to review the data set within this indicator for any changes that may indicate a decline in the safety and quality as we are below the national average for this indicator.



## Part 4 Other Information

### Review of Quality 2015/2016

In selecting our quality metrics for the quality overview we have chosen measures from the Trust Board scorecards which forms part of our continuous trust review and reporting. These measures cover patient safety, experience and clinical outcomes. They are metrics that are nationally known to be important indicators in their respective areas as well as those which reflect our quality priorities. Where possible we have included national benchmarks. Some of the measures have changed over time and as such information regarding these changes is included.

Indicator	Measurement used	2013/14	2014/15	2015/16
<b>PATIENT SAFETY</b>				
Hand hygiene compliance	Internal target – percentage compliance as measured by hand hygiene measured by exception to compliance	93.8%	87.95%	91.1%
Hospital-acquired pressure ulcers (Grades 3 and 4)	Internal target – total number recorded on Datix and investigated through Serious Incident framework (electronic incident reporting system)	23 grade 3 1 grade 4	23 Grade 3 1x Grade 4 (5 x Grade 3 downgraded)	9 Grade 3 1 Grade 4 (3x Grade 3 downgraded, 1 Grade 4 downgraded)
Patient falls	Internal target – total number of reported incidents.	668	776	12 moderate harm (change in reporting)
Medication incidents	Internal target – total number of reported incidents.	380	713	TBC
Serious incidents	Internal target – total number of reported incidents.	125	125	91
*Never events	This is based on a nationally accepted list of events published by the National Patient Safety Agency.	0	1	3

### Hand hygiene compliance

Ensuring that all hospital staff clean their hands between patients has contributed towards a reduction in health care associated infections across the NHS.

The data collection tool reflects the World Health Organisation's five moments of hand hygiene and bare below the elbow standard. The 38 areas complete the audit and this is reported on a monthly basis. Those areas that have a lapse in compliance or fail to return the audit are written to be the Chief Nurse. The Infection Prevention Control Team and clinical teams continue to promote the effective hand hygiene and bare below the elbow standards.

### Hospital Acquired pressure ulcers (grade 3 and 4)

There continues to be improvement in the identification of patients with pressure ulcers and those at risk of developing of pressure ulcers at admission with the appropriate actions being implemented in a timely manner to reduce the risk of further skin damage. As can be seen by the overall reduction in the number of grade 3 and 4 pressure ulcers developed over the past year. All hospital acquired grade 3 and 4 pressure ulcers are reported as a potential Serious Incident and require a 72 hour report to be completed. On receipt of this report a decision is made about whether the pressure ulcer reported could have been prevented or whether all preventative care had been provided and therefore the ulcer was unavoidable. All grade 3 and 4 pressure ulcers are reported through the safeguarding process as a potential safeguarding concern regardless of the decision about it being avoidable or unavoidable or a SI being declared.

The root cause analysis of the pressure ulcers is monitored from divisional level through to management board. Pressure ulcer prevention has been a quality priority for 2015/2016 and will continue to be a key indicator of quality and ongoing improvement action for the year ahead.

### Patient Falls

As the number of patients attending the hospital increases it is probable that the number of falls will increase. Therefore by comparing the number of falls against the number of occupied bed days we can measure if the rate of falls is changing. A rate of 4.85 falls per 1000 bed days was recorded in 2014/2015. This has improved to 4.02 falls per 1000 bed days in February 2016. It is noted that an increased number of patients were admitted after a fall, which increases the likelihood that they may fall again.

As suggested in last year's Quality Account, measuring the level of harm that a fall causes is a better indicator of how we have improved through falls prevention. Low or 'no harm' indicates effective falls prevention as not all falls can be prevented but the impact can be reduced.

Falls prevention training and education continues to be provided and embedded into practice to all registered nurses as part of the essential skills programme and following its success is being extended to Health Care Assistants in 2016/2017. The Post Falls protocol which initiates a whole team approach to reviewing why a patient has fallen and to reduce the risk and harm if they are to fall again.

### Medication Incidents

Medication incidents are reported onto our incident reporting system when errors have been made. An error is reported even if no harm has been caused to a patient. Errors can be about prescribing, dispensing (when the pharmacy department issues medications) or administering (when medication is given to the patient). Reporting medication incidents is the right thing to do and investigations into incidents often provide all staff with learning and sharing of improvements in practice.

## Never Events

There are over 20 listed Never Events listed by the National Patient Safety Agency (NPSA 2015/16). The Trust has reported three Never Events this year. Comprehensive root cause analysis has been completed into all Never Events and outcomes and lessons learnt in the investigation have or are planned to be shared with the patient/ families affected. Learning from Never Events is cascaded across the organisation both in written briefing material and face-to-face learning and discussion sessions.

The three Never Events which occurred during 2014/15 are as follows:

### a. Ophthalmology

A wrong intra ocular lens (IOL) was inserted during an operative procedure on 15th April 2015. The error was recognised when the patient's refractory results on 30th April were reviewed in preparation for their second eye surgery and these were not as expected. The patient had an IOL 22/50 implant inserted when they had been booked for IOL 25/50 implant.

This met the criteria for a wrong implant/prosthesis, never event in relation to the 2015 – 2016 NHS England Never Event List:

*“Surgical placement of the wrong implant or prosthesis where the implant/prosthesis placed in the patient is other than that specified in the surgical plan either prior to or during the procedure and the incident is detected at any time after the implant/prosthesis is placed in the patient”*

It is noted that a similar incident occurred, in the same surgical specialty in November 2014 when again the wrong IOL implant was inserted during a patient's cataract procedure. Since the Trust was working to the old NHS England Never Event guidelines at that time, although taken very seriously, the incident was not escalated as a never event since the following factors were required and the patient did not need further surgery or suffer any complications as detailed:

*“Surgical placement of the wrong implant or prosthesis where the implant/prosthesis placed in the patient is other than that specified in the operating plan either prior to or during the procedure. The incident is detected at any time after the implant/prosthesis is placed in the patient and **the patient requires further surgery to replace the incorrect implant/prosthesis and/or suffers complications**”*

Following the November incident a full investigation was completed and an action plan implemented to mitigate another such incident occurring, which was widely shared. This included a standard operating procedures (SOP) for implant insertions across all specialties. Unfortunately subsequent initial analysis from the confirmed never event identified additional actions required to strengthen this.



### b. Orthopaedics

Wrong site surgery occurred where a surgeon performed a lateral tendon release instead of medial tendon release during elbow surgery. The WHO checklist and consent form was completed correctly however the investigation highlighted that the root cause of the incident was that the "Time Out" was done before the surgeon had scrubbed and therefore when the surgeon came back to the table, due to human error the wrong site procedure took place.

To ensure a standardised and safe approach to the WHO and "Time Out" process the following recommendations were therefore made for all specialty operating.

- Revision to Theatre Operational Policy, Who Safety Checklists with the requirement for **all** "Time Outs" to be conducted **after surgical team have scrubbed up** and **immediately before** skin preparation.
- Strict mandate that the "Time Out" must be **attended by all relevant parties** involved in the operative procedure and attention to the detail of the "Time Out" questions must be paid by **all** staff.
- Local learning in Theatres with the inclusion during the daily 'Safety Huddle' and particular reference to the importance of and staff vigilance with safety checks.
- Monitoring of compliance through spot check "Time Out" assessments. This remains ongoing in addition to the WHO monthly audits.

In addition after review of one of the contributory factors a further recommendation was made to strengthen the process for site marking:

- When marking sites for surgery the surgeon should place the patient in the position they will be in when the patient is on the operating table and make the mark made where it will then be visible in theatre. In particular care must be taken to mark not only the side but also the site. Digits should also be marked clearly.

### c. Ear, Nose and Throat

A complaint was received from the parents of a child advising the child had come in for a biopsy on a lymph node on the child's neck in June 2014. The result of this was that part of the thyroid gland was removed and damage was caused to the voice box. A serious incident investigation was instigated and a never event for wrong site surgery declared, pending the outcome of the investigation. It was not clear at the time of reporting that this incident met the criteria for a Never Event, however the Trust took the decision to report it as a Never Event unless and until proven otherwise through the investigation process.



## Duty of Candour

Compliance with the Duty of Candour is a mandatory field on Datix with an explanation for staff explaining the key requirements and data collection fields to evidence both verbal discussions initially and written follow up, for all incidents that result in a moderate/major/catastrophic harm outcome. There is also a Duty of Candour dashboard to help the Risk Management Team at any one time note Trust compliance with links to individual incidents where the order has not been adhered to. The Trust intranet also has relevant guidance and links and template letters to help staff with compliance, with the Head of Risk and Clinical Governance approving letters before submission to ensure an empathetic and learning stance is taken. In September 2015 a Trust plenary session was held by the Trust's legal providers with a view to advise staff of both their contractual, legal and professional obligations with this regulation.

## Sign up to Safety Campaign

The Trust signed up to the Sign up to Safety Campaign in September 2014 in the five areas as follows:

Reducing avoidable harm by referencing it's priorities for 2014/2015 of:

1. Reducing the number of deaths from sepsis
2. Reducing the number of inpatient falls by 5%
3. Eliminating hospital acquired grade 3 and pressure ulcers
4. Ensuring that patients admitted emergencies are reviewed by a consultant within 48hrs
5. Increasing medication error reporting by 20%

These were seen to be replicable to the incident and serious incident trends noted in the Trust and in line with ongoing work streams to ensure safe and effective patient care. Monitoring of the campaign and progress with the work streams projects is managed through the Serious Incident Review Group (SIRG).

Indicator	Measurement used	2013-14	2014-15	2015-16
<b>CLINICAL EFFECTIVENESS</b>				
Hospital standardised mortality ratio (HSMR): all	Risk of death relative to national average case mix adjusted from national data via Dr Foster Intelligence: this is a national definition. Target is below 100	88.1	90.0	<b>82.9</b>
Perinatal death rate	This data is provided to the MBRRACE-UK (Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries)	Perinatal rate 7.8 per 1,000	Perinatal rate 4.8 per 1,000	<b>Full year data not available</b>
Still birth rate	This data is provided to the MBRRACE-UK (Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries)	Stillbirth 5.7 per 1,000	Stillbirth 2.1 per 1,000	<b>Still birth 3.3 per 1,000</b>
Readmissions under 30 days	Emergency admissions within 30 days of elective discharge, including day cases. Internally set target	8.1%	7.3%	<b>6.8%</b>

### Hospital standardised mortality ratio (HSMR)

In 2012/13 there was a peak in HSMR and a case note analysis and improvement actions were undertaken. HSMR rates have significantly improved but want to continue this progress which is why we selected improving sepsis care as one of our priorities for 2015/16 as the analysis found that sepsis was an area that required continued improvement.

### Perinatal and still birth rate

The Office for National Statistics has reported the Childhood, Infant and Perinatal Mortality rate for England and Wales, for 2013. In 2013, there were 3,284 stillbirths nationally and 1,423 deaths at age under 7 days, resulting in a perinatal mortality rate of 6.7 deaths per 1,000 total births. The perinatal mortality rate for the Trust has reduced from 7.8 per 1000 in 2013-14 to 4.8 per 1000 during the year 2014-2015. Full year statistics for 2015/16 were not available at the time of writing the report.

Indicator	Measurement used	2013-14	2014-15	2015-16
<b>PATIENT EXPERIENCE</b>				
Complaints	The number of complaints from patients received by the Trust	175	609*	897*
Midwife : birth ratio	Birth Rate Plus Midwifery Workforce planning tool	1 to 29	1 to 30	1 to 32

**Note:**

In 2014-15 the Trust included all PALs and verbal complaints into one indicator. Previously informal and formal complaints data was collected separately.

### Patient Experience

In 2015/16 the Trust undertook the national patient surveys within Emergency Department; Adult Inpatient; Child Inpatients; Maternity; Children; Neonates; and Outpatients. Results from these surveys and other insight gained from patients, families and carers are collated, analysed and shared with colleagues to create action plans for change and improvement.

The Friends and Family Test (FFT) responses can now be feedback using SMS text messaging in Emergency Department. The new supplier for FFT can also support responses by website link and a QR code for smart phones as well as the standard 'paper survey'. We believe this will increase the FFT response rate. FFT feedback, as well as feedback from NHS Choices are being shared as quick as possible to department heads and clinician's. This is also supporting improvements. The Patient Experience Team, in partnership with the Complaints / PALS team produce a quarterly report for divisions and management board detailing all information collated from patient feedback including complaints and compliments.

Indicator	Measurement used	2013-14	2014-15	2015-16
<b>WORKFORCE</b>				
Staffing level incidents	Internal target – total number of reported incidents	349* <sub>1</sub>	515* <sub>1</sub>	266* <sub>1</sub>
Incidents of violence towards staff	Internal target – total number of reported incidents	56* <sub>2</sub>	55* <sub>2</sub>	87* <sub>2</sub>
		103	113	157

**Note:**

\*1 The way of reporting staffing incidents changed around 2 years ago. Therefore these figures have been updated to reflect current reporting practice.

\*2 The top figures relate to physical violence towards staff. Bottom figures are all violence (including verbal, sexual and racial) towards staff.

## Staffing level incidents

Reporting of staffing level incidents was changed in 2014/15 as it was recognised that staffing is a contributory factor rather than an incident and therefore the category was removed and staffing incidents are now picked up where 'insufficient staffing' is recognised as contributory to any incident.

Indicator	Target and source (internal / regulatory / other)	2013-14	2014-15	2015-16
<b>PERFORMANCE AGAINST KEY NATIONAL PRIORITIES AND REGULATORY REQUIREMENTS 2010 TO 2016</b>				
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	>96% set by Monitor	Achieved 97.7%	Achieved 98%	<b>Achieved 98.92%</b>
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	>85% set by Monitor	Achieved 99.1%	Achieved 86.8%	<b>Not Achieved 84.37%</b>
Maximum wait of 2 weeks from GP referral to date first seen for all cancers	>93% set by Monitor	Achieved 96.7%	Achieved 94.9%	<b>Achieved 95.11%</b>
Maximum waiting time of 31 days for subsequent cancer treatments: drug treatments	>98% set by Monitor	Achieved 100%	Achieved 100%	<b>Achieved 99.75%</b>
Maximum waiting time of 31 days for subsequent cancer treatments: surgery	>94% set by Monitor	Achieved 97.2%	Achieved 100%	<b>Achieved 98.13%</b>
Maximum of 2 weeks wait from referral to being seen: symptomatic breast cancer patients	>93%	Achieved 94.6%	Achieved 96.1%	<b>Achieved 95.06%</b>
Referral to treatment within 18 weeks: Admitted	Admitted: >90%	Not achieved 88.8% 10 out of 13 specialties are above 90%	Achieved 90.1% 10 out of 13 specialties above 90%	<b>Not achieved 81.9%</b>
Referral to treatment in 18 weeks - patients on incomplete pathways	Patient on an incomplete pathway: 92%	Achieved 94.8%	Achieved 94.9%*	<b>Not achieved 85.7%</b>
Diagnostic wait under 6 weeks	>99%	99.1%	Achieved 99.4% *	<b>Achieved 99%</b>
A&E treatment within 4 hours (including Walk-In Centre)	>95% Set by Monitor and Care Quality Commission	Not achieved 94.4%	Not achieved 91.6%	<b>Not achieved 93.9%</b>
Rapid Access Chest Pain Clinic % seen within 2 weeks	100% Set by Care Quality Commission	Achieved 100%	Achieved 100%	<b>Awaiting Data</b>
Cancelled operations: percentage readmitted within 28 days	>95%	Not achieved 90.8%	Achieved 99.6%	<b>Not achieved 85.6%</b>
Clostridium difficile infections in the Trust	Set by DH /SHA	Not achieved 37 against 13	5 agreed lapses in care against 19	<b>Achieved 20 Against target of 39</b>
MRSA bacteraemia (in Trust)	Zero tolerance set by DH	Not Achieved 3 against 0	0	<b>Achieved 0</b>
MRSA bacteraemia (across Milton Keynes total health economy)	Zero tolerance set by DH	6	3	<b>Awaiting data</b>

## Staff Survey 2015

The Trust's most recent NHS Staff Survey results for indicators KF19 (percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months) was 26% and KF27 (percentage believing that trust provides equal opportunities for career progression or promotion) was 87% for the Workforce Race Equality Standard.

ANNEX 1  
Statements from NHS: Milton Keynes, Milton Keynes Healthwatch

No Comments received.



## Statement from Milton Keynes Council Quality Account's Panel dated 16 May 2016

Milton Keynes University Hospital  
NHS Foundation Trust (MKUHFT)

### **Witness:**

Lisa Knight, Director of Patient Care and Chief Nurse at Milton Keynes University Hospital

### **General Comments**

The Panel was pleased to note the improvement in the overall presentation of this year's Quality Account over previous years and felt that it was a much more focussed document which would be more accessible to the general reader.

A glossary had not been included in the draft QA therefore the Panel had found some of the content difficult to follow as not all acronyms, abbreviations or technical terms used in the QA were explained in the text. However, Lisa Knight advised the Panel that, when the Quality Account is merged with the Hospital's Annual Plan as a single publication, a glossary will be included to cover both documents, which re-assured the Panel over this particular concern.

There were some very positive features in this year's QA which the Panel felt worthy of comment:

- The Statement on Quality from the Chief Executive gave a very good overview of what the Hospital had achieved over the past year and an analysis of where work still need to be done;
- The Statement of Assurance explaining the sources of data, how it is collected, analysed and used in the QA was particularly helpful as this is not always made clear in Quality Account documents;
- The use of comparative data was much clearer than in previous years and the way it was presented enabled the Panel to get a clear picture of what was being highlighted;
- The use of patient journals as evidence of patient participation in their care, monitoring outcomes and providing feedback was seen as a very positive move for all concerned;
- The Panel was particularly heartened to see the improvements in oncology care following the detailed scrutiny this had received at a meeting of the Health and Adult Social Care Committee in December 2014;
- The transparency of the 3 "Never Events" reported in the QA was commended, together with the clear detail as to what had been done to make sure these were not repeated;
- The Panel welcomed the securing of additional funding to support improvements to the Hospital's A&E facilities, including the co-location of the Urgent Care Centre with the A&E Department, which was producing results as the Hospital had progressed from being one of the worst A&E centres in the country to 35th out of 143 acute trusts.



However there were still some areas of the QA where the Panel felt that either more detail or more clarity could have been provided:

- Better signposting on the Contents page to some of the detail would have been helpful. Section 2 had been broken down into smaller chunks, ie 2.1, 2.2 etc but this level of detail was lacking in Section 3 and needed to be reviewed, not only to ensure ease of navigation within the QA, but also to present a consistency of style and cohesion;
- Some of the issues highlighted in the introduction, such as maternity services which had generated a lot of public interest recently, were not followed up in the QA with a level of detail about the improvements being made which would serve to reassure the public;
- The Panel would have liked to have seen more information about partnership working across healthcare providers in Milton Keynes, particularly as this was an issue which had been discussed regularly at meetings of the Health and Adult Social Care Committee. They would have liked to have seen more information about the Hospital's relationship with the Milton Keynes Clinical Commissioning Group and the South Central Ambulance Service;
- The figures for the statutory 18 weeks waiting time from referral to operation in some departments were a concern. Lisa Knight advised that this was a new problem which had been unfolding as the QA was being written and therefore not all relevant data was available. She further explained that the delays had been caused by a backlog earlier in the year which was now being cleared. The Panel noted however, that the main departments affected, ie Orthopaedics, Urology and Ear, Nose and Throat, tended to be non-urgent cases and although any sort of delay was undesirable, a short delay in providing treatment was not generally detrimental to the patient's overall health.

### Summary

Overall the Panel felt that this QA was a big improvement on those submitted by the Hospital in previous years. It did not appear to be formula driven 'as prescribed by Monitor' which in previous years had limited its accessibility to the general reader. The Statement from the Chief Executive and the Introduction were particularly clear and with a check that all acronyms and technical/medical terms are either explained in the text or included in the final glossary (preferably both), the narrative will be accessible to most readers. Section 3 would benefit from numbering the sub-paragraphs and these being listed individually on the Contents page to match the presentation of Sections 1 and 2.

The Panel was pleased to note that the Hospital is making sustained progress in the delivery of service improvement, particularly in Oncology, A&E and Maternity and Obstetrics but would have liked to have seen these improvements highlighted more positively in the QA.

### Trust Response

The Trust welcomed the constructive comments of Milton Keynes Council, Quality Account Panel on 16 May 2016. A more detailed index has been included in the Quality Account and a glossary added to the document.

## Statement from Milton Keynes Clinical Commissioning Group dated 19 May 2016

### MKCCG comments to MKUHFT Draft Quality Account 2015-16

Thank you for forwarding a copy of the draft Quality Account 2015-16 for Milton Keynes University Hospital NHS Foundation Trust (MKUHFT) to the Milton Keynes Clinical Commissioning Group (MKCCG) which has been read with interest.

We are pleased that MKUHFT has continued to work alongside MKCCG to sustain and further improve the quality of their services. The content of the draft report is well structured and presented, with a good balance between quantitative and qualitative data and information. The report provides a balanced focus detailing where the organisation has achieved its quality goals whilst also recognising where further improvements could be made.

We acknowledge that the final report will be prepared at the end of the month and in advance of this would like to raise the following comments:

1. Page 3: We require some clarification on the source of the information regarding the improved mortality rates statistic moving from one of the worst in the country to now being in the top 10? This appears to conflict with the SHMI (Summary Hospital Level Mortality Indicator) data detailed on Page 22 of the document where the results show 'as expected'.
2. Page 8-9: Some excellent and innovative work has been carried out around the cancer services FFT which will have a beneficial impact on these services going forward. We commend the ambitious 30% response rate target.
3. Page 10: MKUHFT have continually worked very hard to achieve their CQUIN requirements for 2015/16. At the time of writing this response we have not yet received full data submissions relating to all CQUIN's. However, presentation of the data in the report appears to be consistent with our own analysis. We would hope that the data would be checked for accuracy when the Q4 data submissions are agreed.
4. Page 20, no 6: This refers to completion of the WHO audit which we agree to be 100%. This does not detail the outcomes of the audit however, it would be helpful if this could be clarified.
5. Page 22, Indicator 2: Actions to improve the score have been mentioned but have not been included in the document.
6. Page 25-26: It is encouraging to see a year on year increase in staff FFT responses. We note that this is below the national average and would hope to see this continue to improve.
7. Page 27: We are unable to comment on the data table provided at this stage due to 'data not yet available'. We hope this this data will be available for the final draft.
8. Page 29: The patient falls data for this year is not comparable with the previous years due to different methodology / data reporting. Presented in this way, this information could be misleading.
9. Page 29: Some positive and significant improvements in the number of hospital acquired Grade 3 & 4 pressure ulcers.
10. Page 29: Decreased numbers of SIs reported shows embedding of the revised SI framework that was implemented from March 2015.
11. Page 31: Typo - As c Comprehensive root cause analysis has been completed into all Never Events and outcomes and .....
12. Page 31: NPSA document dated 2014/2015. Should this be 2015/16
13. Page 33: It is disappointing to see an increased rate of still births – this has also been recognised within our own SI statistics.
14. Page 35/36: We are unable to comment on the content of the table provided at this stage as we await the validated date. We hope this this data will be available for the final draft.
15. Page 36: Could the MRSA score of 0 be verified as this does not correlate with our own figures

#### Trust Response

The Trust welcomed the constructive comments of Milton Keynes CCG, Quality Account Panel on 19 May 2016, which has been used to update the report.

## 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.

Monitor has issued guidance to NHS foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that 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:

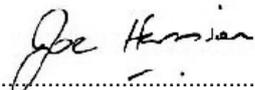
- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2015 to May 2016.
  - Papers relating to Quality reported to the Board over the period April 2015 to June 2016.
  - Feedback from the commissioners dated 19 May 2016.
  - Feedback from governors on quality priorities dated 15 March 2016.
  - Feedback from Local Healthwatch organisations not received.
  - Feedback from Local Authority dated 16 May 2016.
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, being reported to Trust Board in July 2016.
  - The national patient survey received April 2016
  - The national staff survey February 2016
  - The Head of Internal audit's annual opinion over the Trust's control environment dated April 2015

- 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 Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at [www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the Quality Report (available at [www.monitor-nhsft.gov.uk/annualreportingmanual](http://www.monitor-nhsft.gov.uk/annualreportingmanual)).

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

By order of the Board

  
Date.....Chairman  
26th May 2016

  
Date.....Chief Executive  
26th May 2016

## ANNEX 3

### Independent Auditor's report

#### 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 2016 (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 2016, 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 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; 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 Monitor.

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 Monitor 2015/16 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 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 2015 to March 2016;
- papers relating to quality reported to the board over the period April 2015 to 31 March 2016;
- feedback from the Commissioners dated May 2016;
- feedback from the governors dated 15 March 2016;
- feedback from Overview and Scrutiny Committee, dated May 2016;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 18 September 2015;
- the national patient survey dated 21 May 2015;
- the national staff survey dated 23 February 2016;
- Care Quality Commission Intelligent Monitoring Report dated May 2015;
- Care Quality Commission reports; and
- the Head of Internal Audit's annual opinion over the trust's control environment dated 20 May 2016.

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 testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

### Basis for qualified conclusion

The indicator for the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period requires the Trust to accurately record the start and end dates of each patient’s treatment pathway, in accordance with the detailed requirements set out in national guidance.

Our procedures included testing a risk based sample of items and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We found that:

- for 12% of items in our sample of patients’ records tested, one or both of the start and end date of treatment were not accurately recorded, and affected the calculation of the published indicator. For a further 35% of sample items, one or both of the start and end date of treatment were not accurately recorded, but did not affect the calculation of the published indicator; and
- for 3% of items in our sample of patients’ records tested, we were unable to obtain sufficient supporting evidence to confirm the details necessary to test the calculation of the indicator.

As a result of the issues identified, we have concluded that there are errors in the calculation of the percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period indicator for the year ended 31 March 2016. We are unable to quantify the effect of these errors on the reported indicator.



The indicator for percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge 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 discharge, transfer, or admission as an inpatient. It requires the Trust to accurately record the start and end times of each patient's wait in A&E, in accordance with the detailed requirements of set out in national guidance.

In respect of the start time, we found that:

- for 38% of items in our sample of patients' records tested, the start of the wait time was not accurately recorded; and
- for 21% of items in our sample of patients' records tested, 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:

- the Trust does not retain an audit trail which identifies and provides supporting rationale for instances where the end time has been subsequently adjusted as part of the Trust's validation processes;
- for 8% of sample items, the end time was not consistent with other Trust records; and
- for 33% of sample items, the end time was incorrect due to manual input errors by A&E staff

As a result of the issues identified, we have concluded in respect of the percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge indicator that:

- there are errors in its calculation for the year ended 31 March 2016. We are unable to quantify the effect of these errors on the reported indicator; and
- there is a limitation upon 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 A&E 4 hour waiting times.

#### **Qualified conclusion**

Based on the results of our procedures, except for the effects of matters described in the 'Basis for qualified conclusion' section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2016:

- 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 Monitor 2015/16 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**

Chartered Accountants  
St Albans

26 May 2016

## Glossary

<b>A &amp; E</b>	<b>Accident &amp; Emergency</b>	Hospital department specialising in the acute care of patients who arrive without a prior appointment
<b>AHP</b>	<b>Allied Healthcare Professional</b>	Generic term for professionals other than doctors and nurses who treat patients, therapists, physios, dieticians etc
<b>ALOS</b>	<b>Average Length of Stay</b>	The average amount of time patients stay in hospital
<b>Amber</b>	<b>Amber</b>	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.
<b>AO</b>	<b>Accountable Officer</b>	A person responsible to report or explain their performance in a given area.
<b>APR</b>	<b>Annual Plan Return</b>	Submission of the annual plan to the regulator
<b>BAF</b>	<b>Board Assurance Framework</b>	Board document to assure the board that risks to strategic priorities are being managed
<b>BGAF</b>	<b>Board Governance Assurance Framework</b>	Sets out the list of risks to the organisation and how they are being mitigated against
<b>BoD</b>	<b>Board of Directors</b>	Executive directors and non executive directors who have collective responsibility for leading and directing the foundation trust
<b>Caldicott Guardian</b>	<b>Caldicott Guardian</b>	Chief clinician who is held responsible for clinical record keeping (from caldicott enquiry outcomes)
<b>CAMHS</b>	<b>Children and Adolescent Mental Health Services</b>	Specialise in providing help and treatment for children and young people with emotional, behavioural and mental health difficulties
<b>CBA</b>	<b>Cost Benefit Analysis</b>	A process for calculating and comparing the costs and benefits of a project.
<b>CCG</b>	<b>Clinical Commissioning Group</b>	Replaced primary care trust. Led by local gps to commission services
<b>CDiff</b>	<b>Clostridium difficile</b>	A bacterial infection that most commonly affects people staying in hospital
<b>CDU</b>	<b>Clinical Decisions Unit</b>	
<b>CE/CEO</b>	<b>Chief Executive Officer</b>	Leads the day to day management of the foundation trust
<b>CF</b>	<b>Cash Flow</b>	The money moving in and out of an organisation
<b>CGF</b>	<b>Clinical Governance Facilitator</b>	Co-ordinates senior leadership team (doctor, nurse and manager) in new csus (replace hcfs).
<b>CIP</b>	<b>Cost Improvement Programme</b>	Also known as transformation programme
<b>CIG</b>	<b>Clinical Improvement Group</b>	
<b>CoA</b>	<b>Chart of Accounts</b>	A list defining the classes of items against which money can be spent or received.
<b>Code Victor</b>	<b>Code Victor</b>	Major emergency alert

<b>CoG</b>	<b>Council of Governors</b>	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
<b>Common Front Door</b>	<b>Common Front Door</b>	Area where urgent care and a & e services can be co located
<b>CoP</b>	<b>Code of Practice</b>	A set of regulations
<b>CPD</b>	<b>Continuing Professional Development</b>	Continued learning to help professionals maintain their skills and knowledge
<b>CQC</b>	<b>Care Quality Commission</b>	Regulator for clinical excellence
<b>CQUIN</b>	<b>Clinical Quality Incentive Scheme</b>	The cquin payment framework makes a proportion of providers' income conditional on quality and innovation.
<b>CSU</b>	<b>Clinical Service Units</b>	Business units in mk hospital
<b>CTG</b>	<b>Cardiotocography</b>	A technical means of recording the fetus fetal pulse heartbeat
<b>Datix</b>	<b>Datix</b>	Risk management system
<b>DD</b>	<b>Due Diligence</b>	Is the term used to describe the performance of an investigation of a business or person
<b>DGH</b>	<b>District general hospital</b>	
<b>DH/DoH</b>	<b>Department of Health</b>	The ministerial department which leads, shapes and funds health and care in england
<b>DIPC</b>	<b>Director of Infection Prevention Control</b>	
<b>DNA</b>	<b>Did not Attend</b>	A patient who missed an appointment
<b>DOC</b>	<b>Doctor on call</b>	
<b>DOCC</b>	<b>Department of Critical Care</b>	
<b>DoF</b>	<b>Director of Finance</b>	The board member leading on finance issues in the trust; an executive director
<b>DOSA</b>	<b>Day of Surgery Admission</b>	When patients are admitted on the day of their surgery rather than the day before
<b>DPA</b>	<b>Data Protection Act</b>	The law controlling how personal information is used
<b>DTOCs</b>	<b>Delayed Transfer of Care</b>	Patients who are medically fit but have not been discharged
<b>Dr Foster</b>	<b>Dr Foster</b>	Benchmarking tool to assess relative performance
<b>Duty of Candour</b>	<b>Duty of Candour</b>	Consultation on including a contractual requirement for health providers to report and respond to incidents, apologise for errors etc
<b>ED</b>	<b>Executive Directors' (meeting)</b>	Semi-formal meeting of executive directors on monday morning and thursday afternoon
<b>EDD</b>	<b>Expected Delivery Dates</b>	
<b>EHR</b>	<b>Electronic Health Record</b>	Health information about a patient collected in digital format which can theoretically be shared across different healthcare settings

ENP	<b>Emergency Nurse Practitioner</b>	Specialist a&e nurse
EOC	<b>Exec on Call</b>	
EPR	<b>Electronic Patient record</b>	
ESR	<b>Employee Staff Record system</b>	Hr system in use
FOI	<b>Freedom of Information</b>	The right to ask any public sector organisation for the recorded information they have on any subject
Formulary	<b>Formulary</b>	Approved nhs list of prescribed drugs
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	<b>Francis Report</b>	Report into mid staffs hospital
FT	<b>Foundation Trust</b>	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	<b>Full Time Equivalent</b>	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	<b>Foundation Trust Governors' Association</b>	National membership association for governors of nhs foundation trusts
FTN	<b>Foundation Trust Network</b>	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	<b>Financial Year</b>	The year used for accounting purposes, in the uk from 6 april to 5 april
GMC	<b>General Medical Council</b>	The independent regulator for doctors in the uk
GI	<b>Gastrointestinal</b>	
GMS	<b>General Medical Services</b>	
GP	<b>General Practitioner</b>	Doctor who provides family health services in a local community
Green	<b>Green</b>	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	<b>Genito-unity medicine</b>	For sexually transmitted diseases/infections
HCA	<b>Healthcare Assistant</b>	Staff working within a hospital or community setting under the guidance of a qualified healthcare professional
HCAI	<b>Healthcare Associated Infection</b>	These are infections that are acquired in hospitals or as a result of healthcare interventions; mrsa and clostridium difficile are both classed as hcails
Healthwatch		Local independent health and social care critical friend
HEE	<b>Health Education England</b>	The nhs body responsible for the education, training and personal development of staff
HR	<b>Human Resources</b>	The department which looks after the workforce of an organisation e.G. Pay, recruitment, dismissal

HSCA	<b>Health and Social Care Act 2012</b>	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	<b>Hospital Sterile Decontamination Unit</b>	Part of clinical support services csu
HSMR	<b>Hospital Standardised Mortality Rate</b>	Number of deaths which is compared with other trusts
HWB/HWBB	<b>Health and Wellbeing Board</b>	A local forum to bring together partners from across the nhs, local government, the third sector and the independent sector
IBP	<b>Integrated Business Plan</b>	A strategy for connecting the planning functions of each department in a trust to align operations and strategy with financial performance
ICU	<b>Intensive Care Unit</b>	Specialist unit for patients with severe and life threatening illnesses
Intrapartum		During childbirth (as opposed to pre-natal and post-natal)
IBP	<b>Integrated Business Planning</b>	
IG	<b>Information Governance</b>	
IP	<b>Inpatient</b>	A patient who is hospitalised for more than 24 hours
IT	<b>Information Technology</b>	The study or use of systems(especially computers and telecommunications) for storing, retrieving and sending information
Keogh Reviews	<b>Keogh Reviews</b>	Reviews of hospitals led by sir bruce keogh, originally targeted hospitals with high mortality rates.
Kings Fund	<b>Kings Fund</b>	Independent charity working to improve health and care in england
KPIs	<b>Key Performance Indicators</b>	Indicators that help an organisation define and measure progress towards a goal
LD	<b>Learning Disabilities</b>	A disability which affects the way a person understands information and how they communicate
LETB	<b>Local Education and Training Board</b>	These are the local arms of health education england, now called by their region rather than letb - e.g, training and workforce issues
LHE	<b>Local Health Economy</b>	The supply and demand of health care resources in a given area and the effect of health services on a population
LOS	<b>Length of Stay</b>	A term commonly used to measure the duration of a single episode of hospitalisation
MDP	<b>Maternity Development Plan</b>	
MHA	<b>Mental Health Act</b>	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	<b>Major Incident</b>	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	<b>Minor Injuries Unit</b>	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

<b>MKUHFT</b>	<b>Milton Keynes University Hospital Foundation Trust</b>	Abbreviation of Milton Keynes University Hospital NHS Foundation Trust
<b>MKUCS</b>	<b>Milton Keynes Urgent Care Centre</b>	Consortium with GPs (40% owned by trust) based in the hospital to alleviate A&E
<b>MOC</b>	<b>Manager on call</b>	
<b>Monitor</b>	<b>Monitor</b>	Regulatory body 'independent' organisation to monitor foundation trusts
<b>Morbidity</b>	<b>Morbidity</b>	The proportion of sickness or of a specific disease in a geographical locality.
<b>Mortality</b>	<b>Mortality</b>	The relative frequency of deaths in a specific population; death rate.
<b>MoU</b>	<b>Memorandum of Understanding</b>	
<b>MRI</b>	<b>Magnetic Resonance Imaging</b>	A medical imaging technique
<b>MRSA</b>	<b>Methicillin-Resistant Staphylococcus Aureus</b>	A bacterium responsible for several difficult-to-treat infections in humans
<b>MSA</b>	<b>Mixed Sex Accommodation</b>	Wards with beds for both male and female patients
<b>MUST</b>	<b>Malnutrition Universal Screening Tool</b>	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.
<b>NE</b>	<b>Never Event</b>	
<b>NED</b>	<b>Non Executive Director</b>	
<b>NHS</b>	<b>National Health Service</b>	Publicly funded healthcare system with the UK
<b>NHS Direct</b>	<b>NHS Direct</b>	24-Hour telephone helpline and website providing confidential information on health conditions local healthcare services, self help and support organisations
<b>NICU</b>	<b>Neonatal Intensive Care Unit</b>	
<b>NHSLA</b>	<b>NHS Litigation Authority</b>	Manages clinical negligence scheme for trusts
<b>NHSTDA</b>	<b>NHS Trust Development Authority</b>	Provide governance and accountability for NHS trusts in England and delivery of the foundation trust pipeline
<b>NICE</b>	<b>National Institute for Health and Care Excellence</b>	Provides national guidance and advice to improve health and social care
<b>NMC</b>	<b>Nursing and Midwifery Council</b>	Nursing and midwifery regulator for England, Wales, Scotland, Northern Ireland and the Islands

<b>NPSA</b>	<b>National Patient Safety Agency</b>	
<b>NRLS</b>	<b>National Reporting and Learning System</b>	Database for recording patient safety incidents (held by NPSA)
<b>NSFs</b>	<b>National Service Frameworks</b>	Set clear quality requirements for care
<b>OP</b>	<b>Outpatients</b>	A patient who is not hospitalised for 24 hours or more but who visits a hospital, clinic, or associated facility for diagnosis or treatment
<b>OSCs</b>	<b>Overview and Scrutiny Committees</b>	Established in local authorities by the Local Government Act 2000 to develop and review policy and make recommendations to the council
<b>PA</b>	<b>Programmed Activities</b>	4 Hour blocks that are used to make up a consultant's contract.
<b>PALS</b>	<b>Patient advice and liaison service</b>	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.
<b>PbR</b>	<b>Payment by Results or 'tariff'</b>	A way of paying for services that gives a unit price to a procedure
<b>PDR</b>	<b>Personal Development Review</b>	Appraisal system
<b>PFI</b>	<b>Private Finance Initiative</b>	A scheme where private finance is sought to supply public sector services over a period of up to 60 years
<b>PLACE</b>	<b>Patient-Led Assessments of the Care Environment</b>	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
<b>POA</b>	<b>Pre-operation assessment</b>	
<b>PPI</b>	<b>Patient and Public Involvement</b>	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
<b>PROM</b>	<b>Patient Reported Outcome Measures</b>	
<b>Productive Ward</b>		Initiative to streamline operation of wards - included in maternity development plan, due to be rolled out across the hospital
<b>PTS</b>	<b>Patient Transport Services</b>	Free transport to and from hospital for non-emergency patients who have a medical need
<b>QA</b>	<b>Quality Assurance</b>	Monitoring and checking outputs and feeding back to improve the process and prevent errors
<b>QGAF</b>	<b>Quality Governance Assurance Framework</b>	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
<b>QIPP</b>	<b>Quality, Innovation, Productivity and Prevention</b>	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.
<b>Quality Accounts</b>	<b>Quality Accounts</b>	An annual report to the public from providers of NHS healthcare services about the quality of their services

<b>RAG</b>	<b>Red, Amber, Green classifications</b>	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)
<b>RCA</b>	<b>Root cause analysis</b>	
<b>RCGP</b>	<b>Royal College of General Practitioners</b>	Professional membership body for gp's
<b>RCP</b>	<b>Royal College of Physicians</b>	Professional membership body for doctors
<b>RCS</b>	<b>Royal College of Surgeons</b>	Professional membership organization representing surgeons
<b>R&amp;D</b>	<b>Research &amp; Development</b>	Developing new products or processes to improve and expand
<b>Red</b>	<b>Red</b>	Projects will be assessed as have an overall risk rating of red where it is considered that the project is not being delivered as planned in respect of progress and/or impact.
<b>RGN</b>	<b>Registered General Nurse</b>	A nurse who is fully qualified and is registered with the nursing and midwifery council as fit to practice
<b>RTT</b>	<b>Referral to treatment</b>	Used as part of the 18 week indicator
<b>Rule 43</b>	<b>Rule 43</b>	Issued by coroners to organisations. Must be responded to within 56 days. Lord chancellor's office keep a record of all rule 43s issued
<b>SFI</b>	<b>Standing Financial Instructions</b>	Found on the intranet under 'trust policies'
<b>SHMI</b>	<b>Summary Hospital Level Mortality Indicator</b>	Reports mortality at trust level across the nhs in england using standard and transparent methodology
<b>SI</b>	<b>Serious incident</b>	A serious incident requiring investigation is defined as an incident that occurred in relation to nhs-funded services and care
<b>SID</b>	<b>Senior Independent Director</b>	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
<b>SIRG</b>	<b>Serious incident Review Group</b>	To review serious incidents and identify learning points
<b>SLM</b>	<b>Service Line Management</b>	A framework for the delivery of clinical services
<b>SLA</b>	<b>Service Level Agreement</b>	An agreement between two or more parties
<b>SLR</b>	<b>Service Line Reporting</b>	A reporting system which by comparing income against expenditure gives a statement of profitability at service line level
<b>SRR</b>	<b>Significant risk register</b>	Risks scored 15 and over
<b>SSA</b>	<b>Same sex accommodation</b>	
<b>T&amp;C</b>	<b>Terms and conditions</b>	Set the rights and obligations of the contracting parties, when a contract is awarded or entered into

<b>TDA</b>	<b>Trust Development Authority</b>	Regulator for non foundation trusts
<b>T&amp;O</b>	<b>Trauma &amp; Orthopaedics</b>	
<b>TRR</b>	<b>Trust risk register</b>	
<b>TTO</b>	<b>To Take Out</b>	Medicines given to discharging patients
<b>VTE</b>	<b>Venous thromboembolism</b>	Blood clotting, usually caused by inactivity. Should be assessed for routinely to ensure care pathways take into risk
<b>WiC</b>	<b>Walk in Centre</b>	Provided jointly with the hospital and local gps under a commercial arrangement as the urgent care centre
<b>WTE</b>	<b>Whole time employees</b>	Member of staff contracted hours for full time
<b>YTD</b>	<b>Year to Date</b>	A period, starting from the beginning of the current year and continuing up to the present day. The year usually starts on 1st january





# Section 4

## Membership Report

APPENDIX 1: Constituencies & Governors	170
APPENDIX 2: Board & Governor Attendance	171
APPENDIX 3: Annual Accounts 2015 / 16	172

# Membership Report

Milton Keynes University Hospital NHS Foundation Trust is committed to establishing and growing an effective membership and during 2015/16, a number of steps have been taken to improve engagement and increase membership.

Although public membership figures have remained fairly static, we are confident that our membership is active, that all members are informed about the benefits of membership and are empowered to have an input into the development of the Trust.

The Trust has continued to provide members with news about the hospital, information, dates for their diaries and held the first meet the members' event which focused on the Medical Detection dogs which has received national media interest as part of the Trust's commitment to research and development.



## Number and analysis of members

	2014/15	2015/16
<b>PUBLIC CONSTITUENCY</b>		
At year start 1 April	5953	5881
New members	20	110
Members leaving	92	318
At year end 31 March	5,881	5673
<b>STAFF CONSTITUENCY</b>		
At year start (1 April)	3016	3140
At year end (31 March)	3140	4050
<b>PUBLIC CONSTITUENCY AGE (YEARS)</b>		
0-16	5 (0.08%)	1
17-21	119 (2.02%)	78
22+	1956 (33.26%)	1992
Not declared	3801 (64.63%)	3602
<b>PUBLIC CONSTITUENCY ETHNICITY</b>		
White	4652	4477
Mixed	99	94
Asian or Asian British	348	341
Black or Black British	251	239
Other	74	73
Not declared	457	449
<b>PUBLIC CONSTITUENCY GENDER</b>		
Male	2343	2241
Female	3538	3432

## Our governors

Governors have been or are currently involved in various groups and committees, these include:

- Engagement group
- Nominations committee
- PLACE inspection team
- 15 Steps initiative which evaluates the environment of hospital areas from the patient's perspective on the first 15 steps made.
- Healthcare review forum meetings
- New main entrance consultation group

## Membership constituencies

The Trust has staff and public constituencies, and also has nominated governors representing local stakeholders in partnership constituencies.

PUBLIC CONSTITUENCIES	MEMBERSHIP
Bletchley & Fenny Stratford, Denbigh, Eaton Manor, Whaddon	2
Emerson Valley, Furzton, Loughton Park	2
Linford South, Bradwell, Campbell Park	2
Hanslope Park, Olney, Sherington, Linford North, Newport Pagnell North and NP South	2
Walton Park, Danesborough, Middleton, Woughton	2
Stantonbury, Stony Stratford, Wolverton	2
Outer catchment area (including Parishes in the areas of Buckingham, Winslow, Leighton Buzzard, Linslade, Woburn Sands, Hanslope, Old Stratford, Beachampton, The Horwoods, The Brickhills, Woburn)	2
New Constituency	1

STAFF CONSTITUENCIES	MEMBERSHIP
Doctors and Dentists	1
Nurses and Midwives	2
Scientists, Technicians & Allied Health Professionals	1
Non-clinical staff groups, e.g. Admin & Clerical, Estates, Finance, HR & Management	3

PARTNERSHIP	MEMBERSHIP
MK CCG	1
Milton Keynes Business Leaders	1
MK Council for Voluntary Organisations	1
MK Youth Council Representatives	2
Local Authority	1
Healthwatch MK	1

## Staff constituency

Within the terms of the Constitution, all staff are automatically members unless they decide to opt out of membership, providing they have been appointed to a post for a minimum period of twelve months. Staff membership has increased over the last 12 months due to an increase in the number of staff.

## Public constituency

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. To be a representative on the Council of Governors, applicants should be aged 16 years or over.

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

PUBLIC CONSTITUENCIES	MEMBERSHIP
Bletchley and Fenny Stratford, Denbigh, Eaton Manor and Whaddon	1139
Emerson Valley, Furzton, Loughton Park	813
Linford South, Bradwell, Campbell Park	852
Hanslope Park, Olney, Sherington, Newport Pagnell North, Newport Pagnell South, Linford North	677
Walton Park, Danesborough, Middleton, Woughton	858
Stantonbury, Stony Stratford and Wolverton	793
Outer catchment area: - (Buckingham, Winslow, Leighton Buzzard, Linslade, Woburn Sands, Hanslope, Old Stratford, Beachampton, The Horwoods, The Brickhills, Woburn)	438
Extended catchment area	103
<b>Total</b>	<b>5673</b>

The Trust currently has 5673 public members 4050 staff members on its membership register. The total membership is therefore 9723.

The ethnicity of the membership broadly matches the ethnic composition of the local population. The Trust has been reaching out to engage with groups typically perceived as 'hard-to-reach', such as those of diverse ethnic origin and social backgrounds. The gender balance is currently skewed towards women. This may be because women are generally more actively involved in their healthcare, and are more likely to come into contact with health-related organisations as women traditionally – and still today – are more likely to take on the role of care giver for their family.

## Membership recruitment and engagement

The Trust's membership continues to be developed by the Deputy Trust secretary. Additionally, some of the Trust's governors have been very active in assisting to recruit new members. Initiatives undertaken during 2015/16 include:

- Membership promotion at local public events e.g. Healthwatch event November 2015
- The Trust also had a stand at a health promotion event in January 2016 at Milton Keynes Council which was hosted by the Mayor, Councillor McLean.
- Procedures in place for dealing with applications for membership - including freepost address, dedicated membership office telephone number, email and web links
- Trust website and local media
- Established two-way feedback systems, so that staff and community members have appropriate channels to feedback their ideas concerns, raise issues and ask questions
- Demonstrating the value of membership through publicising events for members
- Encouraging members to bring their friends and family to events and becoming members too
- Articles about membership and opportunities to engage with the Trust have been published in newsletters for stakeholders and in publications sent out to various local organisations
- Membership promoted at designated points throughout the Trust, including reception areas (through leaflets and posters), patient experience team and voluntary services.

## Membership and Engagement Strategy

The engagement group has developed a revised Membership and Engagement Strategy and was adopted by the Council of Governors in 2015/16: The Membership and Engagement strategy has the following three objectives:

### Objective 1

Build and maintain membership numbers to meet / exceed annual plan targets ensuring the membership is representative of the population the Trust serves.

### Objective 2

Regular and effective communication with members.

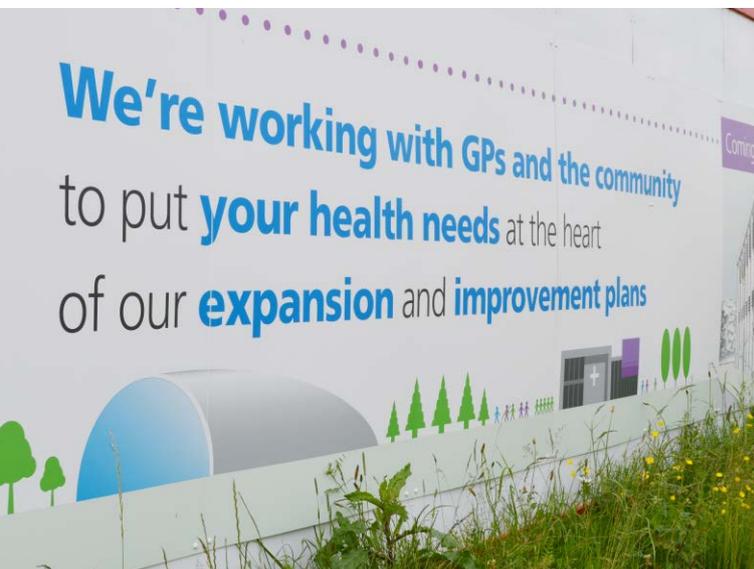
### Objective 3

Engage with members and encourage their involvement

An action plan to deliver these objectives has been developed and is being actively monitored by the Engagement Group. Actions include increasing membership by developing an engagement plan and providing information and presentations to local voluntary organisations and community groups and attending local events and promoting membership, obtaining E mail addresses for as many members as possible to enable regular information to be sent to members and holding meet the members events, the first of which took place in March 2016.

## Engaging young people

Historically the Trust has struggled to recruit young members, with 79 members aged 21 or younger. The MK Youth Council has appointed two representatives to sit on the Council of Governors, to give their views on the services provided for young people. One of the representatives is actively involved in paediatric service improvements.



### Partner and external organisations

Trust staff and governors continue to talk with partner and external organisations, the Trust secretary and governors were also involved in the Healthwatch event in November 2015 when 50 new members were signed up. The Trust also had a stand at a health promotion event in January 2016 at Milton Keynes Council which was hosted by the Mayor, Councillor McLean

The engagement group have also developed a leaflet for the residents in their constituency and the local community council providing information on the role of Governors and how they can be contacted.

### Seldom heard, minority groups and people with disabilities

It is important that the Trust fairly reflects the community it provides services for, because representative membership ensures the Trust reaches everyone and provides them with the services they require. The Trust is committed to engage with individuals or groups who find joining the membership difficult, unappealing, or who are unaware of hospital membership.

### Contacting Council of Governors

Anyone wishing to contact our Council of Governors or directors, or enquire about becoming a member, can do so in writing or by using a dedicated membership email address ([foundation.members@mkhospital.nhs.uk](mailto:foundation.members@mkhospital.nhs.uk)). Contact can also be made directly by telephoning the Deputy Trust Secretary on 01908 996235.

Anyone wishing to contact a governor can do so via email or writing to the deputy Trust secretary ([carol.duffy@mkhospital.nhs.uk](mailto:carol.duffy@mkhospital.nhs.uk)). Guidance on this is provided on membership application leaflets, in the membership magazine, on the letters that are sent out in the membership packs and on the website.

The following freepost address is specifically for use by members to facilitate communication. Freepost RLXB-TUUR-JCLS, c/o Membership Officer, Oak House, Milton Keynes University Hospital NHS Foundation Trust, Standing Way, Eaglestone, Milton Keynes, Buckinghamshire, MK6 5LD.



## Appendix 1 Constituencies and Governors 2015-16

			Term of Office		
	Constituency	No	Governors	From	To
PUBLIC (ELECTED)	<b>A</b> Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Peter Ballantyne Alan Hastings	6 Jun 2013 3 June 2015	8 February 2016 2 June 2018
	<b>B</b> Emerson Valley, Furzton, Loughton Park	2	Brian Hobbs Douglas Campbell OBE	17 Aug 2010 19 Mar 2015	25 Jul 2016 18 Mar 2018
	<b>C</b> Linford South, Bradwell, Campbell Park	2	Arthur Georghstone Chris Phillips	27 Oct 2014 18 Mar 2011	26 Oct 2017 13 Mar 2017
	<b>D</b> Hanslope Park, Olney, Sherington, Newport Pagnell	2	Liz Wogan Alan Hancock	12 May 2009 1 March 2016	11 May 2018 28 Feb 2019
	<b>E</b> Walton Park, Danesborough, Middleton, Woughton	2	Lesley Bell Vincent Lieu	1 Oct 2007 6 Jun 2013	25 Jul 2016 5 Jun 2016
	<b>F</b> Stantonbury, Stony Stratford, Wolverton	2	Carolyn Peirson Liz Bartlett	10 Nov 2015 19 Mar 2015	9 Nov 2018 18 Mar 2018
	<b>G</b> Outer catchment area	2	Adrienne Rutter Jean Button	10 July 2013 21 Mar 2012	9 July 2016 6 Feb 2018
	<b>H</b> Extended area	1	Vacant	25 Nov 2011	
	<b>I</b> Doctors and Dentists	1	Dawar Abbas	17 Aug 2010	25 Jul 2016
STAFF (ELECTED)	<b>J</b> Nurses and Midwives	2	Kim Weston Vacant	1 Oct 2007 16 Aug 2013	30 Sep 2016
	<b>K</b> Scientists, technicians and allied health professionals	1	Keith Marfleet	11 Oct 2012	10 Oct 2018
	<b>L</b> Non-clinical staff groups e.g. admin & clerical, estates, finance, HR, management	3	Lesley Sutton	11 Oct 2012	10 Oct 2018
			Eszther Pritchard Laura Davidson	10 Oct 2013 1 March 2016	9 Oct 2016 28 Feb 2019
APPOINTED	<b>N</b> Milton Keynes Business Leaders	1	Vacant	1 Oct 2010	Not applicable
	<b>O</b> Healthwatch MK	1	Hilda Kirkwood	April 2014	Not applicable
	<b>P</b> Milton Keynes Council for Voluntary Organisations	1	Clare Hill	1 Oct 2007	Not applicable
	Milton Keynes Council	1	Cllr Pete Marland	May 2015	Not applicable
	Clinical Commissioning Group	1	Matt Webb	July 2014	Not applicable
Youth participation representative	2	Alexia Watson-Yarngo Ijeoma Ogbuju			

## Appendix 2 Attendance at Board, Sub Committees and Council of Governors

	Board of Directors	Audit Committee	Charitable Funds Ctte	Finance & Investment Ctte	Quality & Clinical Risk Ctte	Remuneration Ctte	Workforce Development Assurance Ctte	Council of Governors
	7	5	3	11	4	3	4	8**
<b>Sophia Aldridge</b> (from May 2015 to Jan 2016)	7	3	2		2			4
<b>Frank Burdett</b> (until Feb 2016)	9		3	8		3	1	5
<b>John Blakesley</b>	9	3		4				2
<b>Kate Burke</b>	3							
<b>Jean-Jacques DeGorter</b>	7	3			3	2		4
<b>Jonathan Dunk</b>	9	3	1	9				3
<b>Ogechi Emeadi</b>	9					3	4	2
<b>Emma Goddard</b>	6			9				2
<b>Robert Green</b>	9	5	2	8*	4	3		3
<b>Joe Harrison</b>	10	1	2	10				4
<b>Caroline Hutton</b>	4							1
<b>Lisa Knight</b>	9	1		2	2			2
<b>Simon Lloyd</b>	9	5					3	4
<b>David Moore</b>	9	1	2	11	3	3		4
<b>Tony Nolan</b>	7			10		3	4	
<b>Margaret Wall</b>	11	1		8	2	3	4	8
<b>Martin Wetherill</b>	6	1	1	1	4			3

\* Attended Finance and Investment Committee as Chair of Audit Ctte  
Members of the Committee attendance is given above

\*\* Two meetings of the Council of Governors  
were Special Private meetings

	12 May 2015	10 June 2015 *	7 July 2015	29 September 2015	24 November 2015	12 January 2016	26 February 2016*	15 March 2016	All Meetings	NED appointments Committee
Abbas, Dawar	√	X	X	X	X	X	X	X	1	
Bell, Lesley	√	X	√	√	√	√	√	X	6	3
Ballantyne, Peter	√	√	√	√	√	√	N/A	N/A	6	
Bartlett, Liz	√	√	√	X	√		√	√	6	
Button, Jean	√	√	√	√	√	√	√	X	7	
Campbell, Douglas	√	X	√	X	√	√	X	√	5	
Davison, Laura	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	1	
Georgestone, Arthur	X	√	√	√	√	√	X	X	5	
Hancock, Alan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	√	1	
Hastings, Alan	X	X	√	√	√	√	√	√	6	
Hill, Clare	X	√	X	√	√	√	√	√	6	
Hobbs, Brian	√	√	√	√	√	√	√	√	8	3
Kirkwood, Hilda	X	X	√	X	√	√	√	√	5	3
Leiu, Vincent	√	√	X	√	X	√	X	√	5	
Marfleet, Keith	√	√	X	√	√	√	√	X	6	
Marland, Peter	X	X	√	X	√	X	X	X	2	
Ogbuju, Ijeoma	X	X	X	X	√	X	X	√	2	
Peirson, Carolyn	N/A	N/A	N/A	N/A	√	X	√	X	2	
Phillips, Chris	√	√	√	√	√	√	√	√	8	
Pritchard, Eszter	√	√	√	√	X	X	X	√	5	
Rutter, Adrienne	X	X	X	X	√	√	√	√	4	
Sutton, Lesley	X	√	√	√	X	√	√	√	6	
Thomas, Ann	√	√	X	√	√	N/A	N/A	N/A	4	
Wale, Marion (attended as Healthwatch representative)	√	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	
Watson Yarngo, Alexia	X	X	X	√	√	√	X	√	4	
Webb, Matthew	X	X	X	√	X	X	X	X	1	
Weston, Kim	X	X	√	√	√	√	X	√	5	
Wilkinson, Jill	√	X	√	X	√	X	X	X	3	
Wogan, Liz	√	X	X	√	√	√	√	√	6	3

\*Special Private Meetings

Appendix 3  
Annual Accounts 2015 / 16

# Milton Keynes University Hospital NHS Foundation Trust Accounts Year Ended 31 March 2016

## Statement of the chief executive's responsibilities as the Accounting Officer of Milton Keynes 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 the Monitor.

Under the National Health Service Act 2006, Monitor has directed Milton Keynes University Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of 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 NHS Foundation Trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

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

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



Joe Harrison  
CHIEF EXECUTIVE

Date: 25th May 2016

# Independent Auditor's Report to the Council of Governors and Board of Directors of Milton Keynes University Hospital NHS Foundation Trust

Opinion on financial statements of Milton Keynes Hospital NHS Foundation Trust

## In our opinion the financial statements:

- **give a true and fair view of the state of the Trust's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts;**  
**and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows 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 Monitor – Independent Regulator of NHS Foundation Trusts.

## Emphasis of matter – going concern

We have reviewed the Accounting Officer's statement in Note 1 in respect of the Trust's ability to continue as a going concern.

As described in the financial statements there is uncertainty over:

- whether the Trust will receive the loan funding required to meet its financial obligations;
- whether the Trust will achieve its efficiency savings plan;  
and
- the future form of the Trust following the outcome of a review of healthcare services in Bedford and Milton Keynes which has been jointly commissioned by Monitor and the Trust's commissioners.

Whilst we concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate, these conditions indicate the existence of a material uncertainty which may give rise significant doubt over the Trust's ability as a going concern. We describe below how the scope of our audit has responded to this risk. Our opinion is not modified in this respect.

## Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and Code of Audit Practice.

## Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

## Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk	Risk	How the scope of our audit responded to the risk
<p><b>Going concern</b></p> <p>Given the uncertainties in respect of the Trust's funding and future form, which are explained above in the Emphasis of matter – going concern and in the Statement of the Accounting Officer on going concern and in note 1.1, we considered going concern to be a significant risk.</p>	<p>We have considered the historical accuracy of the Trust's financial planning through its performance against budget for EBITDA, month end cash position and achievement of planned cost improvements in the 2015/16</p> <p>We have examined the Trust's cash flow forecasts and evaluated the key assumptions by reference to Monitor guidance, benchmark information for other acute providers, consistency with other plans and relevant documentation</p> <p>We held discussions with management to understand the current status of contract negotiations with its commissioners.</p> <p>We reviewed the annual report and financial statement disclosures made by the Trust in respect of the material uncertainties in respect of going concern.</p> <p>We have included an emphasis of matter paragraph above in respect of this matter</p>	<p><b>Property valuations</b></p> <p>The Trust holds property assets within Property, Plant and Equipment of £143 million as shown in note 9. 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 level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>The net revaluation gain shown in other comprehensive income in the Statement of Comprehensive Income is £7.6 million.</p>	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties.</p> <p>We have reviewed the disclosures in notes 1 and 1.6 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation based on the requirement of International Financial Reporting Standards.</p> <p>We assessed whether the valuation and the accounting treatment of the net revaluation gain were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or other comprehensive income.</p>
<p><b>NHS revenue and provisions</b></p> <p>As described in note 1, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <p>the complexity of the Payment by Results regime, in particular in determining the level of over performance and Commissioning for Quality and Innovation revenue to recognise;</p> <p>the judgemental nature of provisions for disputes, including in respect of outstanding over performance income for quarters 3 and 4.</p> <p>Details of the Trust's income, including £172 million of Commissioner Requested Services are shown in note 2 to the financial statements. NHS debtors of £8.6 million are shown in note 12 to the financial statements.</p> <p>The majority of the Trust's income comes from its key commissioners, increasing the significance of associated judgements.</p>	<p>We evaluated the design and implementation of controls over recognition of Payment by Results income, with IT specialists performing the testing of the systems controls. We also evaluated the design and implementation of controls over the implementation of a new Electronic Patient Record (EPR) system, including the transfer of data relevant to the billing under the Payment by Results system.</p> <p>We performed detailed substantive testing on a sample basis of the recoverability of over performance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We determined whether activity billed during the period of cutover between the old and new EPR systems had been settled with commissioners.</p> <p>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 relevant documentation.</p>	<p><b>Capital expenditure</b></p> <p>The Trust's capital spend on Intangible Assets and Property Plant and Equipment was £3 million and £10 million, respectively. This is shown in notes 8 and 9.</p> <p>Determining whether expenditure should be capitalised under International Financial Reporting Standards can involve significant judgement, for example over applying the modern equivalent asset principle.</p>	<p>We have evaluated the design and tested the implementation of controls over the capitalisation of costs.</p> <p>We tested a sample of additions in the year to test whether they met the conditions for capitalisation. We performed this testing through scrutinising invoices and other documentation, such as contracts, and by inspection of the physical asset.</p>

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 62. We identified property valuation as an additional significant risk this year following management's decision to carry out an updated valuation at 31 March 2016.

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.

## 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.

We determined materiality for the Trust to be £3.5 million (2014/15: £1.9 million), which is below 1.8% (2014/15: 1.0%) of revenue and 4.2% (2014/15: 1.7% of equity). 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 have changed the percentage applied from 2014/15 as a result of a review of appropriate benchmarks to better reflect the nature of the entity.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £175,000 (2014/15: £92,500), 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 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 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 Trust.

## Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has 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

The Trust has described the following matters in its Annual Governance Statement which we consider to be relevant to the Trust's arrangements to secure economy, efficiency and effectiveness:

### Use of resources

#### Financial performance of the Trust

The Trust incurred a planned deficit of £31.8 million during the year ended 31 March 2016 and has set a budgeted deficit of £27.4 million for 2016/17. This budgeted deficit also includes the requirement to achieve £11.9 million of cost savings and an assumption that the Trust will receive £7.3 million in non-recurrent Sustainability and Transformation funding. In order to fund these deficits, the directors received financial support in 2015/16 of £33.1 million from the Department of Health via Monitor and is seeking financial support in 2016/17 of £27.5 million Interim Revenue Support Loan and £19.5 million Interim Capital Support Loan from the same source.

#### Risk management and internal control

As set out in the Trust's Annual Governance Statement, the Head of Internal Audit was able to provide only limited assurance over the framework for risk management and Board assurance and certain processes which support assurances to the Board.

#### Data quality governance

The Trust has taken steps during 2015/16 to improve governance arrangements over data quality, including agreeing a data quality strategy and mapping the assurances over individual key performance indicators. Because of the timing of this work, key improvements to arrangements have not operated for all or substantially all of the year.

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 18 week Referral-to-Treatment and Accident and Emergency 4 hour wait performance indicators.

These issues are evidence of weaknesses in proper arrangements for:

- supporting the sustainable delivery of strategic priorities and maintain statutory functions
- managing risks effectively and maintaining a sound system of internal control.
- understanding and using appropriate and reliable performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management.

## Annual Governance Statement and compilation of financial statements

Under the Audit Code for NHS Foundation Trusts, 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 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.

### Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements;
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we have considered whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

## Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team.

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Milton Keynes 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 Boards 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 trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Jonathan Gooding FCA  
SENIOR STATUTORY AUDITOR

FOR AND ON BEHALF OF DELOITTE LLP  
CHARTERED ACCOUNTANTS AND STATUTORY AUDITOR  
ST ALBANS, UNITED KINGDOM

Date: 26 May 2016

Statement of Comprehensive Income For the Year Ended 31 March 2016

	Note	2015/16 £000	2014/15 £000
Operating Income from patient care activities	2.1-2.5	176,840	166,901
Other operating income	2.2	14,741	12,407
<b>Total operating income from continuing operations</b>		<b>191,581</b>	<b>179,309</b>
Operating expenses	3-6	(219,304)	(199,596)
<b>OPERATING DEFECIT FROM CONTINUING OPERATIONS</b>		<b>(27,723)</b>	<b>(20,288)</b>
<b>FINANCE COSTS</b>			
Finance income	7.1	25	16
Finance expense	7.2	(1,191)	(455)
PDC Dividends payable		(2,891)	(4,158)
<b>NET FINANCE COSTS</b>		<b>(4,057)</b>	<b>(4,597)</b>
<b>(DEFICIT) FOR THE YEAR</b>		<b>(31,780)</b>	<b>(24,885)</b>
<b>Other Comprehensive Income</b>			
<b>which will not be reclassified subsequently to surplus or deficit</b>			
Impairment		(2,069)	0
Revaluations	18	10,207	0
Other reserve movements		(502)	0
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<b>(24,144)</b>	<b>(24,885)</b>

The notes to the accounts are on page 182-205.

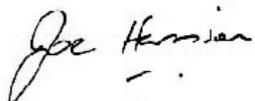
Statement of Financial Position As at 31 March 2016

	Note	31 March 2016 £000	31 March 2015 £000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	8	5,253	4,669
Property, plant and equipment	9	155,406	144,171
Trade and other receivables	12	351	492
<b>TOTAL NON-CURRENT ASSETS</b>		<b>161,010</b>	<b>149,332</b>
<b>CURRENT ASSETS</b>			
Inventories	11	2,968	3,049
Trade and other receivables	12	11,268	6,996
Cash and cash equivalents	13	2,503	1,264
<b>TOTAL CURRENT ASSETS</b>		<b>16,739</b>	<b>11,309</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14.1	(23,683)	(16,969)
Other liabilities	14.2	(1,526)	(65)
Borrowings	15	(817)	(774)
Provisions	17	(2,042)	(1,360)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(28,068)</b>	<b>(19,168)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>149,681</b>	<b>141,473</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	(65,543)	(33,227)
Provisions	17	(801)	(796)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(66,344)</b>	<b>(34,023)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>83,337</b>	<b>107,450</b>
<b>FINANCED BY</b>			
Public dividend capital		96,157	96,127
Revaluation reserve	18	64,889	57,253
Income and expenditure reserve		(77,709)	(45,930)
<b>TOTAL TAXPAYERS' EQUITY</b>		<b>83,337</b>	<b>107,450</b>

The Financial Statements and notes on page 182-205 were approved by the Board and authorised for issue on 25th May 2016 and signed on its behalf by:



Baroness Wall of New Barnett  
CHAIRMAN



Joe Harrison  
CHIEF EXECUTIVE



Sophia Aldridge  
INTERIM DIRECTOR OF FINANCE

Statement of Changes in Taxpayers' Equity For The Year Ended 31 March 2016

	Public Dividend Capital	Revaluation Reserve	Income & Expenditure Reserve	Total
	£000	£000	£000	£000
<b>TAXPAYERS' EQUITY AT 1 APRIL 2015</b>	<b>96,127</b>	<b>57,253</b>	<b>(45,930)</b>	<b>107,450</b>
Impairments	0	0	(31,779)	<b>(31,779)</b>
Public Dividend Capital received	30	0	0	<b>30</b>
Public Dividend Capital repaid	0	(2,069)	0	<b>(2,069)</b>
Other reserve movements	0	9,705	0	<b>9,705</b>
<b>TAXPAYERS' EQUITY AT 31 MARCH 2016</b>	<b>96,157</b>	<b>64,889</b>	<b>(77,709)</b>	<b>83,337</b>
<b>TAXPAYERS' EQUITY AT 1 APRIL 2014</b>	<b>91,981</b>	<b>57,253</b>	<b>(21,045)</b>	<b>128,189</b>
Impairments	0	0	(24,885)	<b>(24,885)</b>
Public Dividend Capital received	24,582	0	0	<b>24,582</b>
Public Dividend Capital repaid	(20,436)	0	0	<b>(20,436)</b>
Other reserve movements	0	0	0	<b>0</b>
<b>TAXPAYERS' EQUITY AT 31 MARCH 2015</b>	<b>96,127</b>	<b>57,253</b>	<b>(45,930)</b>	<b>107,450</b>

Statement of Cash flows For the Year Ended 31 March 2016

	2015 / 2016 £000	2014 / 2015 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (deficit) from continuing operations	(27,723)	(20,288)
<b>OPERATING (DEFICIT)</b>	<b>(27,723)</b>	<b>(20,288)</b>
<b>NON-CASH INCOME AND EXPENSE</b>		
Depreciation and amortisation	8,886	6,640
Impairments and reversals of impairments	267	0
Loss on disposal	272	242
(Increase) / Decrease in receivables and other assets	(4,262)	1,935
Decrease / (Increase) in inventories	81	(667)
Increase / (Decrease) in payables	6,863	(2,401)
Increase / (Decrease) in other liabilities	1,461	(94)
Increase in provisions	641	1,067
Other movements in operating cash flows	(502)	0
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(14,016)</b>	<b>(13,566)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	25	16
Purchase of intangible assets	(3,287)	(1,864)
Purchase of property, plant, equipment	(9,968)	(7,688)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(13,230)</b>	<b>(9,536)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Public dividend capital received	30	24,582
Public dividend capital repaid	0	(20,436)
Loans Repaid to the Department of Health	(15,437)	(445)
Loans Received from the Department of Health	48,062	25,300
Capital element of finance lease rental payments	(265)	(365)
Interest paid on finance lease liabilities	(351)	(369)
Other interest paid	(794)	(75)
PDC dividend paid	(2,760)	(4,330)
Cash flows (used in) other financing activities	0	0
<b>NET CASH GENERATED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>28,485</b>	<b>23,862</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,239</b>	<b>760</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>1,264</b>	<b>504</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>2,503</b>	<b>1,264</b>

# Notes to the Accounts

## 1. Accounting policies and other information

These accounts for the year ended 31 March 2016 have been prepared by the Trust in accordance with the National Health Service Act 2006.

Monitor has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Financial Reporting Manual (FT ARM) which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2015/16 FT ARM issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FREM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the 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 IFRS10, 'Consolidated Financial Statements' in respect of consolidating Charitable Funds. The Trust has reviewed the criteria under IFRS10 and it meets the criteria in respect of having an interest and control of MK Hospital NHS charity and it directly benefits from the activities of the charitable funds. However, it has not consolidated the charitable funds into these accounts because the Trust does not consider it to be material. The Charitable Fund's income and expenditure represents only 0.3% of the Trust's position 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 IFRS12, 'Disclosure of Interests in Other Entities,' however the Trust has decided not to consolidate the Milton Keynes Urgent Care Services into these accounts due to this position not being material to the Trust 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. The land and buildings have been valued by the district valuer on a modern equivalent asset basis during 2015/16 with a further desktop valuation undertaken as at 31 March 2016. Professional valuations are carried out every five years and interim/desk top valuations every three years. The next interim valuation is not expected to take place until March 2019, with a full valuation March 2020. The district valuer is independent of the Trust and is certified by the Royal Institute of Chartered Surveyors. The valuer has extensive knowledge of the physical estate and market factors. The value does not take into account future potential changes in market value which cannot be predicted with any certainty.

Between valuations, management reviews the valuations for any material changes and makes judgements about market changes and assesses whether the carrying amount differs materially from that which would be expected using fair value at the end of the reporting period.

#### Leases

Leases have been reviewed to determine whether they should be classified as finance leases or operating leases.

Leases of a similar nature and composition have been grouped together for this purpose. A number of factors are considered in determining the split between finance and operating leases.

Critical judgements include whether ownership transfers at the end of the lease term, whether the lease term is for the major part of the economic life of the asset and whether the present value of the minimum lease payments is substantially all of the fair value of the asset. This classification is made at the inception of the lease. The effect of this judgement is not material to the accounts.

#### 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.

#### Receivables

Estimations as to the recoverability of receivables have been made in determining the carrying amounts of these assets and no significant variations are expected.

## Clinical Income

Clinical Income from activities includes an estimate in respect of income relating to patient care spells that are part-completed at the year end. The number of part completed spells have been apportioned across the financial years on the basis of the number of occupied beds with the actual cost per spell if it is available or an average cost per spell per speciality where the spell cost is not directly available.

In order to report within government guidelines, the value of patient care activity for the year ended 31st March 2016 has been estimated based on data available as at 1st April 2016.

## Provisions

Assumptions around the timing of cash flows relating to provisions are based on information from the NHS Pensions Agency, external legal advisors regarding when the legal issues may be settled and HMRC.

## 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 structures; non-pay and drug cost inflation; as well as nationally set contract penalties for contract performance deviations, combined with commissioner (CCG) expectations to reduce activity through ensuring care can be better provided within the community, i.e. managed outside the hospital.

The Trust has incurred a deficit of £31.8m for the year ended 31 March 2016 (deficit for 2014-15 was £24.9m). 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 continuously align capacity and demand.

The Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received from Milton Keynes Clinical Commissioning Group ("MKCCG") (contractual income), and through DH funding facilities. In addition, the Trust has assumed it will receive £7.3m of non-recurrent Sustainability and Transformation funding the payment of which is contingent on the Trust achieving its targeted deficit and its agreed performance trajectories during 16/17.

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 2016-17 financial year continues to be through a combination of a revolving working capital facility and interim revenue/capital support loans. This has the effect of increasing long term liabilities and reducing net assets. The revenue loan facilities have a maturity of 3 years, with no principal being repaid until the end of the term and the capital loan is expected to be repaid over a 15 year period.

The Trust's immediate working capital requirements have been secured as it already has in place a revolving capital facility of £15.2m from 15/16. The Trust is in the process of securing a £27.5m Interim Revenue Support Loan and a £19.5m Interim Capital Support Loan for 2016/17 financial year at which point the revolving working capital facility will be repaid. The interim funding loans will be required for the duration of the financial year whilst the system Healthcare Review is being progressed, which will then allow a Recovery Plan to be developed which enables a return to a financially sustainable position.

Positive cash balances will be maintained throughout the period through successfully securing commitments to necessary funding from DH and a contract with the lead commissioner MKCCG 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 interim loans of £27.5m and £19.5m required to meet its financial obligations and the £7.3m Sustainability and Transformational funding 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 £11.9m which has been assumed in its 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 likely to be influenced by the outcome of the jointly commissioned system review taking place across Bedfordshire and Milton Keynes CCG geography which was originally commissioned in 2013. The review was set up as a result of concerns about the pressures on the local health system and, in particular, the clinical and financial sustainability of Bedford Hospital and Milton Keynes Hospital. The work has progressed and there are currently two options under consideration. The next steps are to continue with testing and alignment of the clinical and financial rational of the options working towards public consultation from Autumn 2016.

There are thus material uncertainties which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore may be unable 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

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Income relating to patient care spells that are part-completed at the year-end is apportioned across the financial years on the basis of the number of occupied beds, applied to the cost per spell or average cost per spell per speciality where the spell cost was not directly available.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme. This is designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for example, by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pensions compensation recovery unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual less a provision for the unsuccessful compensation claims and doubtful debts.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

## 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](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 HM Treasury's Financial Reporting Manual 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as at 31 March 2015, updated to 31 March 2016 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

## Employer Contributions

The last published actuarial valuation for the NHS Pension Scheme was completed for the year ending 31 March 2012 to set the employer contribution rates payable from April 2015. The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial formal valuation will be carried out as at March 2016 and will be used to inform the employer contribution rates to be used from 1 April 2019.

## Scheme Liabilities

The liabilities of the pension scheme as at 31st March 2015 were £390.6 billion. The national deficit of the scheme was £10.3 billion as per the last scheme valuation by the Government Actuary as at 31st 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 1st 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.

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 1st 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 eligible are 1% in the first year, rising to 3% by 2018. For employees who are eligible for the NHS Pensions scheme the Trust has a transitional date of 2017 which has been agreed with the Pensions Regulator. The Trust currently has, at the 31st March 2016, 31 employees enrolled into NEST and the employers, contributions for the current financial year have been £1,400.

## 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.

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.

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 economic lives.

### Measurement

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.

### 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 fair 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 fair value.

Land and buildings are re-valued where a movement in fair values is considered to be material. Fair values are determined as follows:

- Land and non-specialised buildings – existing use using the comparative method.
- Specialised buildings – depreciated replacement cost using 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 undertook a full asset valuation during 2015/16 which was carried out by a RICS qualified valuer from District Valuer Services (DVS), South East Valuation Office Agency. 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.

DVS valued the underlying land as at 31st March 2016, with regard to prevailing land values in the vicinity of the existing site and in a manner consistent with the Trust's occupational requirements and current land ownership. This increased the value of the land by 3% on previous valuations. Buildings were valued at depreciated replacement cost on a modern equivalent asset basis (no alternative site) for buildings which qualify as a specialised operational property asset which is consistent with IAS16. The DVS gave regard to the RICS Build Cost Indices in consulting with their own surveyor.

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 replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred.

### Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining economic 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 FT ARM, 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 reverse. 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.
  - o management are committed to a plan to sell the asset;
  - o an active programme has begun to find a buyer and complete the sale;
  - o the asset is being actively marketed at a reasonable price;
  - o the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - o 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 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

## 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 fair value by reference to an active market, or where no active market exists, at amortised replacement cost (modern equivalent asset basis), indexed for relevant price increases is a proxy for fair value.

Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. 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 economic 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	2 to 8
Purchased Licenses & Trademarks	2 to 8
Internally generated IT	2 to 8

## 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 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.

## 1.10 Financial instruments and financial liabilities

### Recognition

Financial assets and financial liabilities which arise from contracts for 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, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

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 in note 1.12.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the settlement date.

All other financial assets and liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

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 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

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligations are discharged, cancelled or expire.

### Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", loans and receivables or "available-for-sale financial assets"

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities"

### Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or liability is classified in this category of acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

The Trust has the following categories of financial assets:

- Loans and receivables

#### Loans and receivables

The classification depends on the nature and purpose of the financial asset which is determined at the time of initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market and are included in current assets. The Trust's loans and receivables comprise of cash and cash equivalents, trade and other receivables, accrued income and prepayments.

Loans and receivables are initially recognised at fair value, net of transaction costs and are measured subsequently at amortised costs using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

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.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within the 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of “other comprehensive income”. When items classified as “available-for-sale” are sold or impaired, the accumulated fair value adjustments are transferred from reserves and recognised in “finance costs” in the Statement of Comprehensive Income.

### Other Finance Liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised costs using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the statement of financial position date, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken on finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

The Trust’s other financial liabilities comprise of Interim DoH revenue and capital Loan, trade and other payables, accruals and provisions. Loans from the Department of Health are measured at historic cost with any unpaid interest accrued separately.

### Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices.

### Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at “fair value through income and expenditure” are impaired. Financial assets are impaired and impairment losses recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortisation cost, the amount of the impairment loss is measured as the difference

between the asset’s carrying amount and the present value if the revised future cash flows discounted at the asset’s original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

If in a subsequent period, the amount of the impairment loss decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Income. This is to the extent that the carrying amount of the receivable, at the date of the impairment, is reversed does not exceed the amortised cost had the impairment not been recognised.

## 1.11 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 of 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 Trust’s 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 Trust’s 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.

## 1.12 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 IAS17 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.

## 1.13 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 1.37% and long term provisions is 2.2% in real terms is applied.

### Clinical Negligence

The NHS Litigation Authority (NHSLA) 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 NHSLA 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 NHSLA 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 NHSLA 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.

## 1.14 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.

## 1.15 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.

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 (DoH) 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.

## 1.16 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.

## 1.17 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.

## 1.18 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.

## 1.19 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 (FRoM).

## 1.20 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.

## 1.21 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 9 Financial Instruments** is a replacement of IAS 39 Financial Instruments: Recognition and Measurement. The impact of this is to provide a clearer definition for the recognition of financial assets and liabilities. The standard is allowing financial assets to be recognised at amortised cost if it meets both the business model test and the cash flow characteristics test; otherwise the assets are to be measured at fair. It is expected that the Trust's Financial Assets will remain to be valued at fair value. The effective date is 2018/19 but it has not yet been adopted by the EU.

**IFRS 10 Consolidated Financial Statements (sale or contribution of assets)**. The amendments address a conflict between the requirements of IAS 28 'Investments in Associates and Joint Ventures' and IFRS 10 'Consolidated Financial Statements' and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date is 2016/17 but it has not yet been adopted by the EU.

**IFRS 10 Consolidated Financial Statements (Consolidation Exception)**. The amendments address issues that have arisen in the context of applying the consolidation exception for investment entities. It proposes to provide relief to non-investment entity investors for their interests in investment entity associates, but not for their interests in investment entity joint ventures. To retain consistency in treatment in applying the equity method to both associates and joint ventures, the final amendments provide relief to non-investment entity investors in both investment entity associates and joint ventures. The effective date is 2016/17 but it has not yet been adopted by the EU.

**IFRS 11 Joint Arrangements**. The amendment clarifies that when acquiring an interest in a joint operation where the activity of the joint operation constitutes a business, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11, are to be applied. The requirements apply to the acquisition of both the initial interest and additional interests in a joint operation. This has been interpreted to mean that the amendment applies to subsequent acquisitions of interests where joint control is maintained. The amendment also makes it clear that any previously held interest in the joint operation would not be re-measured if the joint operator acquires an additional interest while retaining joint control. The effective date is 2016/17 but it has not yet been adopted by the EU.

**IFRS 15 Revenue from contracts and Customers**. The main principle of this standard is that the entity recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard is expected to be applied on an individual contract by contract basis but a portfolio approach is permitted where the impact on the financial statements will not be materially different from applying the Standard on an individual contract basis. The effective date is 2018/19 but it has not yet been adopted by the EU.

**IAS 1 Presentation of Financial Statements**. The IASB's Disclosure Initiative comprises several smaller projects to improve presentation and disclosure requirements in existing Standards. As part of this revision, the IASB aims to provide improved presentation and disclosure guidelines for future Standards. The effective date is 2016/17 but it has not yet been adopted by the EU.

**IAS 16 & IAS 38 Property, Plant and Equipment and Intangible Assets**. The amendments provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated. The effective date is 2016/17 but it has not yet been adopted by the EU.

**IAS 27 Consolidation and separate Financial Statements**. The amendments address the issue where the laws of some countries require listed companies to present separate financial statements using the equity method to account for investments in subsidiaries, joint ventures and associates. The revised standard allows an entity to use the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. The effective date is 2016/17 but it has not yet been adopted by the EU.

## 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.

	2015/16 £000	2014/15 £000
Income from services designated as commissioner requested services	171,975	165,038
Income from services not designated as commissioner requested services	4,865	1,863
<b>TOTAL</b>	<b>176,840</b>	<b>166,901</b>

### 2.2 Operating Income from patient Care Activities (by nature)

	2015/16 £000	2014/15 £000
<b>INCOME FROM ACTIVITIES</b>		
Elective income	23,638	27,477
Non elective income	56,810	54,221
Outpatient income	33,981	31,888
A & E income	10,924	8,900
Other NHS clinical income	46,622	42,552
Private patient income	578	568
Other clinical income	4,287	1,295
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>176,840</b>	<b>166,901</b>
Research and development	724	568
Education and training	4,957	4,999
Receipt of capital grants and donations	76	102
Non-patient care services to other bodies	1,928	1,601
Car parking	1,576	1,379
Staff Accommodation	992	988
Catering	859	791
Salary income	884	841
Other income	2,745	1,138
<b>TOTAL OTHER OPERATING INCOME</b>	<b>14,741</b>	<b>12,407</b>

### 2.3 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.

### 2.4. Operating Income from patient Care Activities (by source)

	2015/16 £000	2014/15 £000
<b>INCOME FROM PATIENT CARE ACTIVITIES RECEIVED FROM:</b>		
CCGs and NHS England	171,137	164,197
Local authorities	2,370	196
Other NHS foundation Trusts	493	68
NHS Trusts	285	662
NHS other	563	82
Non-NHS: private patients	578	568
Non-NHS: overseas patients (chargeable to patient)	373	248
NHS injury scheme (was RTA)	906	813
Non NHS: other	135	67
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>176,840</b>	<b>166,901</b>
<b>OF WHICH:</b>		
Related to continuing operations	176,840	166,901

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 and this accounts for 72% 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 £22.3m 2015/16 in respect of these services (17.5m 2014/15). The Trust also received an additional £1.5m 2015/16 (£1.1m 2014/15) from the Cancer Drugs Fund.

### 2.5 Analysis of overseas visitors income

	2015/16 £000	2014/15 £000
Income recognised this year	373	248
Cash payments received in-year	215	225
Amounts added to provision for impairment of receivables	107	175
Amounts written off in-year	35	113

### 3. Operating expenses

#### 3.1 Operating expenses (by Type)

	2015/16 £000	2014/15 £000
Services from NHS foundation Trusts	1,578	662
Services from NHS Trusts	1,508	1,888
Services from CCGs and NHS England	100	21
Services from other NHS bodies	111	61
Purchase of healthcare from non NHS bodies	3,548	2,203
Employee expenses - executive directors	1,451	1,313
Remuneration of non-executive directors	114	171
Employee expenses - staff	143,969	133,405
Supplies and services - clinical	14,519	14,401
Supplies and services - general	3,427	3,196
Establishment	1,926	1,945
Transport Business only	271	258
Transport Other	143	153
Premises	10,728	8,120
Increase/(decrease) in provision for impairment of receivables	1,030	34
Change in provisions discount rate(s)	35	104
Drugs Inventories consumed/Drugs Costs	16,091	14,760
Rentals under operating leases	527	530
Depreciation on property, plant and equipment	6,654	5,857
Amortisation on intangible assets	2,232	783
Impairments	267	0
Audit fees payable to the external auditor		
audit services- statutory audit	90	96
other auditor remuneration (external auditor only)	13	50
Clinical negligence	3,782	3,899
Loss on disposal of non-current assets	272	242
Legal fees	717	1,090
Consultancy costs	1,387	2,072
Internal audit costs	185	143
Training, courses and conferences	1,040	772
Patient travel	7	7
Car parking & security	64	103
Hospitality	26	28
Insurance	133	144
Other services, eg external payroll	807	805
Losses, ex gratia & special payments	178	167
Other	374	113
<b>TOTAL</b>	<b>219,304</b>	<b>199,596</b>
<b>OF WHICH</b>		
Related to continuing operations	219,304	199,596

#### 3.2 Arrangements containing an operating lease

	2015/16 £000	2014/15 £000
<b>OPERATING LEASE EXPENSE</b>		
Minimum lease payments	527	530
<b>TOTAL</b>	<b>527</b>	<b>530</b>

Operating lease includes rentals for a variety of medical equipment as well as photocopiers and lease cars.

	2015/16 £000	2014/15 £000
<b>FUTURE MINIMUM LEASE PAYMENTS DUE:</b>		
- not later than one year;	457	567
- later than one year and not later than five years;	133	419
<b>TOTAL</b>	<b>590</b>	<b>986</b>

## 4.0 Staff costs and numbers

	2015/16			2014/15
	Permanent £000	Other £000	Total £000	Total £000
Salaries and wages	101,615	704	102,319	98,452
Social security costs	8,441	0	8,441	8,063
Employer's contributions to NHS pensions	11,844	0	11,844	10,870
Agency / contract staff	0	22,816	22,816	17,333
<b>TOTAL GROSS STAFF COSTS</b>	<b>121,900</b>	<b>23,520</b>	<b>145,420</b>	<b>134,718</b>

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind.

## 4.1 Average number of persons employed on whole time equivalent basis (WTE)

	2015/16			2014/15
	Permanent Number	Other Number	Total Number	Total Number
Medical and dental	355		355	339
Administration and estates	579		579	807
Healthcare assistants and other support staff	559		559	311
Nursing, midwifery and health visiting staff	811		811	805
Scientific, therapeutic and technical staff	386		386	372
Healthcare science staff	24		24	28
Agency and contract staff	0	231	231	234
Bank staff	0	170	170	181
<b>TOTAL AVERAGE NUMBERS</b>	<b>2,714</b>	<b>401</b>	<b>3,115</b>	<b>3,077</b>

All numbers are based on average whole time equivalents for the twelve months.

## 4.2 Retirements due to ill-health

During 2015/16 there were 4 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2015). The estimated additional pension liability of these ill-health retirements is £181,000 (£103,000 in 2014/15).

The cost of these ill-health retirements 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 and there were no non-compulsory departures agreed in 2015/16

## 4.5 Staff Sickness

	2015/16 Number	2014/15 Number
Total days lost	24,862	23,470
Total staff years	2,747	2,612
Average working days lost (per WTE)	9	9

The sickness absence figures for 2015/16 are reported on a calendar year basis, rather than for the financial year as in prior years. The comparative information for 2014/15 has been adjusted to reflect this change in methodology.

## 4.6 Salary and pension entitlements of Directors

The aggregate amounts payable to directors were:

	2015/16 £000	2014/15 £000
Salary	1,290	1,226
Taxable benefits	0	0
Employer's pension contributions	156	119
<b>TOTAL</b>	<b>1,446</b>	<b>1,345</b>

Further details of directors' remuneration can be found in the remuneration report.

## 4.7 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 2015/16 was £170,000-£175,000 (2014/15 £175,000-£180,000). This was 5.83 times (2014/15 5.65 times) the median remuneration of the workforce which was £29,600 (2014/15 £28,500).

In 2015/16 and 2014/15 there were two employees that received remuneration in excess of the highest-paid director. Remuneration ranged from £9,500 to £186,500 (2014/15 from £10,300 to £175,000).

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 Medical Director 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 Medical Director.

## 5.0 Better Payment Practice Code

### 5.1 Better Payment Practice Code-measure of compliance

	2015/16 Number	2015/16 £000	2014/15 Number	2014/15 £000
Total trade invoices paid in the year	88,239	113,333	81,878	103,353
Total trade invoices paid within target	79,267	100,310	54,102	77,388
Percentage of total trade invoices paid within target	90%	89%	66%	75%

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. The Trust's improvement is due to the agreed cash support the Trust received in year from the DoH which enabled the Trust to plan the payment of its creditors in a more timely manner. As a result there no payments made in year in respect of late payment of invoices under the Late Payment of Commercial Interest Act 1998 (2014/15 £0)

## 6.0 Audit Fees

The Trust incurred statutory audit fees totalling £90,000 15/16 (£96,000 in 14/15) and £13,000 other auditor remuneration in 15/16 (£50,000 in 14/15). Other auditor remuneration is detailed below.

	2015/16 £000	2014/15 £000
<b>OTHER AUDITOR REMUNERATION PAID TO THE EXTERNAL AUDITOR:</b>		
Taxation compliance services	0	8
All assurance services not falling within items above	13	30
Other non-audit services not falling within items above	0	12
<b>TOTAL</b>	<b>13</b>	<b>50</b>

## 7.0 Finance income and expense

### 7.1 Finance Income

	2015/16 £000	2014/15 £000
Interest on bank accounts	25	16
<b>TOTAL</b>	<b>25</b>	<b>16</b>

### 7.2 Finance Expenses

	2015/16 £000	2014/15 £000
<b>INTEREST EXPENSE</b>		
Loans from the Department of Health	793	75
Finance leases	351	369
<b>TOTAL INTEREST EXPENSE</b>	<b>1,144</b>	<b>444</b>
Unwinding of Discount on Provisions	12	11
Other finance costs	35	0
<b>TOTAL</b>	<b>1,191</b>	<b>455</b>

### 7.3 Impairment of Assets (PPE)

	2015/16 £000	2014/15 £000
<b>NET IMPAIRMENTS CHARGED TO OPERATING SURPLUS / DEFICIT RESULTING FROM</b>		
Unforeseen obsolescence	267	0
<b>TOTAL NET IMPAIRMENTS CHARGED TO OPERATING SURPLUS / DEFICIT</b>	<b>267</b>	<b>0</b>
Impairments charged to the revaluation reserve	2,069	0
<b>TOTAL NET IMPAIRMENTS</b>	<b>2,336</b>	<b>0</b>

The Trust had a valuation during 2015/16 and as a result there was a £2.3m impairment of assets of which, £2m related to Buildings and was charged to the revaluation reserve and £0.3m related to an Intangible asset which was charged to the income and expenditure reserve.

## 8. Intangible Assets

	Software licences (Purchased) £000	Information technology (internally generated) £000	Development expenditure (internally generated) £000	Intangible assets under construction £000	Total £000
<b>VALUATION / GROSS COST AT 1 APRIL 2015 BROUGHT FORWARD</b>	<b>3,466</b>	<b>4,106</b>	<b>951</b>	<b>331</b>	<b>8,854</b>
Additions	635	2,653	(1)	0	3,287
Impairments	(77)	(232)	(41)	0	(350)
Reclassifications	78	321	(341)	(58)	0
Revaluations	0	(27)	(100)	0	(127)
Disposals / de-recognition	0	1	0	(273)	(272)
<b>GROSS COST AT 31 MARCH 2016</b>	<b>4,102</b>	<b>6,822</b>	<b>468</b>	<b>0</b>	<b>11,392</b>
<b>AMORTISATION AT 1 APRIL 2015 - BROUGHT FORWARD</b>	<b>2,270</b>	<b>1,749</b>	<b>166</b>	<b>0</b>	<b>4,185</b>
Provided during the year	450	1,543	239	0	2,232
Impairments	(26)	(94)	(15)	0	(135)
Reclassifications	0	(16)	0	0	(16)
Revaluations	0	(27)	(100)	0	(127)
<b>AMORTISATION AT 31 MARCH 2016</b>	<b>2,694</b>	<b>3,155</b>	<b>290</b>	<b>0</b>	<b>6,139</b>
<b>NBV TOTAL AT 31 MARCH 2016</b>	<b>1,408</b>	<b>3,667</b>	<b>178</b>	<b>0</b>	<b>5,253</b>
<b>NBV TOTAL AT 1 APRIL 2015</b>	<b>1,196</b>	<b>2,357</b>	<b>785</b>	<b>331</b>	<b>4,669</b>

### 8.1 Intangible assets - 2014/15

	Software licences (Purchased) £000	Information technology (internally generated) £000	Development expenditure (internally generated) £000	Intangible assets under construction £000	Total £000
<b>VALUATION / GROSS COST AT 1 APRIL 2014 RESTATE</b>	<b>3,033</b>	<b>3,536</b>	<b>359</b>	<b>244</b>	<b>7,172</b>
Additions	610	575	592	87	1,864
Disposals / derecognitions	(177)	(5)	0	0	(182)
<b>GROSS COST AT 31 MARCH 2015</b>	<b>3,466</b>	<b>4,106</b>	<b>951</b>	<b>331</b>	<b>8,854</b>
<b>AMORTISATION AT 1 APRIL 2014 - AS PREVIOUSLY STATED</b>	<b>2,257</b>	<b>1,247</b>	<b>79</b>	<b>0</b>	<b>3,583</b>
Provided during the year	190	506	87	0	783
Disposals / derecognitions	(177)	(4)	0	0	(181)
<b>AMORTISATION AT 31 MARCH 2015</b>	<b>2,270</b>	<b>1,749</b>	<b>166</b>	<b>0</b>	<b>4,185</b>
<b>NBV TOTAL AT 31 MARCH 2015</b>	<b>1,196</b>	<b>2,357</b>	<b>785</b>	<b>331</b>	<b>4,669</b>
<b>NBV TOTAL AT 1 APRIL 2014</b>	<b>776</b>	<b>2,289</b>	<b>280</b>	<b>244</b>	<b>3,589</b>

## 9.0 Property, Plant and Equipment

Property, plant and equipment as at 31st March 2016 is broken down in the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & POA	Plant & machinery	Transport equipment	IT	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>VALUATION / GROSS AT 1 APRIL 2015 - BROUGHT FORWARD</b>	<b>20,205</b>	<b>113,655</b>	<b>872</b>	<b>547</b>	<b>19,409</b>	<b>26</b>	<b>7,067</b>	<b>297</b>	<b>162,078</b>
Additions	0	6,929	0	(181)	2,393	0	678	0	9,819
Impairments	0	0	0	0	(8)	0	(76)	0	(84)
Reclassifications	0	31	0	(366)	339	0	(4)	0	0
Revaluations	596	614	(67)	0	0	0	(327)	0	816
Disposals / de-recognition	0	0	0	0	(31)	0	0	0	(31)
<b>VALUATION / GROSS AT 31 MARCH 2016</b>	<b>20,801</b>	<b>121,229</b>	<b>805</b>	<b>0</b>	<b>22,102</b>	<b>26</b>	<b>7,338</b>	<b>297</b>	<b>172,598</b>
<b>ACCUMULATED DEPRECIATION AT 1 APRIL 2015 - BROUGHT FORWARD</b>	<b>0</b>	<b>3,385</b>	<b>24</b>	<b>4</b>	<b>10,647</b>	<b>26</b>	<b>3,633</b>	<b>186</b>	<b>17,906</b>
Provided during the year	0	3,561	24	0	1,851	0	1,197	21	6,654
Impairments	0	2,071	0	0	(3)	0	(31)	0	2,037
Reclassifications	0	0	0	(4)	16	0	4	0	16
Revaluations	0	(9,015)	(49)	0	0	0	(327)	0	(9,391)
Disposals/ de-recognition	0	0	0	0	(31)	0	0	0	(31)
<b>ACCUMULATED DEPRECIATION AT 31 MARCH 2016</b>	<b>0</b>	<b>2</b>	<b>(1)</b>	<b>0</b>	<b>12,480</b>	<b>26</b>	<b>4,476</b>	<b>207</b>	<b>17,191</b>
<b>NET BOOK VALUE AT 31 MARCH 2016</b>	<b>20,801</b>	<b>121,227</b>	<b>806</b>	<b>0</b>	<b>9,622</b>	<b>0</b>	<b>2,862</b>	<b>90</b>	<b>155,407</b>
<b>NET BOOK VALUE AT 1 APRIL 2015</b>	<b>20,205</b>	<b>110,270</b>	<b>847</b>	<b>543</b>	<b>8,762</b>	<b>0</b>	<b>3,434</b>	<b>111</b>	<b>144,171</b>

The disposals all relate to non-relevant assets ie they are not used in the delivery of Commissioner Requested Services.

Property, plant and equipment prior year

<b>VALUATION / GROSS AT 1 APRIL 2014 - AS PREVIOUSLY STATED</b>	<b>20,205</b>	<b>109,492</b>	<b>872</b>	<b>280</b>	<b>16,402</b>	<b>26</b>	<b>5,925</b>	<b>1,044</b>	<b>154,246</b>
Additions - purchased/ leased/ grants/ donations	0	4,315	0	307	2,259	0	1,142	72	8,097
Reclassifications	0	6	0	(3)	816	0	0	(819)	0
Disposals / de-recognition	0	(160)	0	37	(68)	0	0	0	(265)
<b>VALUATION / GROSS AT 31 MARCH 2015</b>	<b>20,205</b>	<b>113,650</b>	<b>872</b>	<b>547</b>	<b>19,409</b>	<b>26</b>	<b>7,067</b>	<b>297</b>	<b>162,078</b>
<b>ACCUMULATED DEPRECIATION AT 1 APRIL 2014 - AS PREVIOUSLY STATED</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>8,630</b>	<b>23</b>	<b>2,893</b>	<b>523</b>	<b>12,073</b>
Provided during the year	0	3,394	24	0	1,625	3	740	71	5,857
Reclassifications	0	0	0	0	408	0	0	(408)	0
Disposals / de-recognition	0	(11)	0	0	(13)	0	0	0	(24)
<b>ACCUMULATED DEPRECIATION AT 31 MARCH 2015</b>	<b>0</b>	<b>3,383</b>	<b>24</b>	<b>4</b>	<b>10,647</b>	<b>26</b>	<b>3,633</b>	<b>186</b>	<b>17,906</b>
<b>NET BOOK VALUE AT 31 MARCH 2015</b>	<b>20,205</b>	<b>110,270</b>	<b>847</b>	<b>543</b>	<b>8,761</b>	<b>0</b>	<b>3,434</b>	<b>111</b>	<b>144,171</b>
<b>NET BOOK VALUE AT 1 APRIL 2014</b>	<b>20,205</b>	<b>109,492</b>	<b>872</b>	<b>276</b>	<b>7,772</b>	<b>3</b>	<b>3,032</b>	<b>521</b>	<b>142,173</b>

<b>NET BOOK VALUE AT 31 MARCH 2016</b>									
Owned	20,501	101,353	206	(0)	8,867	0	2,862	90	133,879
Finance leased	300	5,011	600	0	501	0	0	0	6,412
Government Granted	0	12,195	0	0	238	0	0	0	12,433
Donated	0	2,664	0	0	18	0	0	0	2,682
<b>NBV TOTAL AT 31 MARCH 2016</b>	<b>20,801</b>	<b>121,224</b>	<b>806</b>	<b>(0)</b>	<b>9,624</b>	<b>0</b>	<b>2,862</b>	<b>90</b>	<b>155,406</b>
<b>NET BOOK VALUE AT 31 MARCH 2015</b>									
Owned	20,205	92,359	202	543	7,789	0	3,295	111	124,503
Finance leased	0	4,432	645	0	666	0	139	0	5,882
Government Granted	0	11,082	0	0	93	0	0	0	11,175
Donated	0	2,394	0	0	216	0	0	0	2,610
<b>NBV TOTAL AT 31 MARCH 2015</b>	<b>20,205</b>	<b>110,267</b>	<b>848</b>	<b>543</b>	<b>8,764</b>	<b>0</b>	<b>3,434</b>	<b>111</b>	<b>144,171</b>

## 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 2016, the Trust had no land and buildings valued at open market value.

## 9.2 Capital commitments

There were no commitments under capital expenditure contracts at the Statement of Financial Position date.

## 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 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
<b>AS AT 1 APRIL 2015</b>	<b>887</b>	<b>2,091</b>	<b>71</b>	<b>3,049</b>
Additions	16,237	12,721	23	28,981
Inventories consumed (recognised in expenses)	(16,091)	(12,898)	(73)	(29,062)
<b>AS AT 31 MARCH 2016</b>	<b>1,033</b>	<b>1,914</b>	<b>21</b>	<b>2,968</b>
<b>AS AT 1 APRIL 2014</b>	<b>697</b>	<b>1,604</b>	<b>81</b>	<b>2,382</b>
Additions	14,950	12,724	68	27,742
Inventories consumed (recognised in expenses)	(14,760)	(12,237)	(78)	(27,075)
<b>AS AT 31 MARCH 2015</b>	<b>887</b>	<b>2,091</b>	<b>71</b>	<b>3,049</b>

The reduction in inventories is due to the continued maintenance of stock balances at minimal levels and robust stock control measures.

## 12. Trade and Other Receivables

	31 March 2016	31 March 2015
	£000	£000
<b>CURRENT</b>		
Trade receivables due from NHS bodies	8,637	4,972
Provision for impaired receivables	(3,093)	(2,131)
Prepayments	831	669
Accrued income	1,787	1,545
PDC dividend receivable	26	157
VAT receivable	939	1,046
Other receivables	2,141	738
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>11,268</b>	<b>6,996</b>
<b>NON-CURRENT</b>		
Provision for impaired receivables	(158)	(90)
Other receivables	509	582
<b>TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>351</b>	<b>492</b>

NHS receivables are mainly 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 £1.7m for the value of partially completed patient episodes as at 31st March 2016 (31st March 2015 £1.4m).

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 Provision For Impairment of Receivables

	2015 / 2016
	£000
<b>AT 1 APRIL</b>	<b>2,221</b>
Increase in provision	1,789
Amounts utilised	(48)
Unused amounts reversed	(711)
<b>AT 31 MARCH</b>	<b>3,251</b>

## 12.2 Analysis For Impairment of receivables

	31 March 2016		31 March 2015	
	Trade Receivables £000	Other Receivables £000	Trade Receivables £000	Other Receivables £000
<b>AGEING OF IMPAIRED RECEIVABLES</b>				
0 - 30 days	20	0	0	0
30-60 Days	31	0	0	0
60-90 days	64	0	0	0
90- 180 days	327	1,925	23	1,436
Over 180 days	375	509	265	498
<b>TOTAL</b>	<b>817</b>	<b>2,434</b>	<b>288</b>	<b>1,934</b>
<b>AGEING OF NON-IMPAIRED RECEIVABLES PAST THEIR DUE DATE</b>				
0 - 30 days	2,294	0	2,179	0
30-60 Days	1,449	0	295	0
60-90 days	391	0	239	0
90- 180 days	668	0	68	0
Over 180 days	263	0	298	0
<b>TOTAL</b>	<b>5,065</b>	<b>0</b>	<b>3,079</b>	<b>0</b>

Impaired receivables, aged 90 to 180 days in the main relates to payments from CCG's, those aged over 180 days cover payments from the Compensation Recovery Unit in relation to recovering costs arising through road traffic accidents. The irrecoverable debt provision has increased to 21.99% from 18.9% as notified by the Department of Health.

## 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.

	2015 / 2016 £000	2014 / 2015 £000
<b>AT 1 APRIL</b>	<b>1,264</b>	<b>504</b>
Net change in year	1,239	760
<b>AT 31 MARCH</b>	<b>2,503</b>	<b>1,264</b>
<b>BROKEN DOWN INTO</b>		
Cash at commercial banks and in hand	50	56
Cash with the Government Banking service	2,453	1,208
<b>TOTAL CASH AND CASH EQUIVALENTS AS IN SOFP</b>	<b>2,503</b>	<b>1,264</b>
<b>TOTAL CASH AND CASH EQUIVALENTS AS IN SOCF</b>	<b>2,503</b>	<b>1,264</b>

## 14. Liabilities

### 14.1 Trade and other payables

	31 March 2016	31 March 2015
	£000	£000
<b>CURRENT</b>		
NHS trade payables	3,802	1,765
Amounts due to other related parties	1,662	1,566
Other trade payables	5,367	3,470
Capital payables	251	400
Social security costs	1,264	1,204
Other taxes payable	1,293	1,249
Other payables	2,131	1,988
Accruals	7,913	5,327
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>23,683</b>	<b>16,969</b>

During 2015/16 the Trust has analysed Accruals and re-categorised system driven accruals £2.3m from Other Trade Payables to Accruals. As a result of this, the Trust has reflected this change in categorisation of the 2014/15 analysis.

### 14.2 Other Liabilities

	31 March 2016	31 March 2015
	£000	£000
<b>CURRENT</b>		
Deferred goods and services income	888	0
Other deferred income	638	65
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>1,526</b>	<b>65</b>

## 15. Borrowings

	31 March 2016	31 March 2015
	£000	£000
<b>CURRENT</b>		
Loans from the Department of Health	604	445
Obligations under finance leases	213	329
<b>TOTAL CURRENT BORROWINGS</b>	<b>817</b>	<b>774</b>
<b>NON-CURRENT</b>		
Loans from the Independent Trust Financing Facility	6,432	1,776
Loans from the Department of Health	53,110	25,300
Obligations under finance leases	6,001	6,151
<b>TOTAL NON-CURRENT BORROWINGS</b>	<b>65,543</b>	<b>33,227</b>

In year the Trust took out two new loans, an interim revenue loan for £27.8m and an interim capital loan of £5.3m. They are unsecured loans from the Department of Health. The revenue loan is a three year loan, with principal only being repaid in March 2018 and has an annual interest rate of 1.5% per year. £3.4m of the total facility of £31.2m was undrawn at 31 March 2016. The capital loan is a 17 year loan with principal and interest repayments occurring in May and November, with final payment being due in November 2032 and has an annual interest rate of 1.84% per year. The capital loan is fully drawn. The Trust's existing ITFF loans from the Foundation Trust Financing Facility are (1) an interim revenue support loan of £25.3m which is fully drawn. This is fully drawn and is repayable in a single instalment on 18 March 2020. The loan carried an interest rate of 1.5% (2) an unsecured loan which was fully drawn down during 2010/11. The loan is being repaid over a 10 year period at an interest rate of 3%. Principal and interest repayments occur in August and February, with the final payment being due in February 2020.

## 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).

### Minimum Lease Payments

	31 March 2016	31 March 2015
	£000	£000
<b>GROSS LEASE LIABILITIES</b>	<b>11,336</b>	<b>11,953</b>
of which liabilities are due:		
- not later than one year;	546	680
- later than one year and not later than five years;	1,576	1,679
- later than five years.	9,214	9,594
	11,336	11,953
Finance charges allocated to future periods	(5,122)	(5,473)
<b>NET LEASE LIABILITIES</b>	<b>6,214</b>	<b>6,480</b>
of which liabilities are due:		
- not later than one year;	213	329
- later than one year and not later than five years;	391	438
- later than five years.	5,610	5,713
	6,214	6,480

## 17. Provisions

	Pensions (other staff)	Other legal claims	Other	Total
	£000	£000	£000	£000
<b>AT 1 APRIL 2015</b>	<b>46</b>	<b>1,316</b>	<b>794</b>	<b>2,156</b>
Change in the discount rate	4	0	31	35
Arising during the year	0	1,497	0	1,497
Utilised during the year	(7)	(85)	(38)	(130)
Reversed unused	0	(726)	0	(726)
Unwinding of discount	1	0	11	12
<b>AT 31 MARCH 2016</b>	<b>44</b>	<b>2,001</b>	<b>798</b>	<b>2,843</b>
<b>EXPECTED TIMING OF CASHFLOWS:</b>				
Not later than one year	7	2,001	34	2,042
Later than one year and not later than five years	26	0	131	157
Later than five years	11	0	633	644
<b>TOTAL</b>	<b>44</b>	<b>2,001</b>	<b>798</b>	<b>2,843</b>
<b>AT 1 APRIL 2014</b>	<b>38</b>	<b>308</b>	<b>732</b>	<b>1,078</b>
Change in the discount rate	14	0	90	104
Arising during the year	0	1,037	0	1,037
Utilised during the year	(6)	(27)	(39)	(72)
Reversed unused	0	(2)	0	(2)
Unwinding of discount	(0)	0	11	11
<b>AT 31 MARCH 2015</b>	<b>46</b>	<b>1,316</b>	<b>794</b>	<b>2,156</b>
<b>EXPECTED TIMING OF CASHFLOWS:</b>				
Not later than one year	6	1,316	38	1,360
Later than one year and not later than five years	25	0	131	156
Later than five years	15	0	625	640
<b>TOTAL</b>	<b>46</b>	<b>1,316</b>	<b>794</b>	<b>2,156</b>

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.

The above provision for pension costs relates to additional pension liabilities arising from early retirements. Unless due to ill-health, 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.

Other includes three injury benefit cases, one of which amounts to £0.5m.

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 1.37% in real terms.

The NHS Litigation Authority (NHSLA) 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 NHSLA is administratively responsible for all clinical negligence cases, and all clinical negligence claims are recognised in the accounts of the NHSLA, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is £58.9m (year ended 31 March 2015 £35.9m). No contingencies or provisions are in the accounts at 31 March 2016 in relation to these cases, even though the legal liability for them remains with the Trust.

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 NHSLA 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 & Equipment	Total
	£000	£000
<b>REVALUATION RESERVE AT 1 APRIL 2015</b>	<b>57,253</b>	<b>57,253</b>
Impairment losses property, plant and equipment	(2,069)	(2,069)
Revaluation gains property, plant and equipment	9,705	9,705
<b>REVALUATION RESERVE AT 31 March 2016</b>	<b>64,889</b>	<b>64,889</b>
<b>REVALUATION RESERVE AT 1 APRIL 2014</b>	<b>57,253</b>	<b>57,253</b>
Other reserve movements	0	0
<b>REVALUATION RESERVE AT 31 March 2015</b>	<b>57,253</b>	<b>57,253</b>

## 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 2016 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 Monitor, Milton Keynes NHS Foundation Trust Charitable Funds and the Milton Keynes Urgent Care Service, with which there have been no significant transactions in year.

	2015 / 16				2014 / 15			
	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due to related party £000	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due to related party £000
Department of Health	0	0	0	26	0	0	0	157
NHS Bodies	1,922	6,824	594	1,781	2,535	9,095	938	1,565
Buckinghamshire Healthcare NHS Trust	1,118	88	295	180	0	117,726	0	1,486
Milton Keynes CCG	111	123,357	2,582	4,236	0	11,275	0	387
Bedfordshire CCG	0	11,426	61	469	12	23,237	400	605
NHS England	4	24,394	699	816	0	6,934	105	357
NHS Aylesbury Vale CCG	0	7,457	11	422	0	2,877	0	171
NHS Nene CCG	0	2,983	82	82	222	189	68	33
Bedford Hospital NHS Trust	142	197	59	182	206	72	42	15
Oxford University Hospital NHS FT	1,091	1,075	307	470	762	1,561	208	304
NHS Litigation Authority	3,907	0	0	0	4,022	0	0	0
<b>OTHER</b>								
Other WGA Bodies	19	-17	0	6	37	48	4	50
NHS Blood and Transplant (outside DH Group)	1,053	15	0	0	1,062	0	0	0
Local Authorities	18	3,978	527	20	303	204	0	0
HMRC	8,441	0	2,557	939	8,063	0	2,453	1,046
NHS Pensions	11,844	0	1,662	0	10,870	0	1,566	0
<b>TOTAL</b>	<b>29,670</b>	<b>181,777</b>	<b>9,436</b>	<b>9,629</b>	<b>28,094</b>	<b>173,218</b>	<b>5,784</b>	<b>6,176</b>

The key management personnel of the Trust are all directors of the Trust. Their remuneration is disclosed in note 4.6. 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 2016	31 March 2015
	£000	£000
Cash	2,503	1,264
<b>TOTAL CAPITAL</b>	<b>2,503</b>	<b>1,264</b>
Total Equity	2,503	1,264
Borrowings	66,360	34,001
<b>OVERALL FINANCING</b>	<b>68,863</b>	<b>35,265</b>
<b>CAPITAL TO OVERALL FINANCING RATIO</b>	<b>4%</b>	<b>4%</b>

### 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 CCG's, 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. Performance in excess of contracted levels up to the end of December 2015 has been agreed and paid for by Milton Keynes CCG at PbR rates. However the Trust is looking for further support to its working capital during 2016/17.

## 22.1 Financial assets by category

	31 March 2016 Loans & Receivables	31 March 2015 Loans & Receivables
	£000	£000
Trade and other receivables excluding non-financial assets	9,823	5,616
Cash and cash equivalents at bank and in hand	2,503	1,264
<b>Total at 31 March 2016</b>	<b>12,326</b>	<b>6,880</b>

## 22.2 Financial liabilities by category

	31 March 2016 Other financial liabilities	31 March 2015 Other financial liabilities
	£000	£000
Borrowings excluding finance lease	60,146	27,521
Obligations under finance leases	6,214	6,480
Trade and other payables excluding non-financial liabilities	23,683	16,969
Provisions under contract	2,001	1,360
<b>Total at 31 March 2016</b>	<b>92,044</b>	<b>52,330</b>

## 22.3 Fair values of financial assets

	31 March 2016	31 March 2015
	£000	£000
Non-current trade and other receivables excluding non-financial assets	351	492
<b>TOTAL</b>	<b>351</b>	<b>492</b>

Current Financial Assets Book and Fair values are assumed to be the same values.

## 22.4 Fair values of financial liabilities

Current and Non-Current Financial Liabilities Book and Fair values are assumed to be the same values.

## 22.5 Maturity of Financial Liabilities

	31 March 2016	31 March 2015
	£000	£000
In one year or less	26,501	19,102
In more than one year but not more than two years	28,787	555
In more than two years but not more than five years	27,321	26,959
In more than five years	9,435	5,713
<b>TOTAL</b>	<b>92,044</b>	<b>52,330</b>

## 24. Losses and special payments

There were 182 cases at 31 March 2016 of losses and special payments totalling £178,000 approved during the year (241 cases to 31 March 2015 totalling £167,000) 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 in the table on the following page

	31 March 2016		31 March 2015	
	Total number of cases	Value £000	Total number of cases	Value £000
<b>1. LOSSES OF CASH DUE TO:</b>				
a. theft, fraud etc	0	0	1	0
b. overpayment of salaries etc.	9	10	4	0
<b>2. FRUITLESS PAYMENTS AND CONSTRUCTIVE LOSSES</b>	0	0	0	0
<b>3. BAD DEBTS AND CLAIMS ABANDONED IN RELATION TO:</b>				
a. private patients	7	1	3	0
b. overseas visitors	27	35	49	113
c. other	101	2	120	7
<b>4. DAMAGE TO BUILDINGS, PROPERTY ETC. DUE TO:</b>				
a. theft, fraud etc	0	0	0	0
b. stores losses	3	19	4	16
<b>TOTAL LOSSES</b>	<b>147</b>	<b>67</b>	<b>181</b>	<b>136</b>
<b>SPECIAL PAYMENTS</b>				
<b>5. COMPENSATION UNDER LEGAL OBLIGATION</b>	0	0	0	0
<b>6. EXTRA CONTRACTUAL TO CONTRACTORS</b>	1	95	0	0
<b>7. EX GRATIA PAYMENTS IN RESPECT OF:</b>				
a. loss of personal effects	19	5	30	10
b. clinical negligence with advice	9	10	2	6
c. personal injury with advice	0	0	0	0
d. other negligence and injury	2	0	0	0
e. other employment payments (should not include special severance payments which are disclosed below)	0	0	2	10
f. patient referrals outside the UK and EEA Guidelines	0	0	0	0
g. other	4	1	26	5
<b>TOTAL SPECIAL PAYMENTS</b>	<b>35</b>	<b>111</b>	<b>60</b>	<b>31</b>
<b>TOTAL LOSSES AND SPECIAL PAYMENTS</b>	<b>182</b>	<b>178</b>	<b>241</b>	<b>167</b>





