

# Annual Report and Accounts 2012/13



Standing Way  
Eaglestone  
Milton Keynes  
MK6 5LD

01908 660033  
[www.mkhospital.nhs.uk](http://www.mkhospital.nhs.uk)

**We CARE**



**MILTON KEYNES HOSPITAL NHS FOUNDATION TRUST  
ANNUAL REPORT AND ACCOUNTS  
2012/13**

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



Standing Way  
Eaglestone  
Milton Keynes  
MK6 5LD

01908 660033  
[www.mkhospital.nhs.uk](http://www.mkhospital.nhs.uk)

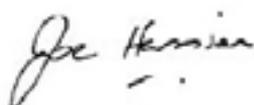
**We CARE**

# Contents

## Annual Report and Accounts 2012/13

<b>Section 1 – Introduction</b>	<b>7</b>
Statement from the Chairman and Chief Executive	8
About us	10
<b>Section 2 – Directors’ Report</b>	<b>15</b>
Directors’ report	16
Valuing our staff	32
Patient experience	40
Performance review	42
Stakeholder engagement	44
<b>Section 3 – Quality Report</b>	<b>49</b>
Quality report summary	50
Statement of assurance from the Board	54
<b>Section 4 – Governance and Risk Management</b>	<b>57</b>
Governance of the Trust	58
Trust Committees	67
Code of Governance Disclosures	70
Annual Governance Statement	74
<b>Section 5 – Remuneration Report</b>	<b>95</b>
<b>Section 6 – Membership Report</b>	<b>103</b>
<b>Section 7 – Financial Review</b>	<b>109</b>
Going Concern Statement	117
Annual Accounts	118
<b>Appendix 1 : Quality Accounts</b>	<b>157</b>
<b>Appendix 2 : Constituencies And Governors</b>	<b>184</b>
<b>Appendix 3 : Board And Governor Attendance</b>	<b>187</b>

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 29 May 2013.

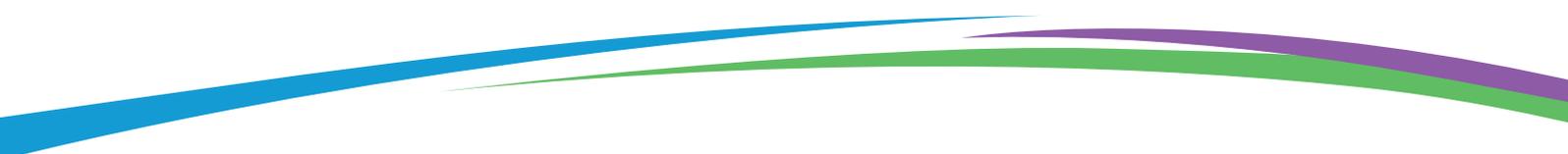


**Joe Harrison**  
CHIEF EXECUTIVE

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



**We CARE**



# Section 1

## Introduction

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 1

## Introduction

### Statement from the Chairman

**2012/13 was a significant year for the Trust as it represented year 2 of our Press For Change programme. At the beginning of the year we anticipated delivering significant financial improvements whilst continuing to improve patient safety and care. However, a worsening in the acuity of patients' conditions, particularly in the second half of the year, and a subsequent increase in the average length of stay, resulted in the Trust facing significant operational difficulties and financial pressures. In overall terms we carried close to four additional wards above our plan throughout the year.**

In addition, like many Trusts nationally, Milton Keynes also suffered from an increase in operational pressures in our Accident and Emergency department as local and national initiatives, planned at treating patients closer to home, failed to have the impact expected. Unfortunately these additional pressures also led to a significant reduction in our capacity to undertake and fulfil our elective operations programme and, inevitably, affected our patients experience, increased waiting times and impacted negatively on the finances of the Trust.

Looking forward to 2013/14 the Trust faces a very difficult and challenging period of uncertainty. Our priority is the delivery of safe care to all our patients and to meet the requirements of the Care Quality Commission. We also remain in breach of our terms of authority with our Regulator, Monitor, with a Financial Risk rating of 1 and the finances of all hospital trusts continue to be squeezed at a time of rising demand. As a Board, we are very mindful of the need to safeguard and improve local services whilst playing our part in the wider Healthier Together programme. This strategic initiative is seeking to improve overall patient outcomes whilst improving financial efficiency and will result in new models of care being developed across our region.

These models of care and any future possible reconfiguration of services will be based on both clinical and financial viability. The Milton Keynes Board are therefore very focussed on the strategic options available to us but it is clear that, in the current environment, we must work closely with our neighbouring trusts to share clinical expertise and the financial burden facing all of us.

It is also critical that we continue to build positive relationships with the new local Commissioning Group and to assist in the process of delivering care appropriately in the community and to reduce the pressures on the hospital. This year promises to be no less challenging than the past twelve months but I am encouraged by recent results which highlight a real improvement in performance.

Despite a challenging year, there were a number of significant developments that improved access and the quality of service to patients in Milton Keynes. Extending Paediatric Assessment Unit, opening paediatric A&E 24 hours a day, opening Phoenix a dedicated rehabilitation and re-ablement unit and launching a programme trust wide to improve and enhance the whole organisational focus on quality and care called "We Care".



**David Wakefield**  
CHAIRMAN

## and the Chief Executive

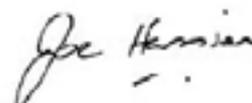
**I was delighted to join the Trust at the beginning of February and I am pleased to be able to reflect briefly on some key areas in my first Annual Report.**

Both clinically and financially the Trust has had a difficult year. Although almost all of the national performance targets were met, patients waited too long to be seen and treated in our A&E department, and we know that we are still not giving all of our patients the level of consistent high quality care they deserve. This is a very clear focus for the coming year as we work with our health and social care partners to improve the range of services that we provide here.

Financially the Trust did not deliver on its expected plan, and this will need a much more rigorous approach for 2013/14. I am certain that we will develop the team to enable us to put this in place and deliver on our plan.

We have a testing year ahead, with real improvements in the Trust's clinical and financial performance required. However, I am confident that with our staff, clear leadership and robust systems, combining across the Trust with our local health and social care system, we will deliver high quality care to our patients.

I look forward to my first year as Chief Executive of Milton Keynes Hospital and to sharing our successes in 2014.



**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 2,800 staff, providing a full range of acute hospital services to the city of 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.**

526  
2800



## Our vision and strategic priorities

Our vision (“To be the healthcare provider of choice, growing with Milton Keynes”) and strategic priorities were set for the period 2009-2013:

1. To provide excellent quality services which exceed the expectations of our patients and customers
  - a. To be recognised as a safe, infection free, clean hospital
  - b. To provide fast and easy access to our services
  - c. To improve the Trust’s reputation and increase the number of patients rating services as satisfactory or better
2. To deliver services, closer to home
  - a. To deliver services in Milton Keynes currently provided by other acute providers
  - b. To increase the range of services provided by the Trust including looking at integration and cooperation with other providers
  - c. Increase the population we serve
3. Aim to deliver upper quartile performance in an increasing range of services
  - a. To make services provided more profitable to support future investment
  - b. To seek opportunities to deliver efficiency gains
4. To enhance the reputation of the Trust by making sure people know what we do and choose to come to us
  - a. To improve communications with our users and customers
  - b. To be recognised as a top performing hospital
  - c. To maximise the Trust’s contribution to the local community
5. To develop an organisational capacity to deliver excellent services
  - a. To have the right staff at the right time with the right motivation
6. To ensure a financially sustainable future
  - a. To develop a financial strategy that balances the need for reducing costs whilst exploring the opportunity for additional income through the opening up of new markets
  - b. To ensure that the organisation has the right tools available to it to accurately measure cost and income
  - c. To develop an organisational culture that uses business methodologies when managing its operational services

The Trust Board is currently reviewing the Trust Objectives to provide renewed focus on the priorities for the acute healthcare provision for our community.

## Factual information

Milton Keynes Hospital was officially opened in 1984. The acute services provision at that time included operating theatres, an Accident and Emergency (A&E) 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 A&E department.

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

During 2006/07 the sexual health centre was refurbished and a new £2.5m angiography unit opened. Construction work on a new multi-storey car park was completed in July 2007 and 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 well underway.

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.

# 1984

MK Hospital officially opened  
Phase two commences 1988  
40% population increase  
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

# 2007

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

# 2009

Ward 14 fully refurbished  
£4.6m endoscopy unit  
New 22 bed ward

# 2012

Therapist led facility developed  
The Phoenix Unit opens  
with 20 beds

## Our services

The current population of Milton Keynes Unitary Authority is estimated to be 251,900 (by July 2013) and is one of the fastest growing areas in the country. Current forecasts predict that the population will reach 266,600 by 2016, and 297,300 by 2026, equating to a 21% growth over the next 14 years. Just over 25% of the population is currently aged under-19 and the Milton Keynes Joint Strategic Needs Assessment (JSNA) identified a need for services to be targeted and more representative of the borough's comparatively young population. The total natural catchment area of the Trust is considered to be circa 15% wider than Milton Keynes Unitary Authority boundary consisting of patients from the market towns of Buckingham and Leighton Buzzard and the surrounding villages.

Equally significant is growth in the over 60 age group, with current numbers increasing even faster and therefore placing additional pressure on resources. Between 2013 and 2014 alone the population aged between 65 to 75 years is forecast to grow by 5.4% or 1,080. This creates both opportunities and challenges. As well as ensuring current services deliver a high-quality outcome, we also need to focus on the development of key services.

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 Hospital Eaglestone site. MKHFT 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.

During 2012 the Trust reviewed the Divisional and CSU arrangements and the number of CSU's was reduced from 16 to 13. Through the Organisational Structure Review (OSR) the leadership of the Divisions and CSU's was strengthened by appointing to posts of Clinical Director, lead Nurse or Allied Health Provider and Operational Manager. Details of the Divisions and CSUs are listed below.

The CSUs are responsible for the day-to-day management and delivery of services within their areas in line with Trust strategies, policies, and procedures. CSUs work within the Trust's Standing Financial Instructions, Standing Orders, Scheme of Delegation and budgetary rules further information about the Trust's structure and services are available on our website [www.mkhospital.nhs.uk](http://www.mkhospital.nhs.uk).

### Division & CSU Structures

(opposite)



## Context NHS nationally

The NHS is going through a period of significant change with the implementation of the NHS and the Health and Social Care Acts, with the PCTs being disbanded on 31 March 2013 and Clinical Commissioning Groups (CCG) establishing their role to take over on 1 April 2013. There is also financial pressure for the NHS to realise significant efficiencies, after a period of increases to NHS budgets.

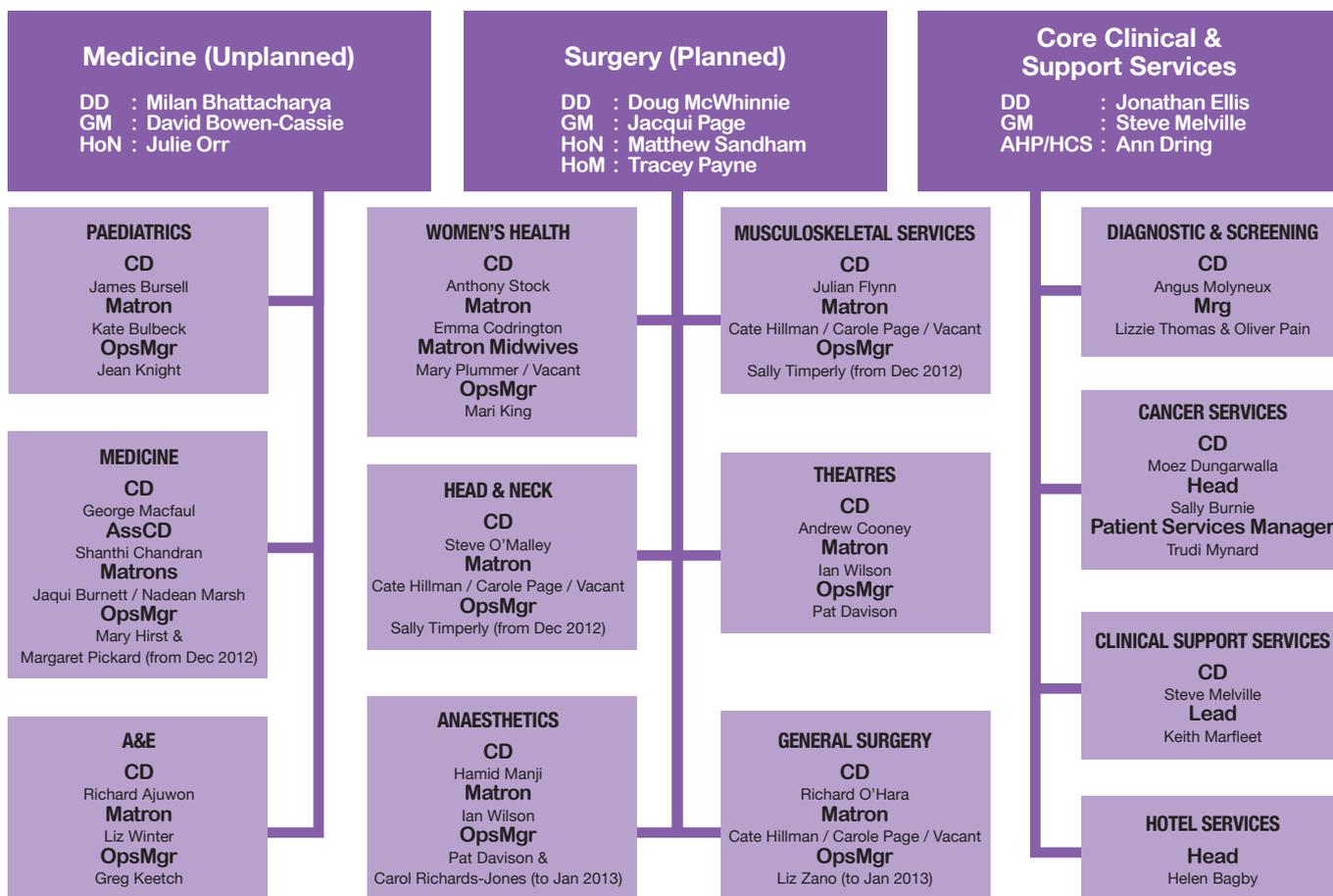
## Context NHS locally

The changes to the commissioning regime for local services have meant that the Trust is dealing with CCG regarding the commissioning intentions for the forthcoming year.

In addition the local CCG is actively trying to manage demand which could impact the activity levels for the hospital and if achieved, will reduce income levels. At present some of the initiatives are at early stages and it is anticipated by the Trust that the activity levels will not significantly change in 2012/13.

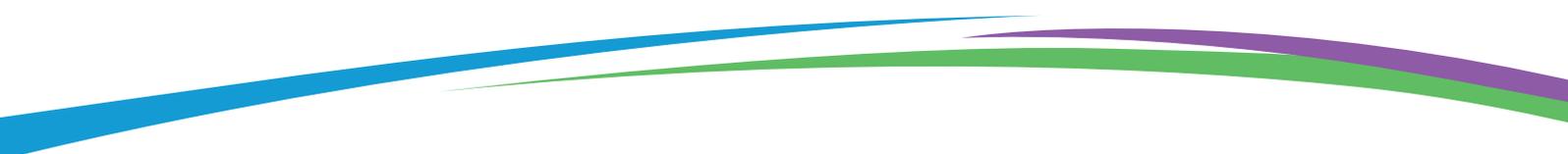
## Community Health Service

The PCT undertook an NHS only tender to provide Community Health Services in Milton Keynes for a three year period. The Trust submitted a bid, but was informed in December 2012 that it was unsuccessful and the contract was awarded to Central and North West London.





**We CARE**



# Section 2

## Directors' Report

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 2

## Directors' Report

### The Board of Directors

 Non-Executive Directors

 Executive Directors

\* Associate Director (i.e. Non voting)



**David Wakefield**  
CHAIRMAN



**David Moore**  
CHAIR OF FINANCE  
COMMITTEE



**Kate Robinson**  
DEPUTY CHAIR,  
CHAIR OF QUALITY  
COMMITTEE



**Joe Harrison**  
CHIEF EXECUTIVE



**Graham Anderson**  
SENIOR INDEPENDENT  
DIRECTOR



**Frank Burnett**  
CHAIR OF CHARITABLE  
FUNDS COMMITTEE



**Bob Green**  
CHAIR OF AUDIT  
COMMITTEE



**Lisa Knight**  
DIRECTOR OF  
PATIENT CARE  
AND CHIEF NURSE



**Duncan Smith**  
DIRECTOR OF  
PERFORMANCE  
AND PLANNING



**Martin Wetherill**  
MEDICAL DIRECTOR



**Penny Emerson**  
CHAIR OF EQUALITY &  
DIVERSITY WORKING  
GROUP



**Robert Toole**  
INTERIM DIRECTOR  
OF FINANCE \*



**KATHY RENACRE**  
DIRECTOR OF HUMAN  
RESOURCES AND  
WORKFORCE  
DEVELOPMENT



**Darren Leech**  
CHIEF  
OPERATING OFFICER

In addition to the above Board Members, other members of the Board in 2012-13 were:

Tony Halton , Director of Nursing  
Ian Mackie, Non -Executive Director  
Mark Millar, Interim Chief Executive  
Susan Osborne, Chief Compliance Officer  
Louise Watson, Commercial Director  
Maria Wogan, Director of Corporate Services

## Social and Community Issues

The current population of Milton Keynes Unitary Authority is estimated to be 245,750 (July 2011)<sup>1</sup> and is one of the fastest growing areas in the country. The population is expected to reach 266,600 by 2016, and 297,300 by 2026, according to current forecasts<sup>2</sup>. Just over 25% of the population is currently aged under-19 and the 2011-12 Milton Keynes Joint Strategic Needs Assessment (JSNA) identified a need for services to be targeted and more reflective of the borough's comparatively young population.

There are significant pockets of deprivation and poverty: parts of Eaton Manor and Woughton wards are in the 10% most deprived in England in relation to various measures of deprivation, including income, employment and education. Inequalities in terms of social and economic circumstances affect health, for example increased levels of respiratory disease, cancer, type 2 diabetes, poor mental health and substance misuse. There are also inequalities in the outcomes for children and young people across Milton Keynes.

Milton Keynes has a number of challenges ahead of it – a rapidly ageing population, a growing population in number that is also increasingly richer in terms of ethnicity and racial mix, and the tougher economic and financial environment that has implications for health and social care. A key part of the health challenge in Milton Keynes is the increasing numbers of people with complex long-term conditions. Almost £7 in every £10 spent on health care is for people with these conditions.<sup>3</sup>

1,2 Population Projections 2011 – Milton Keynes borough. Population Update 2011/12, Milton Keynes Intelligence Observatory. Accessed online February 2012.

3 Bunt, L. and Harris M. The Human Factor – How transforming healthcare to involve the public can save money and lives. NESTA, November 2009

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

## Inpatient Survey (Aug 2012)

A total of 850 patients were sent a questionnaire and 812 patients were eligible for the survey, of which 404 returned a completed questionnaire, giving a response rate of 50%. The average response rate for the 69 trusts which used PICKER to undertake the survey was 48%.

### Have we improved since the 2011 survey?

A total of 54 questions were used in both the 2011 and 2012 surveys.

Compared to the 2011 survey, the Trust was:

- Significantly BETTER on 4 questions
- Significantly WORSE on 3 questions

The scores show no significant difference on 47 Questions

### How do we compare to other trusts?

The survey showed that the Trust was:

- Significantly BETTER than average on 1 question
- Significantly WORSE than average on 27 questions
- The scores were average on 34 questions

The Trust is significantly better than other Trusts at pre-operative questions and has improved significantly in nurse questions, surgical procedures and asking patients to give feedback on their care. However, the Trust worsened on helping patients eating meals, delayed discharge and discharge medication. Improvements in these areas have been incorporated into the action plan being implemented to address the issues raised by the CQC visit in August 2012 (DANI).

## Press for Change Programme | Review of Year 2

Our Transformation Programme, launched in January 2011, was designed to safeguard the future of our hospital by creating a platform of financial and operational stability whilst improving quality. The Programme provides a focus and catalyst for change; bringing people together across the organisation (and in partnership with other local health and social care organisations) to identify and deliver new initiatives and ways of working to sustain the high quality of our clinical services whilst substantially improving efficiency. In order to fully engage with all staff across the hospital – whose support and hard work would be crucial to deliver the programme's aims – we developed the Press for Change campaign.

The campaign was designed to encourage all staff across the Trust to come forward with their own ideas (as well as help deliver the key priorities identified in the Transformation Plan) to increase quality, reduce spending, and deliver a better patient experience.

In the Programme's first year we engaged an external team (Tribal) to work alongside Trust staff to deliver financial and operational improvements. Throughout year two (2012-13) of the Programme, the majority of people designing and delivering the Transformation Programme have been Trust staff.

Key highlights in 2012-2013:

- Introduced the We Care programme
- Restructured the organisation into three Divisions
- Redesigned patient administration and booking systems to improve experience
- Planned Care Unit opened
- Ambulatory care pathways established
- E-rostering introduced
- Pathology efficiencies achieved
- Procurement savings achieved
- Two new Costa cafés opened
- Delivered £5.5m savings



**Our Patients**  
We need to provide the quality of care our patients deserve.



**Our Finances**  
We need to change the way we work and save money to be a sustainable organisation.



**Our Future**  
We need to be as good as the best and be the first choice for local patients and GPs.

## We Care Programme

In a period of change it is especially important that the Trust actively develops a culture of safety and quality through high staff motivation and patient engagement. The Trust has recognised that creating an inclusive culture where staff are encouraged to contribute to improvements and are held accountable for delivery of high quality care is key, especially to help manage the degree of change currently underway. For this reason the We Care programme was created with the aim of unifying the organisation around the delivery of the best possible patient experience, in a way that:-

- Puts the needs of patients in the centre
- Involves staff in shaping a shared culture for the new organisation
- Encourages staff at all levels to innovate and contribute to improvement for patients
- Helps colleagues understand the impact of their behaviour on others, to feel valued and appreciated for doing a good job, and to be motivated to do their best.
- Develops and empowers leaders and frontline clinical teams.
- Encourages staff to feel responsible and to be held to account for the delivery Embeds an intolerance for sub-standard or non-compliant performance
- Embeds and sustains the vision, standards and continuous improvement approach

The result:

- 110 patients involved in 'In Your Shoes' sessions, which were designed to understand patients' experience of the care they received from the Trust.
- 290 staff completed graffiti boards – anonymous questionnaire about staff experience of working at Milton Keynes Hospital.
- 50 staff attended 'In Our Shoes' sessions, which were designed to highlight staff experience of working at the Trust.
- 200 staff developed six detailed standards and commitments for our patients and staff to be launched in May 2013.
- A strong and visible We Care brand and identity created
- 25 Quick wins being worked on for visible delivery including staff name badges, 'Your Hospital' leaflets, a new corporate image project and water coolers for patients and families in day rooms.
- A detailed implementation plan for 2013-2014 to embed the standards and commitments into all vital processes within the trust

# We CARE

## Pathology Project

In 2012-2013 the Trust's Pathology team continued their dedicated approach to the Press for Change Transformation plan. The team focussed on identification and delivery of new opportunities, while maximising the benefits associated with schemes from year one of the Programme. With over £600k of additional income and savings in 2012-13, the team have exceeded expectations for the second year in a row while maintaining quality of service.

- The microbiology department achieved significant over delivery on their income target, earning close to £300k as opposed to the £200k planned.
- The department's managed service contract gave the opportunity to recover more VAT by expanding scope to include Microbiology and Biochemistry reagents.
- Pre-analytical and post analytical processing changes have allowed a staffing skill mix review resulting in increased efficiency.
- The adoption of NHS Agenda for Change terms and conditions from what was a local agreement on out of hours working has been completed. The department has recruited new personnel who are already bringing in new ideas and enthusiasm.

During the year, Pathology also retained Clinical Pathology Accreditation in all departments, satisfied the MHRA (Medicines and Healthcare Products Regulatory Agency) with progression on the Blood Transfusion action plan and had the most successful Human Tissue Authority inspection ever in the mortuary.

At a strategic level, and in line with departments across the NHS, our Pathology team continues to develop relationships with neighbouring organisations, working closely with Northampton General Hospital in relation to high cost send away tests, with Bedford in terms of business continuity and with Oxford in relation to joint tender opportunities. Clinical teams are building relationships with clinicians in these organisations in line with the Trust's strategic objectives.

Through a challenging year, the pathology staff from consultants to our porters have pulled together and worked hard towards the Trust's vision of a sustainable future service. Year three of the Programme offers exciting opportunities; we have staff willing and able to embrace change and are looking forwards towards an increasingly collaborative Pathology service.

## Patient Administration Pathway Project

The patient administration pathway project aimed to deliver an enhanced patient administration pathway by putting in place seamless and less bureaucratic processes for patients. The project also sought to ensure that the Trust's communication with GPs after their patients attend hospital is consistent and timely. The project:

1. Decentralised the Admissions Office and the Outpatients Appointments Bureau.
2. Changed the role of the traditional medical consultant secretary and created administrative hubs managed by clinical specialties in what we call Clinical Service Units (CSUs).
3. Introduced digital dictation across all areas.

The current position is:

- All CSU administrative hubs are functioning independently with a Patient Pathway Manager in post.
- Standard Operating Procedures are being used by CSU hubs
- Digital Dictation is in place and working in all CSUs.
- As a result, our capacity is being used more effectively and backlogs of letters to GPs have been eradicated. Meanwhile year on year savings of over £650k have been made.

## New Clinical Pathways & Services

Real improvements in patient care have been delivered by our clinicians in 2012-13 by re-designing pathways to avoid or reduce the need for patients with certain conditions including heart failure, chest pain, (Chronic Obstructive Pulmonary Disease) COPD, Venous Thromboembolism (VTE), (Transient Ischaemic Attack) TIA, cellulites and pulmonary embolism to stay in hospital.

Joint initiatives with MK Community Health Services and the Local Authority have included the appointment of an alcohol specialist nurse and the establishment of a Mental Health Hospital Liaison Team. These new services are improving the quality and effectiveness of the care of frequent hospital attendees by reducing their presentations to hospital and improving their care in the community.

## New Clinical Pathways – Heart Failure

Over the last 12 months there has been a lot of good work to develop our heart failure pathways led by Cardiologist, Dr David Gwilt. A Cardiac Services Working Group was established, which includes consultant cardiologists from MKHFT, MK Community Health Services clinical leads, two local GPs with a special interest in cardiology, and our local commissioners. We agreed a new care pathway between community and hospital services to deliver best practice care; the pathway was launched at the beginning of October 2012 and the team are delighted with the results so far.

## Planned Care Unit (Pcu)

Many surveys at Milton Keynes and across other NHS Trusts confirm that patients prefer to spend as little time as possible in hospital and to receive treatment and support at home as soon as it is clinically safe for them to do so. In early 2012, the Trust approved a proposal to establish a Planned Care Unit (PCU). The unit will enable more patients to be cared for closer to home with treatment and support built around their schedule. The model of care will improve experience of care at Milton Keynes Hospital by interrupting patients' normal daily routines and activities as little as possible.

Initially, the PCU saw three existing nurse-led services – Planned Care Service, Outpatient Antimicrobial Therapy Service and Venous-Thromboembolism Clinic – amalgamated into one team, managed by an overall Nurse Lead Manager. The combined team is now more flexible and maintains a high-quality, uninterrupted service seven days a week, all year round.

The PCU team also assists clinical colleagues in other wards and departments in early supportive discharge, thereby ensuring patients only remain in hospital for the time clinically required. The Trust plans to develop this service further in 2013-2014.



## E-rostering Project

The Trust has invested in a new E-Rostering system for Nursing and Midwifery staff. The rationale for this investment was an acknowledgement that the historic method for rostering nursing and midwifery staff was manually intensive, did not encourage efficient use of our staff and was limited in its ability to flex staffing needs at short notice in response to changing patient needs and demand. Approximately 60% of other NHS Acute Trusts use E-rostering software to deploy the right people in the right place at the right time with the right competences to meet patient needs.

### Expected benefits

The benefits of implementing a new electronic E-Rostering system for the Trust include:

- Efficient use of staffing via effective rostering.
- Improved patient satisfaction and care through staff continuity.
- Reduced administration for clinical managers.
- Improved staff satisfaction through the provision of a fair and transparent roster system across the whole Trust.
- Improved workforce information data including annual and sickness leave reporting and management.
- Supports seamless integration of roster and payroll functions.

### Progress to date

The project commenced in August 2012 and has introduced E-rostering into 36 areas with rotas being produced with the new system each month. These ward and department teams are now using E-rostering to create their rotas, book annual and study leave, and to manage and report sickness absences for their teams. The Trust is aiming for all its Nursing and Midwifery staff to have transferred to the E-rostering system by September 2013.

### Timesheets going paperless

Additionally the project team worked to transfer paper time sheets to electronic timesheets. The Trust is aiming to have all nursing and midwifery staff, both substantive and temporary transferred over to the new E-time sheet processes by the end of 2013.

## Procurement

Following similar performance in 2011, the procurement department has contributed significantly towards the Trust's savings target in 2012. The team has made savings of over £1 million by working with clinical colleagues to standardise products and suppliers to reduce costs. One strand of work for the procurement team saw the opening of a central store.

Historically the Trust held around 34 weeks' stock of core items across a number of clinical areas. The Central Store allows localised stock levels to be reduced, freeing up essential space in clinical areas and reducing the risk of stock becoming obsolete or out of date.

Centralising stock also enables the Trust to order in bulk quantities, which reduces the unit price of the item and contributing to the savings target. Stock is managed by the Materials Management Team and supplied to wards as required, with the added benefit that wards have easier access to additional stock in the event of an emergency.



## Medicine

### Introduction to the Medicine Division (Unplanned care)

The Medicine Division is responsible for the day-to-day management and delivery of medicine, emergency medicine and children's services. The division is led by David Bowen-Cassie as General Manager, Dr. Milan Bhattacharya as Divisional Director and Julie Orr as Head of Nursing.

### New Ambulatory Emergency Care Unit

The hospital's new Ambulatory Emergency Care Unit (AEC) opened in March 2013, adjacent to A&E. The unit will improve patient experiences and access to emergency pathways for patients requiring emergency assessment and treatment, which can be delivered safely and efficiently in one day.

The unit will work in close liaison with the clinical teams elsewhere in the Trust, and in the community. It launched in March with clinics for Outpatient Antimicrobial Therapy (OPAT) and Venous Thromboembolism (VTE).

### Getting feedback from children and families

In March 2013, Children's Services launched a new campaign to encourage children, young people, and their parents or carers, to share their thoughts about the children's service and their experiences.

The campaign - called "In Your Little Shoes" - is designed to make it as easy as possible for patients and their families to get involved. There are a series of workshops families can attend, an online survey, and children can even give feedback through a postcard drawing competition, which asks children to use a drawing or short sentences to tell us what they would like a visit to hospital to be like.

Maria Wogan, the hospital's Children's Champion, said: "Children and their families have the best insight into our children's services - they know how it feels to be a treated here. We will be using all the feedback we receive to make our children's services as good as possible, and ensure we are meeting the needs of our local community."

### Team of 17 saves Corey's life

Baby Corey is healthy and happy now. But in the first few weeks of his life, it didn't look he would make it. It took a team of 17 doctors and nurses at the hospital five hours to save his life.

Dad Dave Perry explained: "He was struggling to breath and as stiff as a board. He was grey."

Corey was rushed to theatre immediately. James Bursell, Consultant Paediatrician and Clinical Director, admits that when Corey arrived he looked so unwell, it was "very unlikely" he would make it.

Mum Leah said: "They were working on him for about five hours. There were 17 of them, and James was also on the phone to another team. It was a very frightening time. We've since been told that if we'd left it any longer he wouldn't have survived."

Dave added: "They did their magic - they did a fantastic job. They explained everything to us and we were able to be there the whole time. They kept reassuring us."

During the emergency surgery, hospital staff worked closely with the region's paediatric critical care experts - the Southampton Oxford Retrieval Team. After those nervous hours, Corey has been going from strength to strength.

Leah said: "He is fine now and feeding well. He is very content. His five-year-old brother loves spending time with him. We're so grateful that his life was saved. It is thanks to Milton Keynes Hospital. Words can't explain how grateful we are. We can't ever thank you enough."



### Helping parents-to-be

In January, the Trust held a special drop-in evening to help local people thinking of starting or adding to their family.

Women and their partners were able to get a range of information and advice from experts on how to give their baby the best possible start in life, including dos and don'ts before they conceive.

A range of experts were on hand to offer tips on making lifestyle changes for people who need to such as achieving a healthy weight, reducing stress, cutting down on alcohol and stopping smoking. Experts will also be available to answer questions and offer advice on anything related to having babies, from conception right through to birth.

### Monthly staff awards

Staff that go the extra mile to improve the experience of children and young people in the hospital are being celebrated with a new award scheme.

The paediatric awards are distributed each month. They recognise staff in Children's Services, but also elsewhere – in recognition of the fact children and young people experience a range of other parts of the hospital, both as patients and visitors.

Winners are selected for a variety of reasons, including the quality of their communication with children and their families, their team working, their compassionate care and their use of best practice.

### Patient "on top of the world" with new heart device

Milton Keynes Hospital fitted its first ever advanced heart device in January – and the patient is feeling "on top of the world".

Tim Percival, 74, was suffering from heart failure and was chosen as the first Milton Keynes patient to receive a bi-ventricular defibrillator. In the past, patients have needed to travel to Oxford for this surgery.

Tim said: "I couldn't walk from the wheelchair to the bed. I'd be gasping for air. I couldn't lay down and had to sit in a chair to sleep. It was touch and go. At one point I'd been given a five to 20 per cent chance to live.

"I feel good now – in fact I feel on top of the world at the moment. It's a wonderful feeling."

With the service now up-and-running, Milton Keynes Hospital expects to be giving 60 local patients bi-ventricular defibrillators each year.

Dr Khiani said: "These devices can prolong life, and also improve quality of life. We are really pleased that we'll now be able to help patients locally.

"It has been a real step up in the skills of our nursing staff – they've had more advanced training, a stronger skill mix and more experience. The team did exceptionally well. It's good for patients, it's good for the team and it's good for the hospital."

Tim was full of praise for Dr Khiani and the "fantastic" staff.

He said: "They deserve a medal for all they do. I can't press home enough how fantastic they've been. This is the best hospital I've been to.

"There were so many people, but they never got in each other's way. It was so well organised. They all know what they are doing and they work so hard here.

"I wasn't worried about being the first – they'd taken me through what was going to happen at least three times. They were very thorough.

"It's been fantastic. It's been a bit like being on holiday. Even the food is pukka! Not once have I had anything to complain about. Absolutely amazing."

He is now looking forward to getting stronger over the coming months. He explained: "I've not been able to play with the kids for the last two years – I've a three and a two-year-old. I'm hoping to be able to do that. Family comes first."



### **New Alcohol Specialist Nurse Practitioner**

Patients with alcohol problems are receiving extra support, thanks to the appointment of a new Alcohol Specialist Nurse Practitioner.

Wayne Pavey, who was previously a Ward Manager for the Trust, is using his extensive experience to help clinicians provide the best possible care for patients with alcohol problems. Currently based in A&E, Wayne is available to see any patient in any area of the hospital and help them get further support. He also works with departments to raise awareness of his role and the support he can offer.

Patients with alcohol problems stay for an average of nine days because they often have a range of problems. Wayne is aiming to ensure these patients have the support they need to avoid them being admitted, wherever possible.

### **Psychological support for diabetes patients**

Patients in Milton Keynes with diabetes are being offered psychological therapies alongside their medical treatment, to help them manage their condition.

The 15-month project involves testing patients' commitment to keeping to their treatment through questionnaires. Experts will provide brief psychotherapeutic interventions for those who need it. Interventions could include therapies to help patients overcome negative thoughts or behaviour, or to help patients change the way they see experiences in their lives.

Dr Asif Ali, Consultant and lead for diabetes at Milton Keynes Hospital said: "I am delighted to have more provision of psychological services for our patients. Diabetes care is not complete without adequate psychological support."

The Doing Diabetes Differently project is managed by Evolving Families Social Enterprise in association with the Trust, and has been funded by the Health Foundation.

Dr Miriam Silver, Consultant Clinical Psychologist, who is managing the project said, "This is a very exciting collaboration which we hope will improve patient experience and quality of life. Our delivery model is unique and if we are successful it will be a first in the UK."

## Surgery

### Introduction to the Surgery Division (Planned care)

The Surgery Division is responsible for the day-to-day management and delivery of general surgery, women's health services, musculoskeletal services, head and neck services, theatres and anaesthetics. The division is led by Jacqui Page as General Manager, Doug McWhinne as Divisional Director, Matthew Sandham as Head of Nursing and Tracey Payne as Head of Midwifery.

### Improving theatre co-ordination

Four hourly theatre sessions have been introduced, which has allowed the Trust to increase its theatre productivity, and in turn, improve its overall theatre utilisation.

Theatres have also introduced a dedicated 'named' Senior Theatre Team leader to co-ordinate the booking of all patients in the emergency pathway, and to liaise with the theatre multidisciplinary team.

### Improving theatres for young patients

A separate paediatric bay /room was developed in Phase 2 Theatres this year, bringing the Trust in line with CQC requirements.

The Trust also started using a bleep which tells parents in the waiting area when their child is ready to be picked up from recovery. An orderly then comes to escort the parents to the Recovery area to collect their child – so the child can wake up to a familiar face.

The bleep scheme won the Trust's competition, called the Shout It Out Showcase, for making a big difference for patients and their families. The £6,000 prize was invested into furnishing and designing the paediatric room.

### Emergency surgery saves lady's leg

A 96-year-old woman almost lost her leg in January – but her leg was saved with emergency surgery at the hospital in the early hours of a Sunday morning.

When she arrived at the hospital, her leg was completely white and she had no feeling – there was no circulation at all. Orthopaedic consultant Mr Martin Wetherill, who is also Milton Keynes Hospital's Medical Director, carried out the emergency surgery, and was able to save her leg.

Her son said: "She was taken to theatre about 3am, and got the specialist attention she needed.

"It is also good to see the commitment that's been shown. Although she is 96, no-one has written her off. Her condition is well controlled with drugs and the specialist back-up at the hospital is working. She can enjoy spending time with the children and grandchildren."

### Listening to orthopaedic patients

To get a better understanding of patient experiences within the elective orthopaedic pathway, patients were encouraged to complete detailed diaries – and improvements are taking place as a result.

The Council of Governors played a leading role in the design of the consultation and in getting the consultation underway.

The feedback given by patients, was predominantly very positive, but some areas for improvement also suggested by patients. An action plan is being delivered to make the service even better for patients.

### Improvements to the orthopaedic ward

Closer working with the physiotherapy team has been allowing physiotherapists to make better use of their time – and offer more help for patients.

The first patients scheduled for physiotherapy each day are prioritised by the ward staff, which ensure those patients get breakfast and any personal care before everyone else. The difference may only be 15 minutes, but it allows the physiotherapists to begin working with patients as early as possible. This means the physiotherapists can be more productive and spend more time with patients. Getting the early start is also beneficial for orthopaedic patients, who usually prefer morning physiotherapy because that is when they have the most energy. The patients are chosen by physiotherapy the previous day and their names are recorded in the nurses' handover sheet ready for the next morning.

The orthopaedic ward also has two new rota stands to make it easier to transfer patients from one seated position to another. The new stands have a greater range of movement, saving nursing staff time and also making the experience more pleasant for patients.

### New ventilators for critical care

State-of-the-art ventilators have been installed in the Department of Critical Care, allowing staff to monitor patients with a single device, rather than a number of machines. The machines are more user-friendly, making them easier for staff to use and reducing potential for errors. The machines are also smaller, leaving more space around the beds, and also making them less intimidating for patients and visitors.

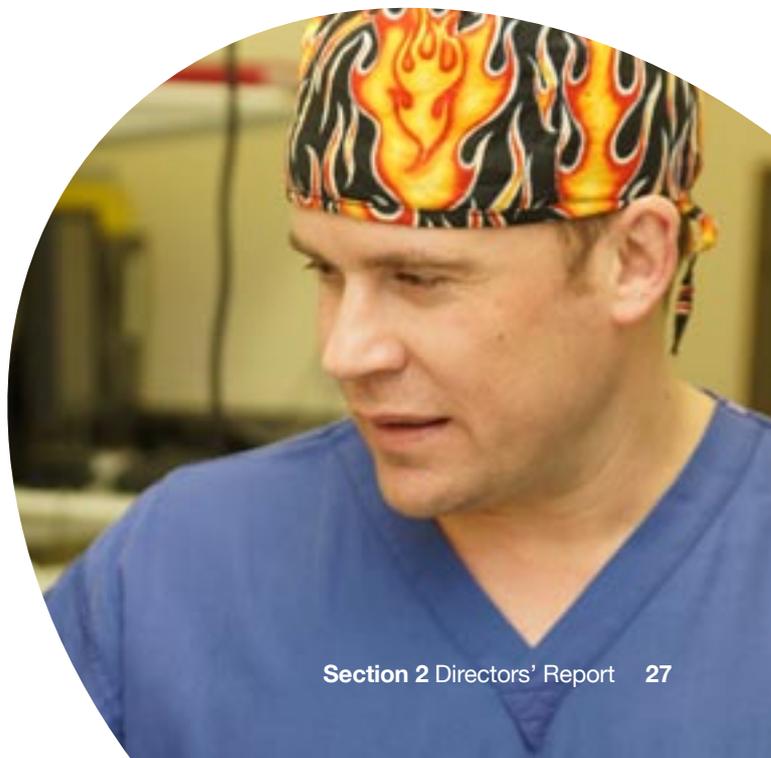
### Creation of Same Day Admissions Unit

While some patients may need to be admitted the night before surgery, others are able to arrive on the day to the new Same Day Admissions Unit. Patients are assessed for suitability at their pre-assessment appointment. Suitable patients can then spend the night before in their own home, and simply turn up at the Same Day Admissions Unit on the day of their surgery. As well as being more convenient for the patient, it also means beds are not used unnecessarily.

### Keep Calm and Call the Midwife

Anxious mums-to-be to be are being reassured that they are in safe hands, through a campaign called Keep Calm and Call the Midwife.

Bright and engaging posters have been produced to show women they do not need to worry about their labour, and will be fully supported by the hospital's midwife team through their pregnancy and when it is time to have their baby. Mothers-to-be are reassured that the environment doesn't need to be intimidating either, and that options like soft lighting, music, aromatherapy and water births are available.





## Core Clinical And Support Services

### Introduction to Core Clinical and Support Services Division

The Core Clinical Division is responsible for the day-to-day management and delivery of diagnostic and screening services, hotel services, clinical support services, cancer services and administrative support. The division is led by Steve Melville as General Manager, Dr. Jonathan Ellis as Divisional Director and Ann Dring as Allied Health professional.

### Chaplaincy service goes 24/7

Patients, relatives, visitors and staff can now get support from the hospital's Chaplaincy team whenever they need it.

The Trust appointed a second chaplain in July 2012, and with the help of three trained relief chaplains was able to launch the 24/7 service in October. Support can be provided much more rapidly now, even if the request comes in overnight or at a weekend. It has also made it possible to introduce additional services, like taking Communion to patients who want to participate each Sunday.

The Chaplaincy team offer spiritual care to anyone who needs it, whatever their faith, and for those without faith. The team can provide Christian religious care and have links with faith groups for those with other religious needs.

In the last three months of 2012/13, the service helped 1206 patients. This is an increase from 661 patients over the same period in 2012, and 523 patients in 2011. In addition, the service has helped a significant number of staff.

Comments from patients and their relatives include:

- "Someone from Chaplaincy came to see me and was so good – they listened and I felt understood."
- "I don't think I would have made it without you."
- "The family feel so blessed to have had your comfort and spiritual support during our relatives stay in hospital."

### Palliative care awards

The Palliative Care team came second in the world for the work they do with patients at the end of their lives. The six-strong team made the finals of the International Journal of Palliative Care Awards alongside teams from India and Japan. They were shortlisted for the Multidisciplinary Teamwork Award, in recognition of their passion for ensuring patients at the end of their lives get the best-possible care seven days a week and for sharing their knowledge with colleagues.

### Water, Warm and Warning

In March 2013, the Core Clinical and Support Services Division launched a new initiative called the 3Ws. Staff in the division want to support ward staff by helping to ensure inpatients feel cared for by everyone. So whether the staff member is from Physiotherapy, Pharmacy, Support team, Imaging, or one of the other many teams in the division, they will all be asking the 3Ws.

The 3Ws are three quick questions to ensure patients' most basic needs are met at that moment and these are as follows:

Water – Can you reach your drink?

Warm – Are you warm enough?

(and checking patient is decently covered)

Warning – Can you reach your call bell?

In this way Core Clinical staff can help do their bit to support direct patient care, whilst also supporting their colleagues in Surgery and Medicine Divisions. It also demonstrates a multi disciplinary approach to implementing improvements to address the CQC concerns raised as part of the inspection in August 2012 (Dignity and Nutrition – DANI).

### Pathology is proud of its apprentices

The commitment of our pathology team to apprenticeships was rewarded this year, with two pathology apprentices being given national awards.

At the ceremony in Newcastle, Tina Susikow was named Advanced Apprentice of the Year and Gary Gellard was given a Special Achievement Award.

They are both Clinical Support Workers working in the pathology support unit. Their vital job entails all the pre- and post-analytical processes required for results to be produced by the other departments in pathology.

### Breast Screening

The hospital is now able to offer digital breast screening to its patients. The new digital technology makes it easier for staff interpreting the images to identify subtle changes on breast x-rays and especially in younger women's breast tissue (the under-50s). This is because digital breast x-ray units are much more sensitive than the old conventional x-ray film, so smaller changes that could indicate early breast cancer can now be seen more clearly. The new technology also benefits patients by making the test quicker and more comfortable.

### Thank you from breast cancer patient

A patient who underwent treatment for breast cancer organised a sponsored walk for 80 people to raise money for the hospital and say thank you.

After undergoing a double mastectomy and chemotherapy treatment at Milton Keynes Hospital, Suzie Stellitano started fundraising for the Breast Care Unit and organised a sponsored walk around Willen Lake with her friends and family. She raised £2,050 for the Breast Care Unit.

She said: "The staff on the unit are truly amazing. They are a very positive team but most of all they make you feel like you really matter and treat you like a good friend. Nothing is too much trouble and they always make time to see you. I'm pleased to be able to give something back."

She went on to say: "I was devastated to lose both breasts at the age of 41, but being diagnosed so quickly saved my life and for that I am very grateful. I thought breast cancer was something that affected older women; not something that would affect me. Hopefully by doing this I've helped people realise how important the unit's work is, as well as raise funds."





## Fundraising – Review of 2012-13

These past 12 months have seen fundraising activity continue to grow, both in value and our number of donors. More than £380,000 was raised from individuals, companies, schools and events, which funded new items of equipment, ward enhancements and other items to benefit our patients.

This year we launched the Touch of Pink Appeal for our Breast Unit. Raising £80,000 for a digital x-ray machine, Touch of Pink really captured the public's imagination and inspired both staff and the local community to give support. Following a successful launch event at the hospital, where staff members wore a touch of pink and took part in fundraising activities, we organised a Touch of Pink Bake Off. This local campaign encouraged people in Milton Keynes to organise their own bake sales and raised more than £5,000 for the appeal. We also turned Stony Stratford pink for Breast Cancer Awareness Month, adorning the high street with pink bunting and having shops put up pink displays and raise funds. Thanks to several significant donations, including £7,000 from the Friends of Milton Keynes Hospital and Community, the appeal reached its target in record time. Following a process of clinical testing, we will have the machine on the unit later this year.

In addition to our specific appeals, fundraising has also continued for other areas of the hospital including our Neonatal Unit, Children's Ward and Maternity Unit. For the second year running we partnered with Milton Keynes Theatre over pantomime season, raising £17,000 for a new neonatal incubator. We were also chosen as charity of the year for Sainsbury's in Shenley Church End, which has raised more than £1,100 for the Children's Ward through collecting tins and fundraising events. And a group of local teenagers decided to take part in a sponsored skydive for the Maternity Unit – where they were all born – and raised an impressive £5,000.

However, this is just the tip of the fundraising iceberg. Over the past year, fundraising has gone from strength to strength:

- A total of £380,000 raised through charitable events and donations
- A total of 350 donors recruited to the Trust
- Completion of the £80,000 Touch of Pink Appeal launched in April 2012
- More than £100,000 raised for our Neonatal Unit through donations from grant-making trusts, companies and events
- Our biggest donation yet secured from the Luminar Group, who donated £53,800 to our Neonatal Unit and Children's Ward
- Forging strong relationships with the local community including local Lions and Rotary clubs, Network Rail, John Lewis, Barclays, Sainsbury's, Kingston Retail Park and the NHBC

“This year we've continued to build on the partnerships we've formed, as well as raise our profile in the community through networking events and articles in the press. We've raised funds for some amazing items including ventilators, incubators, resuscitation trolleys, fans to keep our patients cool, toys for our younger patients and new chairs for patient waiting rooms. Through the public's generosity we can go above and beyond our NHS budgets and offer the best possible patient experience. Next year we will be launching a new appeal and recruiting even more donors – it's a really exciting time for fundraising.”

**Vanessa Holmes**  
FUNDRAISING MANAGER

## Corporate Services – Review of 2012-13

### Information Technology

The Hospital continues to develop its Information Technology services to support the care provided to patients. An example of this is the development of the Amalga system in the A&E department. The clinical staff worked with Microsoft to develop the system being currently used to make improvements, so that patient's records can be updated in real time. One of the key developments is that when a patient is discharged from A&E, and E mail is automatically sent to the patients GP with the information relevant to that patient.

In addition, the Trust is rolling out the use of hand held devices to enable Doctors to look at test results quicker and be able to show the patients directly. These devices are also being used to reduce the amount of printing being undertaken, as agendas and reports for meetings are being accessed through the devices.

### Business Intelligence Project

The trust Business Intelligence Project is about making data and information readily available to our staff to enable better, evidenced based, decision making.

Information is a click away via a new web portal containing dashboards, reports and links to useful material including national guidance and strategies. Information relating to "Do Not Attend" rates, length of stay, readmissions, Serious Incidents are readily available for services to make informed decisions.

Clever features allow users to adapt their own reports. Features including graphs and tables let you look at data in different ways and drill down into areas of interest. This includes service analysis, benchmarking, quality measures and performance monitoring.

A trust wide training programme began alongside November 2012 release date.

### Director's Statements

At the time that the report is approved, so far as the directors are aware there are no relevant audit information of which the Trust's auditor is unaware.

Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information



# Valuing Our Staff

## Staff Engagement and Staff Survey

We continually value the feedback given by staff about how their work environment and communications can be improved and have used this to make improvements. This year, our staff have been affected by some significant organisational changes. The 2012 survey was undertaken during October-December 2012, further to a significant “Organisational Structure Review” (OSR) that had taken place across the summer, completing in August 2012. OSR affected all areas and involved Clinical Service Units and Divisions being restructured. Staff affected by these changes probably felt uncertain during this period.

Recognising the vital importance of high levels of staff engagement and the positive effect that this has on the experience of our patients, the Board invested this year in a significant programme of staff and patient experience. The “We Care” programme has involved staff listening to individual experiences of over 100 patients and over 500 staff putting forward ideas, to help identify what we are doing for patients and staff when we are deemed excellent and what can help us achieve that standard consistently. Through this feedback, the programme has identified a new set of agreed “values” for the whole Trust, together with a description of the “behaviours” that will be expected of staff at all levels in order to demonstrate these values.

Through the programme we have identified how these new values and behaviours will become “embedded” in all the key systems and processes of the Trust including, for example, recruitment, appraisal and service planning. The values and behaviours are those that staff and patients consider show we care and support a positive culture of care. They can be summarised as:

- Valued and Cared for as an individual
  - Treat everyone with respect, courtesy and kindness
  - Provide timely care and attention
- Understood, informed and involved
  - Listen, inform and explain
  - Involve you as part of the team and work together
- Safe
  - Are reassuringly professional
  - Provide and maintain a clean and comfortable environment.

Meanwhile, the feedback we received from the national staff survey 2012 suggests we are moving in the right direction despite the context of significant change, though of course there is plenty still to work on.

The results were better than average for 25% of the outcomes – compared to 8% in the previous year. We have also made the top 20% of acute trusts in several areas, such as training, learning and development. We have achieved above average for the percentage of staff who agree their role makes a difference to patients, the percentage of staff who felt able to contribute to improvements at work and those who felt supported by their manager. We need to work harder for example to ensure that all our staff receive their annual appraisal and to reduce the additional hours they feel they have to work and the work stresses they experience.

The survey was sent to a random sample of staff, and 384 staff members (46%) completed it. Through “We Care”, we will be continuing to take action where we can and will continue to work with staff to make Milton Keynes Hospital as good as it can be, both for our patients and our staff. A summary of the survey response is as follows opposite:



## 2012 NHS staff survey

Response Rate	2011		2012		Improvement / Deterioration
	Trust	National Average	Trust	National Average	
	50%		49%		Decrease of 1%

Top 4 Ranking Scores	2011		2012		Improvement / Deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff experiencing physical violence from staff in last 12 months	1%	1%	1%	3%	No difference
Percentage of staff having equality and diversity training in last 12 months	48%	48%	70%	55%	Increase of 22%
Percentage of staff receiving job relevant training, learning or development in last 12 months	71%	78%	83%	81%	Increase of 12%
Percentage of staff agreeing that their role makes a difference to patients	86%	90%	91%	89%	Increase of 5%

We have also made significant improvements in the following areas:

- Percentage of staff able to contribute towards improvements at work (69% in 2012 and 58% in 2011 and this is above average for acute trusts)
- Staff job satisfaction (3.59 in 2012 and average for acute trust; previously 3.44 in 2011 and below average for acute trusts)
- Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver (78% in 2012 and 72% in 2011 and this is average for acute trusts)

Bottom 4 Ranking Scores	2011		2012		Improvement / Deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff appraised in last 12 months	71%	81%	71%	84%	No difference
Percentage of staff working extra hours	64%	65%	75%	70%	Decrease of 11%
Work pressure felt by staff	-	-	3.22	3.08	Was not measured in 2011
Percentage of staff saying hand washing materials are always available	64%	66%	51%	60%	Decrease of 13%

The other area in which there has been some deterioration is:

- Percentage of staff receiving health and safety training in last 12 months (76% in 2012 and 83% in 2011 and this is the average for acute trusts.) (It is important to note that health and safety training is only required every three years and therefore a lower score in the staff survey question does not mean that we are not complying with the mandatory requirement).

The following are actions that have been taken after listening to staff in the 2011 Staff Survey:

- Giving a facelift to areas of the Trust used by many staff and patients
- Holding regular Chief Executive briefings.
- Monitoring managers to ensure they are holding Cascade briefings
- Re-organising the clinical and management structures as part of the Organisational Structure Review (OSR) to provide greater clarity on roles and responsibilities
- Developing a Leadership Development Programme to support newly appointed leaders
- Developing the “We Care” programme to support staff engagement and enhance patient experience.
- Improving the visibility of directors across the Trust through regular departmental visits/work shadowing.
- Simplifying non-medical appraisals paper work
- Further developing our comprehensive Trust induction for new starters
- Developing a detailed statutory/mandatory training needs analysis for all staff groups.
- Adopting a centralised approach for recording and reporting on all statutory/mandatory training
- Implementing a wide range of e-learning opportunities including statutory/mandatory training

Further actions plans will be developed with staff involvement and will be communicated to all staff. Initial findings highlight that the key areas for improvement remain:

- Staff engagement, particularly staff wanting to recommend the Trust and feeling motivated to work here.
- Staff appraisal.
- A reduction in the additional hours staff feel obliged to work
- A reduction in the work pressure experienced by staff
- The availability of hand washing materials and staff perception of this.
- Staff’s perceptions of the fairness and effectiveness of incident reporting
- Staff experiencing harassment, bullying or abuse from patients, public and staff and continuing to work to reduce violence towards our staff (albeit we are average on this latter indicator).
- Staff recommending the trust as a place to work or receive treatment

## Leadership Development & Cultural Change

The Trust recognises that the culture and performance of the organisation is significantly led and developed by our managers and teams. To support the development of our senior teams in the challenging and complex environment in which they have to succeed, we have invested in a Leadership Development programme, which commenced this year to support their technical and “behavioural” skills, and multi disciplinary team working.

## Equality and Diversity

Further to our work last year on the “Equality Delivery System” (EDS), the “We Care” programme has, this year, been the main vehicle for wide staff and patient engagement and has informed the ways in which we can improve these for both staff and patients. We have also used the findings of the EDS to inform our developing Patient Experience Strategy, to embed patient feedback into all our service considerations, and to review all of our recruitment and selection processes, providing further training for managers and reflecting on the reasons that attract staff to work and remain with us.

70% of staff who participated in the national staff survey reported that they had received equality and diversity training within the last 12 months. The national average was 55% meaning that MKHFT is in the best 20% for acute Trusts.

66.3% of all our staff have received equality and diversity training as part of their statutory and mandatory training.



## Occupational Health

Our Occupational Health team continues to provide a comprehensive range of active screening and support for staff, including supporting returns from sick leave and the provision of access to a counselling service.

## Staffing Profile

Org P1	Staff Group Summary	Staff Group	FTE	Headcount
430 Milton Keynes Hospital NHS Foundation Trust	All	Add Prof Scientific and Technical	77.98	86
		Additional Clinical Services	407.27	500
		Administrative and Clerical	456.53	519
		Allied Health Professionals	89.45	111
		Estates and Ancillary	237.11	338
		Healthcare Scientists	107.79	120
		Medical and Dental	318.89	331
		Nursing and Midwifery Registered	811.04	943
		<b>Staff Group Summary Total</b>		<b>2,506.08</b>

## Sickness Absence

The sickness absence rate for period April 2012 to March 2013 = 4.55%

The management of sickness absence has been a priority for the Trust, focusing on 'hotspot' areas in order to bring conclusion to individual cases. We continue to train managers on their role in managing sickness absence and have a structured programme of activity to reduce our level of sickness absence. This includes:

1. The roll-out of e-Rostering which allows for real-time sickness absence reporting which is leading to more accurate and timely information.
2. The central checking of attendance reports.
3. The development of Divisional

## E-Rostering

The implementation of the e-rostering 'Healthroster' system commenced in August 2012 with targeted pilot areas across nursing and midwifery. The majority of Medical units are now using the system which is designed to:

- automate all working rotas
- provide the opportunity to measure and promote the effective use of resource and the skills available within each department
- help manage external staffing costs through the use of management reporting facilities

The roll out will continue into the next financial year with plans for further HR / payroll integration to maximise cost benefits.



## Learning & development

Learning & Development have continued to provide a wide range of management and personal development programmes over the past year. One new inclusion for this year has been a five week 'Return to Study' programme aimed at staff working in bands 1-4 who are considering further education but feel daunted by the prospect of study and could benefit from a 'brush up' on their skills.

We have also supported a variety of staff in all bands in accessing further development through the Learning Beyond Registration and Widening Participation funds, one example of a new initiative we have supported is the 'British Institute of Cleaning Services' assessor training programme. Several senior domestic services staff completed this training in 2012/13 and as a result a training room in facilities has now been kitted out to resemble a ward environment to enable more realistic assessments to take place in-house.

We are also supporting our Theatres department in 'Human Factors Training for Healthcare' which empowers teams to achieve skills and education in teamwork, communication skills, decision making, assertiveness and flagging errors. The intention is to elect champions from the teams to develop good practice and learning across the Trust.

A total of 46 staff completed a range of NVQs, 9 existing staff completed an apprenticeship and the IT department employed 2 young apprentices on a 2 year programme.

## Staff & volunteers recognition scheme

Delivery of statutory mandatory training continues with the emphasis around a blended approach to support flexibility for all staff. 2012-13 has seen the Trust become the pilot site for South Central with the implementation of e-Assessments as an alternative to eLearning and classroom. In addition, the Trust has launched workbooks for selected statutory-mandatory training modules to support flexibility for staff to access training.

The corporate induction programme has been redesigned to include the trust core values and standards for all new starters and covers statutory-mandatory training relevant for different staff groups. The Trust is shortly to implement the Thames Valley online scenario based induction programme for FI doctors which will ensure compliance with statutory-mandatory training and patient safety standards prior to commencing with clinical duties.

The Trust has worked hard to benchmark compliance with statutory/mandatory training during 2012/13 and continues to focus on improving compliance levels. Compliance with statutory-mandatory training is embedded within annual appraisals for staff and forms a part of the revalidation process for doctors. Statutory-Mandatory is now included as KPI on divisional CSU dashboard with the overall compliance monitored through the Trust Performance Board.

## Volunteers

Voluntary workers are an integral part of the team. Milton Keynes Hospital is very fortunate to have over 300 volunteers who undertake a wide range of roles within wards, departments, welcome desks and snack bars to complement and support the work of the Trust's paid staff.

Our voluntary workforce makes an enormous positive impact on the care that the hospital has delivered over the past 25 years. They are an incredibly valuable asset to the Trust. Whether directing visitors, serving refreshments on the wards, organising paperwork or simply offering a friendly ear to a patient, their help makes a very real difference.

This year, Trust staff have worked with our volunteers to develop the meal time assistant role. These are volunteers who are trained to help patients with their meals and this initiative is part of ensuring that mealtimes are taken as an important part of a patient's stay in hospital. Not only are we providing additional support for those that need it but the time when food is served and eaten is kept protected which means patients will not be disturbed by routine tasks from other healthcare professionals.

Listening and putting patients first is at the heart of everything we do, and our volunteer force is a vital component in the delivery of patient care. As the first point of contact for some patients, volunteers play a vital role in signposting people around the hospital. Volunteers range from students who want to train as doctors, nurses or midwives through to retirees, and from those in full-time employment to the unemployed.

Our volunteers can do from two hours a week to as many hours as they can spare. We have a variety of roles, and can usually find something that fits in with the lives and interests of the individual. Our staff treat voluntary workers as an integral part of the team.



# Patient Experience

The Patient Experience Team (PET), deal with all aspects of patient experience through the feedback received from the four C's: - comments, compliments, concerns and complaints. Compliments and comments are shared with appropriate staff and an acknowledgment sent to the patient by the PET.

Formal 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.

Concerns (informal complaints) are taken forward as agreed by the complainant and are dealt with, as much as possible, 'on the spot'. Sometimes issues raised, such as appointment issues, take a few days to resolve, however during resolution the patient is kept fully informed.

Timely responses to formal complaints have been an issue this year. Delays have been experienced in receiving investigation responses from staff. In addition there have been issues in respect of the quality of the written responses undertaken, and delays in the checking process for final responses. This is monitored very closely and escalation, as appropriate, takes place. A plan is in place to ensure improvements to existing processes. The Department undertook a process mapping exercise on Thursday 11th April 2013 and it is envisaged that by the summer significant improvements will be seen.

The PET deal with some concerns within 1 working day and the information from these concerns, although not nationally reportable, is recorded as a verbal complaint on the Trust's complaint database (DATIX) since 2011.

Incident	2010/11	2011/12	2012/13
Number of Formal Complaints	300	246	295
Number of Informal Complaints	345	478	443

Incident	2011/12	2012/13
Number of Verbal Complaints dealt with by PET	257	211

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

Type of call	2010/11	2011/12	2012/13
Advice	46	62	182
Information	226	138	88
Signposting	95	21	4
<b>Total</b>	<b>367</b>	<b>221</b>	<b>274</b>

The Trust received 3587 compliments in 2012/13 compared to 2598 in 2011/2012, an increase of 38%.

Every month each division is made aware of the number of complaints they have received, the type of complaint and the area responsible. This information is provided to the Clinical Governance Facilitators who ensure that this is fed back through the individual CSU's Clinical Improvement Group. The number of compliments is also reported.

Complaints information and analysis is provided on the Trust's Quality report every 2 months.

### Net Promoter Score

The Hospital as one of the acute trusts in the Midlands and East cluster has been part of a pilot of trialling the friends and family test that asks patients on discharge from adult in patient wards whether they would recommend the ward to friends and family if they had a similar illness/condition. The system of completing Net Promoter has now implemented fully. In 2013/14, the Trust has decided that even though the hospital only has to report adult in patient wards and the Accident and Emergency department response rates and scores, this test will be implemented as the key exit and discharge question for all patients in every patient treating area of the trust e.g. main X Ray, pharmacy, physiotherapy, out patients.

### The Local Improvement Network (LINK) (Healthwatch from 1 April 2013)

LINK in Milton Keynes is an active group representing the needs of the whole community producing valuable feedback and representation of many diverse and minority groups. LINK are currently undertaking a consultation with the visitors to the Hospital on the facilities and environment in the Main Reception. The outcomes will be used to focus improvements in this area. LINK MK is also represented on the Council of Governors.

### Improvements in patient/carer information

The Trust continues to work with patients and carers to improve communications. For example "Your Stay in Hospital" leaflet was re-designed and the content reviewed and patients were consulted on the information provided before it was launched. As a result of the CQC Compliance review regarding Dignity and Nutrition, leaflets and posters were produced to inform patients and carers that snacks are available on wards.

# Performance Review

## Monitor's Compliance Framework and the Care Quality Commission

Monitor 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 2012/13.

Indicator	Assessment Benchmark / Target	Trust Performance	Outcome	
<b>NATIONAL REQUIREMENTS</b>				
Clostridium Difficile Infections	Maximum 14	19	Not Achieved	
MRSA Bacteraemia (hospital associated)	Maximum 2	0	Achieved	
All cancers, 31 day wait for second or subsequent treatment	Drugs treatments	98%	100%	
	Surgery	94%		98.8%
	Radiotherapy	94%		100%
All cancers: 62-day wait for first treatment	GP referred	85%	89.9%	
	NHS Screening	90%		97.2%
	Consultant upgrade	85%		100%
All cancers: 2 week wait from referral to first appointment	All cancers	93%	96.8%	
	Symptomatic breast	93%		96.1%
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed admitted pathways.	90%	91%	Achieved	
The percentage of Referral to Treatment (RTT) pathways within 18 weeks for completed non-admitted pathways.	95%	98.9%	Achieved	
Maximum wait of 4 hours in A&E from arrival to admission, transfer or discharge	95%	91.4%	Not Achieved	
<b>ACUTE FOUNDATION TRUST TARGETS – MINIMUM STANDARDS</b>				
CQUINs	90%	77.8%	Not Achieved	
Patient Experience- Family and Friends Test	56.9%	58.9%	Achieved	
The percentage of complaints responded to within the agreed time	93%	93.1%	Achieved	

## Activity performance

Performance in 2011/12 included the following:

- 258,690 outpatient attendances at the hospital, which is a similar level as the previous year
- 21,274 patients were elective admissions admitted (i.e. for planned care), a 3.8% reduction on the previous year
- 24,983 patients were admitted as an emergency, which is at the same level as the previous year
- 72,556 people attended the Accident and Emergency Department, which is a 1.5% increase from the previous year
- 3,840 babies were delivered by the Trust staff
- Readmission rates have fallen from 8.8% in 2011/12 to 7.6% in 2012/13.
- Waiting times including cancer and 18 week referral to treatment pathways continue to achieve nationally set targets.
- Cancelled theatre sessions have significantly reduced in 2012/13 to 29 compared to the previous year which reported an end of year figure of 91.
- Elective LOS has remained consistent whilst Non-Elective LOS has seen deterioration in 2012/13.
- Same sex accommodation breaches are higher for 2012/13 than for the previous year.
- The percentage of patients receiving brain imaging within 24 hours of admission remains high at 98% YTD however the percentage of stroke patients who spend 90% of their stay on the stroke unit deteriorated during 2012/13.

The Trust delivered Elective activity slightly below the plan however an increased volume of Outpatient activity was achieved in conjunction with higher A&E attendances throughout 2012/13. In addition the Trust was assessed as achieving seven full and two partial CQUIN quality improvement initiatives.

Improvements have also been made in respect of A&E performance measures despite the national pressure that is being felt on achieving the A&E 4 hour patient stay measure. An ECIST plan is now in place to assist delivery of the 4 hour target throughout 2013/14 with weekly reviews to assist with the recovery.

## 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 - 11,228 Tonnes

The slight increase in last year is due to the severe winter with increased heating requirements.

When Degree Day data is applied (enables performance on energy usage to take into account changes in temperature throughout the year) and the projects undertaken i.e. high efficiency lamps, optimisation of ventilation rates and Variable Speed Drives on fans, to reduce Co2 during 2011/12, the performance of the Trust would be estimated to of produced 10,757 tonnes per annum



# 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. The different methods are reflected within our Quality Account.

The Trust has continued to strengthen its governance arrangements and made substantive appointments to the Chief Executive Role. The Trust is undertaking a review of the 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.

In January 2013, the Trust organised a seminar "An exploration of standardised hospital mortality rates (HSMR)" with the guest speaker being Professor Nick Black from the London School of Hygiene and Tropical Medicine. The event was attended by local GPs, senior staff from the Clinical Commissioning Group, Open University and Hospital, Trust Non Executive Directors and Council of Governors.

## 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. A consultation on how the Trust engages with its members is currently underway and this will bring about changes in practices to ensure that members are not just informed of issues regarding the Trust but are actively involved in shaping services.

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 and the local authority.

### **NHS Milton Keynes and Northamptonshire**

In the first three quarters of the year, the Trust and the PCT have been focussing on the future arrangements for MK Community Health Services. The PCT embarked a NHS only tender for the provision of the service for the next three years. The Trust was unsuccessful in its tender and the contract was awarded to Central and North West London Foundation Trust.

The Trust has also been working with the GP Commissioning Groups to establish sound working relationships 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 Sub-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 Board of Governors, Councillor Debbie Brock, who provides information and updates to the Trust on issues facing the Council.

### **LINKs (Healthwatch from 1 April 2013)**

The remit for both the Council of Governors and LINKs MK is complementary, both bodies representing the health interests and concerns of the members and people of Milton Keynes. Throughout 2012/13 collaboration continued as appropriate. The Chair of LINKs MK is an appointed Governor on the Council of Governors and a Governor is a co-opted member of the LINKs Executive Committee. LINKs also assisted in the recruitment of representatives on Patient Panels and is a member of the Engagement Group of the Council of Governors

### **Council of Governors**

The Council of Governors met formally eight times during the year, (nine including the Annual Members' Meeting). Governors have also been involved in a wide range of activities, from recruiting members, leading patient panels and commenting on the Trust's strategy. Additionally, Governors have visited parish councils and patient participation groups in GP surgeries.

The Council of Governors has received regular updates on progress on addressing the issues raised by the Care Quality Commission regarding Dignity and Nutrition and Monitor regarding Trust-wide governance issues. Governors are also involved in the nomination committee, patient panels, representation group, engagement group, organ and tissue donation committee, outpatient user group and food quality group.

### Patient panel groups

The Governors have been instrumental in establishing Patient Panels for the five service areas which are subject to the Healthier Together Programme. (The sixth area of cancer care already had an established strong patient group and it was thought that it would be duplication to set up another group.)

A governor sat on the group considering staff and volunteers recognition awards, clinical excellence awards, audit awards and the PEAT audit (now PLACE inspection)

### Media relations/activity

Milton Keynes Hospital NHS Foundation Trust regularly appears in local weekly newspapers and local radio stations, as well as being featured occasionally on regional TV. In 2012/13, our news coverage included:

- The story of first patient to receive a new bi-ventricular pacemaker in Milton Keynes who said after surgery he was feeling “on top of the world”. In the past, patients have needed to travel to Oxford for this surgery
- Coverage of paediatric successes, including saving the lives of baby Corey and baby Ingrid, which both attracted national attention
- Taking a proactive stance on the British Medical Association’s Day of Action, including speaking on Sky News to reassure patients that services locally would remain safe
- Regular coverage of the hospital’s Touch of Pink Appeal, through both traditional and social media. The appeal raised £80,000 for a new digital x-ray machine, which will benefit breast cancer patients





As well as proactive media work, the Trust also responds to enquiries and requests from the media. The Trust has a strong commitment to an open and positive approach to media relations and, as a publicly funded body, is committed to ensuring that an Executive Director or senior manager is always available for interview when there is significant media interest in order to help balance the overall reporting on any news story and ensure that the Trust's key messages are delivered to local people.

The Trust has continued to implement the Communications Strategy which was agreed in 2010/11. Surveys of staff, members, stakeholders and the media at the end of 2012/13 will inform the new Communications Strategy, being developed in early 2013/14.

During the year the Trust has been gradually developing its social media presence, which had been launched in 2011/12. The hospital's Twitter account now has more than 800 followers, and almost 500 follow the hospital's charity, Healthcare Charity: MK.

A new hospital website was launched in 2012/13, to make it easier for people to find out about activity in the Trust directly.

### **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 Hospital cannot provide are referred to Oxford University Hospital's for tertiary care.

#### **Luton and Dunstable Foundation Trust**

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

#### **Northampton General Hospital**

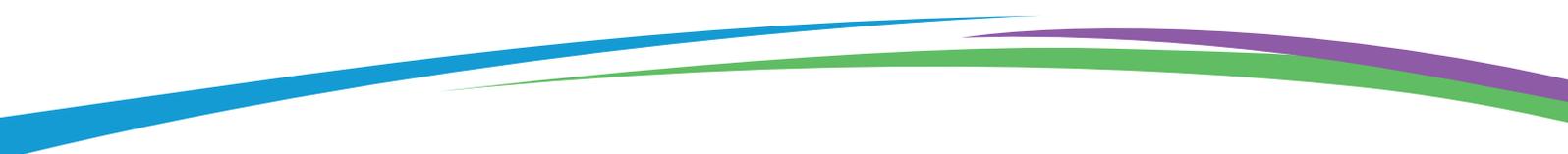
Oncology treatment is provided by Northampton Hospital for cancer patients.

#### **Oxford Deanery**

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



**We CARE**



# Section 3

## Quality Report

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 3

## Quality Report

### Quality Report Summary

The Trust works hard to ensure both patients and visitors feel confident in the quality of our services. We focus our efforts to deliver that in three core areas:

- Safety
- Patient experience
- Clinical effectiveness

Providing safe, quality care is the top priority for Milton Keynes Hospital NHS Foundation Trust.

During the last year our hospital:

- cared for 53,697 in-patients
- cared for 258,690 outpatients
- attended to 72,556 people in A&E
- delivered 3,840 babies
- carried out more than 60,000 scans
- received more than 860,000 requests for tests
- were paid £163 million for our services

Patient numbers are increasing every year, in line with the growth of the borough. Our aim is to treat each patient as an individual; to understand what they are going through and to fulfil their expectations of expert and compassionate care in a clean, safe, comfortable and friendly hospital. Central to this has to be our staff. It is their skill, dedication and hard work which puts the patient at the centre of everything we do. We want our patients to feel valued and cared for as individuals; understood, informed and involved; and safe, while they are in our care. These values define the way we work and behave in a service which seeks to deliver first-class patient care.

In response to a recent CQC inspection, we have already been working on specific areas highlighted as needing improvement. Two-hourly rounding has been introduced to help ensure all patients' needs are met during their stay with us.

In autumn 2012, the Trust launched a programme called We Care. As part of this programme, staff listened to more than 100 patients' views of being treated in this hospital, including what already works well and what needs to be improved. We have used this feedback to create new values and standards for all

members of staff to follow. These standards include respect, courtesy and kindness; timely care and attention; listening, informing and explaining; working together; being professional and providing a clean and comfortable environment.

During my regular visits to wards and clinics I see first-hand the strong commitment and desire from staff to provide the very best care for our patients. I know the We Care values and standards will help ensure our patients receive quality care from every clinician, every day.

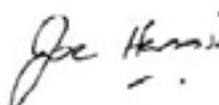
A cause for concern this year has been the increase in patients' length of stay. On average, our non-elective patients stay for a day longer than they should. The extra day is not good for the patients, is detrimental to our care and costs us an enormous amount of money. We have had to cancel some routine elective patients which is not fair to them and too many of our patients have been waiting more than four hours in A&E.

We have been reviewing the reasons for the length of stay, including working with our colleagues both in commissioning and in the community so we ensure patients are seen in the right place, at the right time and by the right clinician. Our clinicians are fully engaged with this agenda.

Quality is central to patient care here at Milton Keynes Hospital and we will continue to focus on reducing healthcare associated infections, patient falls, pressure ulcers, and to further improve the experience of our patients.

#### Statement of Assurance

This report has been reviewed by the Board of Milton Keynes Hospital NHS Foundation Trust. The Chief Executive is the responsible officer and I sign to state that, to the best of my knowledge, the information contained in this report is accurate.



**Joe Harrison**  
CHIEF EXECUTIVE

## Quality Priorities 2012/13

Each year the Trust sets a number of targets on quality. Last year we set ourselves four priorities under the following headings:

### Clinical Effectiveness

#### Priority 1a

**We will strengthen safeguarding arrangements for those in our care.**

#### Priority 1b

**We will improve the effectiveness and efficiency of the care we provide.**

### Patient Safety

#### Priority 2a

**We will ensure that patients receive high quality and safe care from well trained staff.**

### Patient Experience

#### Priority 3a

**We will improve our communication with patients and the public.**

The table on the next page details how the Trust performed against the quality priorities:

The Hospital and staff are committed to providing safe, quality care. However, as can be seen from some of the indicators for 2012-13 the care was not of the standard we had hoped. This was mainly due to the pressure caused by the increase in emergency admissions and length of stay. It is important to note that action has been taken to address the length of stay of patients, which enables the hospital to have capacity to care for patients. In recognition of the increase in patient falls, this has been identified as one of the Trusts three priorities for improvement in 2013/14. It is important to note that although there was an increase in Hospital Standardised Mortality Rate, the Trust is not an outlier in performance and the underlying mortality rate is comparable with hospitals of the same size.



Indicator	Measurement used	Performance			
		2009-10	2010-11	2011-12	2012-13
<b>PATIENT SAFETY</b>					
Hand hygiene compliance	Internal target – percentage compliance as measured by Hand Hygiene measured by exception to compliance	89.9%	95.20%	97.00%	<b>89.5%</b>
Hospital-acquired pressure ulcers (grades 3 and 4)	Internal target – total number measured by weekly Incidence reporting log	6	9 (grade 3 only)	4 (grade 3 only)	<b>6 (grade 3 only)</b>
Patient falls	Internal target – total number of reported incidents.	664	669	588	<b>669</b>
Medication incidents	Internal target – total number of reported incidents.	369	554	474	<b>386</b>
Serious incidents	Internal target – total number of reported incidents.	35	44	53	<b>101</b>
"Never" events	This is based on a nationally accepted list of events published by the National Patient Safety Agency.	0	0	0	<b>2</b>
<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	83.4	92.9	84	<b>106.6</b>
Perinatal death rate	This data is provided by the Confidential Enquiry into Maternity and Child Health (CMACH), which is a national body	Perinatal 7.1 per 1,000 –	Perinatal 6.1 per 1,000 –	Perinatal rate 5.4 per 1,000	<b>Perinatal rate 6.5 per 1,000</b>
		Stillbirth 4.3 per 1,000 as of 31.12.09	Stillbirth 4.3 per 1,000	Stillbirth 5.1 per 1,000	<b>Stillbirth 5.7 per 1,000</b>
Readmissions under 30 days (elective)	Emergency admissions within 30 days of elective discharge, including day cases. Internally set target	NA	NA	NA	<b>12.4</b>
Readmissions under 30 days (non-elective)	Emergency admissions within 30 days of non-elective discharge, including day cases. Internally set target	NA	NA	NA	<b>2.6</b>
<b>PATIENT EXPERIENCE</b>					
Informal complaints from patients	The number of informal complaints from patients received by the Trust	136	343	475	<b>443</b>
Formal complaints	The number of formal (written) complaints from patients received by the Trust	354	300	246	<b>295</b>
Midwife : birth ratio	Birth Rate Plus Midwifery Workforce planning tool	1 to 30	1 to 30	1 to 30	<b>1 to 30</b>
<b>WORKFORCE</b>					
Staffing level incidents	Internal target – total number of reported incidents	199	193	199	<b>174</b>
Incidents of violence towards staff	Internal target – total number of reported incidents	82	79	46	<b>29</b>

Indicator	Target and source (internal/regulatory /other)	2009-10	2010-11	2011-12	2012-13
<b>PERFORMANCE AGAINST KEY NATIONAL PRIORITIES AND REGULATORY REQUIREMENTS 2008 TO 2012</b>					
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	>96% set by Monitor	Achieved 98%	Achieved 99.7%	Achieved 99%	<b>Achieved 97.8%</b>
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	>85% set by Monitor	Achieved 98%	Achieved 92.3%	Achieved 88.56%	<b>Achieved 87.84%</b>
Maximum wait of 2 weeks from GP referral to date first seen for all cancers	>93% set by Monitor	Achieved 97%	Achieved 97.5%	Achieved 98.8%	<b>Achieved 96.8%</b>
Maximum waiting time of 31 days for subsequent cancer treatments: drug treatments	>98% set by Monitor	Achieved 100%	Achieved 100%	Achieved 100%	<b>Achieved 100%</b>
Maximum waiting time of 31 days for subsequent cancer treatments: surgery	>94% set by Monitor	Achieved 94%	Achieved 100%	Achieved 100%	<b>Achieved 98.6%</b>
Maximum of 2 weeks wait from referral to being seen: symptomatic breast cancer patients	>93%	Missed 92%	Achieved 96.30%	Achieved 98.80%	<b>Achieved 95.9%</b>
<b>REFERRAL TO TREATMENT WITHIN 18 WEEKS</b>					
Admitted	Admitted: >90%	Achieved 92%	Achieved 91.7% Specialty: achieved 16/18	Achieved 91.1% Specialty: achieved 9/19 (only 13 relevant)	<b>Achieved 91%</b> <b>15 out of 19 specialties are above 90% or have no patients recorded</b>
Non-Admitted	Non-admitted: >95%	Achieved 95%	Achieved 99% Specialty: achieved 17/18	Achieved 99.0% Specialty: achieved 19/19 (only 15 relevant)	<b>Achieved 98.9%</b> <b>19 out of 19 specialties are 95% above or have no patients recorded</b>
Specialty	Specialty: set by Monitor and Care Quality Commission; cannot under-achieve >3/18	Specialty : 2/18 underachieved	As above	As above	<b>As above</b>
Patient on incomplete pathway	Patient on an incomplete pathway: 92%	95.2%	93.9%	93.6%	<b>95.4%</b>
A&E treatment within 4 hours (including Walk-In Centre)	>95% Set by Monitor and Care Quality Commission	Achieved 98.2%	Achieved 96.4%	Achieved 96.3%	<b>Not Achieved 91.7%</b>
Rapid Access Chest Pain Clinic % seen within 2 weeks	100% Set by Care Quality Commission	Achieved 100%	Achieved 100%	Achieved 100%	<b>Achieved 100%</b>
Cancelled operations: %age readmitted within 28 days	>95%	Achieved 100%	Achieved 99%	Achieved 96%	<b>Not Achieved 95%</b>
Clostridium Difficile infections in the Trust	Set by DH /SHA	Achieved 31 against 81	Achieved 33 against 56	Achieved 16 against 32	<b>19 Against 14</b>
MRSA bacteraemia (in Trust)	7 set by the DH/SHA	Achieved 1 against 6	Achieved 1 against 4	Achieved 2 against 2	<b>Achieved 0</b>
MRSA bacteraemia (across Milton Keynes total health economy)	10 agreed locally	3	6	Achieved to date 5 against 4	<b>Achieved 0</b>
<b>MEASURES NO LONGER IN PLACE AS SERVICE NO LONGER PROVIDED BY MKHFT OR NO LONGER</b>					
Thrombolysis – call to needle within 60 minutes	>68%	Trust number of cases (19) below de Mimis level	Majority of patients transferred directly to Tertiary Centre for (PCI)	Not applicable Service not provided	Not applicable Service not provided
Genito-urinary medicine clinics: % appointments available within 48 hours	100% set by Care Quality Commission	Achieved (100%)	Achieved (100%)	Achieved (100%)	<b>Not applicable Service not provided</b>
Readmissions under 14 days (elective)	Emergency admissions within 14 days of elective discharge, including day cases. Internally set target	5%	2.30%	2.30%	<b>Measure now set at 30 day</b>
Readmissions under 14 days (non-elective)	Emergency admissions within 14 days of non-elective discharge, including day cases. Internally set target	10.60%	10.00%	10.20%	<b>Measure now set at 30 day</b>

## 2013/14 Quality Priorities

### Our 3 Priorities are:

#### Priority 1:

Elimination of Grade 3 and 4 avoidable pressure ulcers

#### Priority 2:

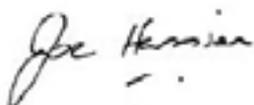
95% compliance with the WHO checklist for safer surgery

#### Priority 3:

5% reduction in falls and a 5% reduction in falls resulting in serious harm  
(This will be a year on year target reduction of 5%)

These priorities had specific work-streams attached to them which linked to our Quality and CQUIN Schedule for 2013/14

For more information, please refer to the full Quality Report included in Appendix 1 of this Annual Report which contains more detailed information about the quality of our services, the improvements we have made during 2012/13 and the key quality priorities for next year.



**Joe Harrison**  
CHIEF EXECUTIVE

## 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 foundation trust boards should put in place to support the data quality for the preparation of the quality report.

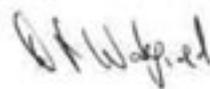
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012/13;
- 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 2012 to May 2013
- Papers relating to Quality reported to the Board over the period April 2012 to May 2013
- Feedback from the commissioners dated 17/05/13
- Feedback from governors on quality priorities dated 01/03/2013
- Feedback from Local Healthwatch organisations dated 30/04/2013
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, will be reported to Quality Committee on 19 June 2013
- The national patient survey February 2013
- The national staff survey 2012
- The Head of Internal Audit's annual opinion over the trust's control environment dated 10/04/2013
- CQC quality and risk profiles dated 31/04/2013

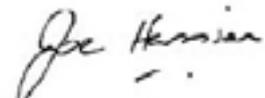
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance 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; and 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



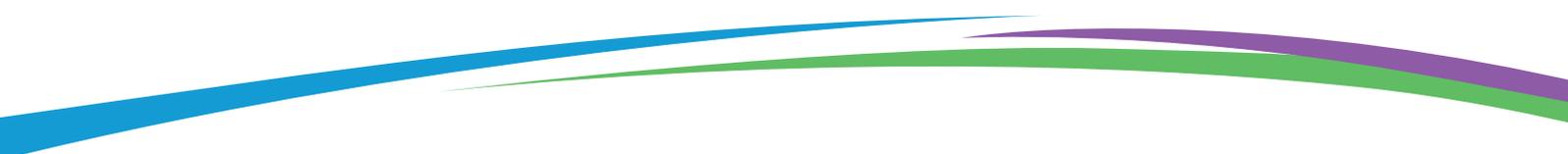
**David Wakefield**  
CHAIRMAN  
29 MAY 2013



**Joe Harrison**  
CHIEF EXECUTIVE  
29 MAY 2013



**We CARE**



# Section 4

## Governance and Risk Management

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 4

## Governance and Risk Management

### Governance of the Trust

#### Our approach

The strategic management of the Trust is undertaken by the Board of Directors, and with the Board sub-committees which monitor performance against quality and financial indicators. The operational management of the Trust is the responsibility of the Management Board which has balanced representation by clinicians and executive directors. The Council of Governors is responsible for holding the Board to account.

### Council of Governors

#### Decision making

The primary role of the Council of Governors is to contribute to the development of forward plans for the Trust with the Board of Directors, and to ensure that the interests of the community served by the Trust are appropriately represented. The Council of Governors has statutory responsibilities for the appointment, appraisal, remuneration and removal of the Chair, non-executive directors and external auditors. It has a role to consult with members and the public and reflect the views of the membership. Its role also involves ownership of the membership strategy and the development of plans for growing and expanding our membership.

The Council of Governors is chaired by the Trust Chairman. It consists of 15 governors elected by public members of the Trust, each representing a geographic constituency, seven governors elected by staff of the Trust and five appointed governors. The table at Appendix 2 shows the constituencies and their governors. The table at Appendix 3 lists the governors and their attendance record at the eight Council of Governors meetings that took place in the year. All governors complete an annual declaration of interests form and this is available on request.

In October 2012, Lesley Bell's 2 year term of office as the Vice Chair came to a close and a new nomination process was commenced. There were two applicants and one subsequently withdrew, which meant that Bob Collard was elected as Vice Chair for 2 years.

### Elections

#### Governor Elections 2012/13

In 2012/13 elections were held for the following seats on the Council of Governors.

Date	Constituency (see Appendix 2 for key)	Result
14 May 2012	A	Dr Arun Nathan
14 May 2012	D	Liz Wogan
11 Oct 2012	F	Ann Thomas
11 Oct 2012	K	Keith Marfleet
11 Oct 2012	L	Lesley Dillon Paul Williams

During 2013/14 elections will be held for the following governor positions:

#### May/June

Constituency	No. of vacancies
Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	1
Emerson Valley, Furzton, Loughton Park	1
Hanslope Park, Olney, Sherington, Newport Pagnell	1
Walton Park, Danesborough, Middleton, Woughton	1
Outer Catchment Area	1
Extended Area*	1

\* The extended Area continues to be difficult to obtain any nominations for despite it being advertised at each election. This area will continue to be targeted in 2013/14.

#### September

Constituency	No. of vacancies
Emerson Valley, Furzton, Loughton Park	1
Linford South, Bradwell, Campbell Park	1
Walton Park, Danesborough, Middleton, Woughton	1
Doctors and Dentist	1
Nurses and Midwives	2

### Appointment of Non-Executive Director(s)

Unfortunately, Ian Mackie resigned as a Non Executive Director with effect from 31 December 2012. The Trust embarked on a recruitment campaign with the assistance of Odgers Berndston.

The Nominations Committee, chaired by Liz Wogan and supported by Odgers, interviewed a short list of candidates and the appointment of Robert Green was confirmed by the Council of Governors on 21 February 2012.

Terms and conditions of NEDs are available from the Trust Secretary.

### Appointment and Removal of Chairman and Non Executive Directors

The Trust's Constitution (paragraph 20 and Annex 6) specifies how the Chairman and Non Executive Directors are appointed and the process for removal from office. The Council of Governors is required to make decisions in both appointment and removal of people to these key roles.

### Appointment of Chief Executive

The Trust undertook an exercise to recruit a substantive Chief Executive in November 2012. The selection process involved a presentation and question and answer session to an invited audience of members of the Council of governors, Trust Board members, key clinicians and Stakeholder organisations. This was followed by an interview and the panel unanimously recommended to the Council of governors the appointment of Joe Harrison as the Chief Executive. This decision was approved at a meeting on 21 November 2012. Joe commenced at the Trust on 4 February 2013.

### Appointment of Deputy Chairman

Kate Robinson undertook the role of Deputy Chairman for a number of years and had asked to step down. David Moore was recommended by the Trust Board to the Council of Governors to be appointed as the Deputy Chairman and this was unanimously agreed at the meeting on 9 April 2013.

### Joint meeting of Council of Governors and Trust Board

On 30 October 2012, the Foundation Trust Network made a presentation to a joint meeting of the Council of governors and Trust Board on the implications on Foundation Trusts of the Health and Social Care Act and impending changes to the health system.

### Board of Directors

The composition of the current Board of Directors is detailed below:

Name	Appointment
David Wakefield	Chairman
Graham Anderson	Non Executive Director
Frank Burdett	Non Executive Director
Penny Emerson	Non Executive Director
Robert Green	Non Executive Director (from January 2013)
Ian Mackie	Non Executive Director (until Dec 2012)
David Moore	Non Executive Director
Kate Robinson	Non Executive Director
Mark Millar	Interim Chief Executive (until Feb 2013)
Joe Harrison	Chief Executive (from Feb 2013)
Tony Halton	Director of Nursing (until Sept 2012)
Lisa Knight	Director of Patient Care (from Oct 2012)
Darren Leech	Chief Operating Officer
Susan Osborne OBE	Chief Compliance Officer (until May 2012)
Kathy Renacre	Director of Human Resources and Workforce Development (until 31 Mar 2013)
Duncan Smith	Director of Finance (until 31 Dec 2012) and Director of Planning and Performance from 1 Jan to 31 March 2013
Louise Watson	Commercial Director (Associate) (until Nov 2012)
Martin Wetherill	Medical Director
Maria Wogan	Director of Corporate Services (Associate) (until 31 Dec 2012)

## Non-Executive Directors

### Graham Anderson

#### NON-EXECUTIVE DIRECTOR (Senior Independent Director)

- Joined the Board in March 2008
- Specialised knowledge of investment, business development, planning and implementation, marketing and public relations and strategy
- Over 20 years of Board and Executive experience
- In 2006 appointed to the Board of Milton Keynes Chamber of Commerce. Appointed Vice-President in 2009. Appointed as Ambassador to MK Business Leaders in January 2008
- Extensive Inward Investment experience in the local area - worked with Milton Keynes Partnership to attract inward investment to Milton Keynes for 30 years and to retain and deepen investment of existing key employers. Consultant to Invest Milton Keynes (May 1995 - April 2009)
- Deputy Director of CBI (Confederation of British Industry) at Centre Point (1992-1994)
- Executive Chairman of The Disabilities Trust, a National Charitable Trust (1994 to 2007)
- Life Vice-President and former Chairman of the Disabilities Trust
- Former Chairman of Berks, Bucks and Oxon Branch of the Royal Institution of Chartered Surveyors
- School Governor (Winslow Combined School (1999 – present))
- Chairman, the London Chorus
- Qualified Chartered Surveyor

### Dr Frank Burdett

#### NON EXECUTIVE DIRECTOR

- Joined the Trust in February 2012
- 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

### Penny Emerson

#### NON-EXECUTIVE DIRECTOR

- Joined the Board in February 2012
- Partner in a healthcare consultancy providing organisational development, change management and business strategy support to NHS, public sector and pharmaceutical industry clients
- 14 year career in senior corporate leadership roles spanning four large pharmaceutical companies and two global healthcare communications agencies.
- RGN Westminster Hospital

### Robert Green

#### NON EXECUTIVE DIRECTOR (FROM JANUARY 2013)

- Appointed to the Board in January 2013
- 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 12 years

## Ian Mackie

### NON-EXECUTIVE DIRECTOR (UNTIL DECEMBER 2012)

- Appointed to the Board in February 2012
- Qualified Chartered Accountant with KPMG
- 25 years Board and Senior Executive experience gained in UK and European service businesses
- Until recently, served as Chief Financial Officer of Spicers Group, a £740m turnover pan-European wholesaler, part of DS Smith plc. Also served as Pension fund Trustee; Spicers Charitable Trust trustee; and Chair of the Audit Committee
- Formerly Member of Finance Committee and Investment Committee of Exeter University; Pension fund trustee
- Bsc (Hons) Geography, University of Edinburgh
- Member IOD

## David Moore

### NON EXECUTIVE DIRECTOR

- Joined Board in March 2012
- 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

## Professor Kate Robinson BA PLD RGN RHV

### NON-EXECUTIVE DIRECTOR

- Joined the Trust in October 2008
- 18 years of Board and Executive experience
- Former Chair of Luton Sixth Form College Corporation
- Extensive contribution to committees, boards and panels regionally and nationally in the sphere of education, research and health
- Published and presented papers nationally and internationally on a variety of education and health topics, including patient safety
- Previous non-executive director experience at Bedfordshire and Hertfordshire Ambulance Trust and Bedfordshire and Hertfordshire SHA
- Professor of Nursing, University of Bedfordshire

## David Wakefield

### CHAIRMAN OF THE BOARD OF DIRECTORS

- Joined the hospital in April 2011. He has been a non-executive director with NHS Milton Keynes and Milton Keynes Community Health Services for the last five years, so has a good understanding of patients' needs.
- David is also a qualified accountant and has held a number of senior roles, including as Commercial Finance Director for Royal Mail.
- Non Executive Director with Courier Services Ltd between 2008-11
- Chair of MK Community Health Services between 2009-11
- David was appointed as interim Chairman of Royal Bolton Hospital Foundation Trust on August 2012 for one year.
- David has no significant commercial commitments

## Executive Directors

**Tony Halton**  
MSC BSC BA RGN

**DIRECTOR OF NURSING**  
(Until September 2012)

- Joined the Trust in October 2008 with a wealth of experience in leadership, professional standards, workforce planning, clinical governance and infection prevention and control
- Has a track record spanning over 17 years in the health sector and a solid background in clinical practice and leadership, and a consistent record of achievement at both local and national level
- Prior to joining the Trust, was Project Director for Modernising Nursing Careers at the Department of Health (DH). Worked nationally for the Chief Nursing Officer on the shaping of the future frameworks for nursing careers and on measures to drive up the quality of nursing care in England
- Extensive experience in senior nursing and operational roles in acute care. Prior to working at the DH, was Deputy Chief Nurse at University College London Hospitals NHS Foundation Trust, and previous posts have included General Manager for Emergency Access and Senior Nurse for Infection
- Responsible for Allied Health Professionals (AHPs), such as physiotherapists, occupational therapists, dieticians and radiographers. He is also the Director of Infection Prevention and Control and the Executive lead for Healthcare Governance
- An experienced Registered Nurse who has specialised in the care of people with HIV/AIDS, HIV oncology, infectious diseases and infection prevention and control. Has a range of academic qualifications including an MSc as an Advanced Nurse Practitioner from City University.

**Lisa Knight**

**DIRECTOR OF PATIENT CARE**  
(from Oct 2012)

- 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 Emergency Department 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.

**Darren Leech**

**CHIEF OPERATING OFFICER**

- Director in a number of hospitals, with roles largely focused on operational service delivery
- Joint post with a PCT in Cambridgeshire, conducting a major strategic review and re-design of clinical services across hospital and community service settings
- Professional background in pharmacy
- Currently a researcher at Ashcroft International Business School, Cambridge

## Mark Millar

### **INTERIM CHIEF EXECUTIVE (from June 2010 until Feb 2013)**

- Qualified accountant and experienced NHS chief executive
- Former Chair of (Association of Chartered Certified Accountants (ACCA) Healthcare Network Panel
- Member of ACCA's Governing Council
- Worked closely with the Department of Health on the development of Payment by Results
- Previously Chief Executive at Hinchingbrooke Health Care NHS Trust and held previous chief executive and finance director posts at PCT and acute NHS settings

## Miss Susan Osborne

**CBE, MSC, MSC ED, DIP N.(LOND), RGN, RM.**

### **(until May 2012)**

- Trained as a registered nurse at University College Hospital, London in 1972 and as a Midwife at Queen Charlottes Hospital for Women, London in 1976. During her career she has worked in senior posts in nursing and general management. She specialised in intensive care nursing, medical nursing / general management and freelance consultancy
- Senior roles span being the Chief Executive at the Royal London Homoeopathic Hospital, London, achieving NHS Trust status, Director of Nursing at Luton and Dunstable NHS Trust and then at St. Mary's Hospital NHS Trust which latterly merged with the Hammersmith Hospitals and Imperial College in 2007 to become the first Academic Health Sciences Centre (AHSC)
- Appointed to the Interim Director of Nursing position during this merger period and in 2008, following the creation of the AHSC, was seconded to NHS east of England as the Chief Nurse. During her time at St. Mary's NHS Trust, she was seconded one day a week as one of the National Clinical Leads for Nursing for Connecting for Health (CfH) which led the National Programme for Information Technology (NPfIT)
- From 2008, Susan became self employed working as a freelance nursing and management consultant
- Awarded a CBE in 2005 for her contribution to nursing
- She was commissioned to work for Milton Keynes Hospital Foundation Trust as the Chief Compliance Officer for six months commencing 14 November 2011. She is responsible for advising the Board of Directors on quality governance assurance and improving quality standards

## Mrs Gillian Prager

### **INTERIM DIRECTOR OF PATIENT CARE (from Sep – Oct 2012)**

- Qualified registered nurse and midwife, postgraduate management at Warwick University
- Extensive Teaching Hospital experience in intensive cardiology and interventional radiology nursing
- Background of charitable and voluntary sector working with vulnerable groups and communities
- Commercial experience in research & development, public relations and communications
- Last 15 years in the NHS at Strategic Health Authorities and Commissioning PCTs – specialising in quality, governance and partnership working – last 10 years at Board Director level
- Qualified 'non-directive' executive coach

## Executive Directors Continued

**Kathy Renacre**  
MCIPD MBA BSC (HONS)

**DIRECTOR OF HR  
AND WORKFORCE DEVELOPMENT**

- Joined the Trust in October 2009
- Over 20 years of experience working in HR within the health sector
- Previously Deputy Director of HR at the University Hospitals of Leicester, where she was Acting Director for a year
- Extensive experience in employee relations and change management and, more recently, in developing employee engagement strategies

**Louise Watson**

**COMMERCIAL DIRECTOR**  
(from October 2011 until November 2012)

- MBA (Health Executive) at Keele University in 2005 and has further post graduate qualifications in health and social care management and accountancy
- Seconded to Milton Keynes Hospital from Director of Clinical Commissioning in NHS West Sussex where she led service redesign and demand management work alongside the development and establishment of the first wave pathfinder clinical commissioning groups
- Over 17 years experience in the NHS and previously in the commercial sector

**Robert Toole**

**INTERIM DIRECTOR OF FINANCE**  
(from January 2013)

- Fellow Chartered management Accountant with extensive acute hospital trust and Primary Care (including a Community arm) Trust experience.
- Prior to joining the NHS in 2004 he worked for 13 years at Rolls Royce Plc including the role of Vice President - Finance, for the global helicopter business based in the USA.
- His earlier career included finance roles in Carnaud Metal Box plc and a family business.

**Mr Martin Wetherill**  
MRCS LRCP MB BS

**MEDICAL DIRECTOR**  
(from July 2011)

- Worked for Milton Keynes 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

**Maria Wogan**

**DIRECTOR OF PLANNING**  
(until October 2011)

**DIRECTOR OF CORPORATE SERVICES**  
(from October 2011 to December 2012)

- Wide range of experience of working at Board level within the NHS and other public sector bodies including experience of corporate and clinical governance, working with health service regulators, risk management, emergency planning, board development, transformational change, programme and project management and business planning
- Was Trust Secretary at Milton Keynes Hospital NHS Foundation Trust from November 2009 until February 2011
- Previously Head of Governance at NHS Direct, Assistant Director, Corporate Governance at the Commission for Health Improvement and held various senior positions in local government and national Non-Departmental Public Bodies
- Educated to Masters level (Social Policy, Brunel University) and professionally qualified Chartered Secretary
- Trustee of MK Arts for Health



### 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 Trust has commissioned a Leadership Development Programme in 2012/13 which encompassed the Board's development to ensure it is highly effective as a corporate body and fully compliant with Monitor's requirements. It will develop an ongoing process of development and periodic assessment of the Board's effectiveness and capabilities.

In addition, the Trust commissioned Deloitte to review the Board performance both collectively and individually. The Trust completed a Board Governance Memorandum self assessment and provided supporting information for example: Trust Board agenda's reports, performance monitoring information and quality governance documentation. The Board Directors completed a Board effectiveness survey and were interviewed individually by Deloitte. Deloitte also held focus groups with the Council of Governors, clinicians, managers and a cross section of the workforce. The draft report has been issued which is currently being reviewed and any resultant actions will be programmed for the forthcoming year.

### 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).

## Trust Committees

### Committees

The Board has four sub committees; Audit, Finance and Investment, Quality and Remuneration.

### Audit Committee

The Audit Committee was chaired by Ian Mackie, until December 2012. Bob Green was appointed Chair following his appointment as a NED in January 2013. The Chair has recent financial experience as detailed in the biography above. The Chair and Chief Executive are required to attend the May meeting when the committee reviews the draft Annual Report and Accounts.

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 Trust Risk Register

In 2012/13 the committee continued to monitor the combined Trust's Risk Register and Board Assurance Framework. It recommended to the Board that the documents should be separated and the Board should consider the risks that are RED on the register and those which have a rating of 3 (likelihood) X 4 (Impact). The Chair of the Audit Committee liaises with the auditors on a regular basis without Trust officials present to allow auditors to raise any issues that they wish.

The Trust's external auditors changed from Grant Thornton to Deloitte following a tendering process. The contract was confirmed by the Council of Governors in December 2012. 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.

### 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

### Appointment of Chief Executive

The Trust undertook a recruitment exercise in November 2012 to appoint a substantive Chief Executive. Mark Millar had been the Interim Chief Executive since June 2010 and the Trust had not been successful in appointing a substantive Chief Executive at 2 previous recruitment exercises. Representatives of the Council of Governors, partner organisations, clinicians and senior management from the Trust were involved in the recruitment process.

The interview panel recommended the appointment of Joe Harrison which was unanimously agreed by the Council of Governors at a special meeting on 21 November 2012. Joe commenced with the Trust on 4 February 2013.

### Nominations Committee

The Nominations Committee is a sub-Committee of the Council of Governors and makes recommendations to Council of Governors on the appointment, appraisal, remuneration and removal of the Chair and Non-Executive Directors and also on the appointment or removal of auditors.

The Nominations Committee has considered the remuneration of the Chair and other directors and agreed that there should be no increase in salary for 2012/13. It is formally involved in the appraisal process of non-executives and reviews the appointment of auditors.

The members of the Nominations Committee for non-executive directors for the period 1 April 2012 to 31 March 2013 are shown in Appendix 3 and during 2012/13; Public Governor chaired the Nominations Committee.

A table of attendees at the Board and its sub committees is attached at Appendix 3.

### Remuneration Committee

The Remuneration Committee is a sub-committee of the Trust Board and agrees the salaries of the Chief Executive and the Executive Directors. The Committee comprises of the Trust Chairman and two 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 twice in 2012/13.

### Quality Committee

The Quality Committee chaired by Kate Robinson (NED) met seven times in 2012/13. It reports directly to the Board and provides assurance about the quality of care provided by the Trust and for overseeing the delivery of the quality priorities set by the Trust in its Quality Accounts. It also provides the Board with assurance about the actions taken by the Trust in response to serious incidents (SIs) and complaints, including individual issues and analysis of trends and learning. The Board also receives a monthly report on the number of SIs and complaints through the regular Monthly Board dashboard.

The Quality, Performance and Safety Report have continued to be developed and is reported to the Quality Committee and Trust Board at every meeting. It addresses all aspects of the Trust's clinical governance framework including reports on key indicators of the quality of care such as patient falls, medication incidents, pressure ulcers, SIs, incident reporting, risk management, complaints, compliments and comments, training and development and audits. A key element of the report is the Trust's performance in four areas, morbidity, quality schedule and CQUIN, CQC and maternity dashboards.

The Quality Committee has also received the CQC Compliance report regarding Dignity and Nutrition (DANI) and receives updates on the action plan to address the areas of improvement.

In recognition of the importance of the quality of care the Trust provides to our patients, the Trust is considering increasing the frequency of the Quality Committee meetings in 2013/14.

### Finance and Investment Committee

The Finance and Investment Committee chaired by David Moore met 12 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 controlling the capital spend and through regular reporting monitors the implementation capital projects.

The financial planning process for 2013/14 was considered by the committee which recommended the budget to the Board of Directors.

### Charitable Funds Sub-Committee

The Finance and Investment Committee has a sub-committee which oversees the use of the Trusts charitable funds.

The Charitable Funds sub-committee is chaired by Frank Burdett, a Non Executive Director. The Trust has a registered Charity (Healthcare:MK) and has to adhere to the rules of the Charities Commission. The Charitable Funds Sub-Committee has encouraged the use of charitable funds to improve the service provided to patients.

### Transformation Board

The Transformation Board is chaired by the Chief Executive, the Executive Directors of the Trust are members of the Board and the Chair of Finance and Investment Committee was appointed by the Trust Board to the Transformation Board. The minutes of the Transformation Board are reported to the Trust Board and the performance of the Transformation programme is also monitored by the Finance and Investment Committee.



## Code Of Governance Disclosures

In September 2006, Monitor published the NHS Foundation Trust Code of Governance. The purpose of the Code of Governance 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. Since 2007/08, NHS foundation trusts have been expected to observe the code's disclosure requirements in full.

Milton Keynes NHS Foundation Trust uses the Code of Governance to ensure that its governance is in line with best practice. Except in the five special circumstances described below, the Trust applies both the main and supporting principles of the code to its governance practices. The table below explains the five 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
C1.3 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 was in effect in 2008/09.
C2.1 All other executive directors should be appointed by a committee of the chief executive, the chairman and non executive directors and subject to re-appointment at intervals of no more than five years.	In line with current NHS practice it is more cost effective to appoint executive directors on permanent contracts.
D2.2 The outcomes of the evaluation of the executive directors should be reported to the Board of Directors.	Because of the rules of confidentiality and risk of destabilising relationships this is not done, a report is made to the Remuneration Committee instead.
E1.1 In general, only basic salary should be pensionable.	Executive directors receive an on-call allowance that is pensionable. They receive no other pensionable payments.
E2.2 [...] The [Remuneration] Committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the board but should normally include the first layer of management below board level.	The Committee considers all executive director posts and associate executive director posts but does not consider the first layer of management below board level which is more appropriately delegated to executive directors.

## Additional and public interest disclosures

### Health and safety performance

During 2012/2013, 376\* staff incidents and were recorded compared to 402 in 2011/12. This represents a 6.5% decrease. Any health and safety incidents that resulted in major injury were reported to the Health and Safety Executives as required under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995 (RIDDOR).

1995

Incident	2010/11	2011/12	2012/13
Slips / trips / falls **	57	48	47
Collision / contact	36	30	23
Violence / abuse	197	165	139
Sharps / needlesticks	70	78	90
Manual handling	19	29	26
Cut with sharp object	7	9	6
Exposure to substances	10	10	7
Burns / scalds	7	4	3
Musculoskeletal	27	17	27
Struck by moving object	12	12	8
Near Miss	2	1	0
<b>Totals</b>	<b>444</b>	<b>402</b>	<b>376</b>

\* Please note that the figure covers the top ten reporting categories.

\*\* Staff Slip fall and trips on same level plus fall from height. There were decreases in incidents across most categories other than Musculoskeletal and sharps/needlestick incidents

### Actions Taken:

- Violence and abuse
  - o Conflict resolution training is provided to staff across the organisation and details are contained within the training syllabus. Moreover, the Trust's 'The Managing Unacceptable Behaviour Policy' is available to all staff on the Intranet and the Local Security Management Specialist (LSMS) has worked collaboratively with the police to implement a process for the management of 'repeat' offenders and allows exclusion from the Trust except for emergency situations.
- Sharps/NeedleSticks
- By May 2013 the Trust will be using needles that incorporate a protection mechanism in accordance with the EU Council Directive 2010/32/EU on the prevention of sharps injuries in the hospital and healthcare sector.
- In response to an Estates Central Alerting System (CAS) alert that advised the Trust to put in place a safe system of work to avoid injuries caused by used, loose sharps left in lease or ex-lease vehicles used by clinical staff, all community staff transporting sharps in leased or personal vehicles were identified and awareness was raised to all relevant staff on following a formal safe working procedure.
- Manual Handling
  - o The Trust's Manual Handling training sessions have been improved via the provision of a larger room and cascade training. A deputy trainer to cover mandatory Manual Handling training in the absence of the Back Care Advisor has been identified.
- Health, Safety and Security Committee
  - o The Trust Health, Safety and Security Committee (HSSC) Terms of Reference have been revised and a 2013-2014 annual work-plan and set of indicators has been agreed by the committee. Indicators will focus on:
    - Reducing work-related accidents relating to slips, trips & falls
    - Management of staff related musculo-skeletal disorders
    - Improving the management of organisational stress in the Trust
    - Prevention of injuries and blood-borne infections to hospital and healthcare workers from sharp instruments e.g. needles (includes elements of COSHH)
    - Improving the management of Trust lone worker arrangements
    - Improving the management of Trust security arrangements.
  - o The Health and Safety Policy has been rewritten and approved at the March TDC.

### Countering fraud and corruption

The Board of Directors has established policies and procedures to minimise the risk of fraud and corruption, along with a 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 reasonably-held suspicions.

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) and the NHS Fraud and Corruption Reporting Line.

The Trust raises awareness of fraud and corruption in many ways, by regular messages on staff payslips, fraud awareness posters, fraud awareness days, intranet articles including fraud alerts, and the Trust whistle blowing policy.

Reported concerns are investigated by the Trust's Local Counter-Fraud Specialist who reports to the Director of Finance and liaises with NHS Protect and police as necessary. If the reported concerns are substantiated the matter will be pursued in accordance with criminal, civil or disciplinary proceedings, or a combination of these. The Trust works hard to create an anti-fraud culture and to prevent and detect fraud and corruption. The local counter-fraud specialist produces a written report to the audit committee.

The Trust partakes in the National Fraud Initiative (NFI). The NFI is the Audit Commission's data matching exercise. It 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, such as payroll, pension payrolls and housing benefits.

### Counter Fraud Qualitative Assessments

At the end of each financial year, NHS organisations are required to make a declaration of the counter fraud work they have completed. Using the information captured on the Qualitative Assessment (QA) declaration an assessment of counter fraud arrangements is made by the NHS Counter-Fraud Service (NHS Protect). NHS organisations are assessed on their compliance with instructions and guidance outlined by NHS policy. NHS policy is supported by the NHS Counter Fraud and Corruption Manual, the Risk Assessment Tool (RAT) and work plan templates that are issued by the LCFS prior to the start of the financial year.

As a result of participating in the pilot exercise utilising the new, revised version of QAs which focused on one area of the counter fraud measures in place, MKHFT has been given an overall RAG rating of green for 2012/13. The report concluded: "The overall rating for 'Prevent and Deter' is 'green' indicating that the Trust meets the Standards for Providers in this area of anti-fraud and corruption work. The Trust has proportionate processes and procedures in place for preventing and deterring fraud by permanent and temporary staff and patients. Suspicions of fraud and corruption are promptly referred to the LCFS, allowing appropriate action to be taken."

### Information risks and data losses 2012/13

The Trust has an Information Governance Steering Group (IGSG) which is chaired by the Senior Information Risk Officer and the Caldicott Guardian is a member. This Group reports to the ICT Strategy Board (ICT SB). The ICT SB has a direct reporting line to the Management Board.

The IGSG oversee 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. The controls exercised by the Trust are compliant with the IGSoC control requirements.

The toolkit includes a requirement to undertake an annual “data mapping” exercise to assess all routine data flows within the Trust and between the Trust and any third party. The output of this exercise was fed into the Trust’s Risk Management Framework. The Trust is making good progress in determining its IG Toolkit attainment levels and collating the relevant documentation and evidence to support its attainment levels. Version 10 of the Toolkit introduced significant new requirements and required a more detailed set of evidence to support assessment scores. Standards were improved or maintained and the IG Toolkit overall assessment score increased from 82% in 2011/12 to 85% in 2012/13.

Data security risks are managed via an Information Governance Framework, which comprises an Information Governance Policy, related policies and guidance and the Information Governance Group (IGSG). In particular, the Trusts 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 Assurance Tool (IGT) 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 and IGSG monitor progress and compliance with the IGT on an on-going basis. The SIRO and Caldicott Guardian report to Management and Trust Board on an annual basis.

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. In addition, a project to implement further technical controls to manage sensitive data is underway. 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 preventing the use of unencrypted memory sticks.

During 2012/2013 we have had 2 information governance SI’s which related to:

1. Maternity Clinic list filed in patients notes in error. Changes in the way clinics had run meant that there was a potential for loose paper. A change of process has now been put in place to ensure clinic lists are no longer left loose.
2. A community midwife was alerted to appointment letters; prescriptions; test results from private healthcare; consent form for another patient found inside a different client’s handheld records. Action has been taken and Notes trolleys have now been clearly marked and hand held notes of the patients remain with the patient.

### **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

### **Freedom of Information**

Freedom of Information requests continue to rise and the Trust received 284 in 2012/13, which included 1,836 questions. There has been an increase in the complexity of requests and the specialities that they cover, however, the Trust has answered the majority of these within 20 working days.

## 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 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 Hospital NHS Foundation Trust for the year ended 31 March 2013 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 risk within the Milton Keynes NHS Foundation Trust. To ensure that this responsibility is discharged effectively the Board has put the following systems in place:

- The Trust's risk management arrangements are set out in the Trust's Quality Governance Framework approved by the Board in March 2012
- The Trusts risk management processes and structures are its Risk Management Strategy, Risk Management Policy, the Trust Risk Registers and Board Assurance Framework (BAF) along with supporting policies
- Until 1 October 2012, the Director of Nursing was the designated executive director lead for risk management with day to day responsibility delegated to the Head of Clinical Governance and Risk Management. Following the Organisation Structure review the Medical Director became the lead for Risk Management and Clinical Governance (day to day responsibility is delegated to the Chief Compliance Officer)
- The Chief Operating Officer is the designated executive director lead for Health, Safety and Security, supported by the Chief Compliance Officer, Health and Safety Advisor, Trust Risk Manager, accredited Local Security Management Specialist and the Trust's Fire Advisor
- The Trust's Senior Information Risk Owner is the Director of Planning & Performance, who is responsible and oversees all Information Risk within the Trust and has undertaken the required training to discharge these responsibilities
- The Trust's Caldicott Guardian (the Medical Director) is ultimately responsible for the correct use of Patient Identifiable Information
- Committees provide the Board with assurance in relation to all aspects of governance, performance and risk management

- The Trust's Mandatory Training Programme includes responsibilities and processes relating to risk management encompassing fire safety, health and safety and clinical risk. These are included in the induction programme and regular updates are provided for staff. The Trust Board receives regular reports regarding Mandatory training compliance.
- Guidance on risk management issues is disseminated to staff through briefing systems (electronically and via meetings) and via the intranet. Good practice and learning is shared through routine communications, training and meetings/committees. 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
- Alignment of risks to the Trust strategic priorities/objectives
- Formal documentation, standing orders, standing financial instructions and scheme of delegation as part of the Trust Constitution
- Care Quality Commission (CQC) self assessment and regulation



### The Risk and Control Framework

The Trust's Risk Management Strategy, policy and procedures provide a systematic approach to the anticipation, prevention, mitigation and management of risk across all areas of the Trust's business. It is based upon the principles laid down in legislation, government guidance and industry best practice. It is reviewed and audited annually for compliance with legal requirements and with a view to defining areas for further improvement.

The Risk Management Strategy describes the Trust's commitment and approach to effective risk management and the systems that the Trust has in place or is further developing at a strategic, corporate and operational level to ensure that assurance is provided to the Trust Board and to external bodies that risk is being managed effectively within the Trust and that the Trust promotes a culture of proactive risk management.

Risk is identified through a variety of mechanisms including application of a comprehensive system to report, record and review incidents, performance reports, professional judgement, data analysis and patient/staff feedback. Assessment of risk is carried out using a 5x5 matrix which assesses the likelihood and potential consequences of a risk manifesting and the controls in place to mitigate and manage the risk.

Risks are assessed at a range of levels and captured on appropriate risk registers. There are three types of risk register in use at the Trust – The Board Assurance Framework, the Trust-wide Risk Register and local level (CSU/Divisional Risk Registers). Each risk register is reviewed by its assigned committee or group e.g. the Trust Board, Audit Committee or the Clinical Improvement Groups.

As part of current developmental work on the Board Assurance Framework (BAF) the risk appetite will also be revisited by the Board.

### Key risks and concerns

The Board reviews the Trust Risk Register at each meeting and has been responsible for overseeing the review of the register.

The two key risks identified are financial sustainability and quality. The Trust must ensure it is financially viable and this is a key issue for the trust given its deficit position, reliance on Cost Improvement Programme (CIP) delivery and the unsigned contract with the Commissioners. (More financial detail is contained in section 7 of this statement).

The Trust recognises the risk relating to quality and is undertaking actions to improve the quality of care across the hospital and to address the CQC concerns. (See Annual Governance Section for more detail) It should be noted that financial and quality underperformance adversely affects the Trust's reputation and this impacts on recruitment of high calibre staff to key roles.

The Trust Board reviewed the Board Assurance Framework on 31 March 2013 and, in addition to the financial and quality risk, the following risks scored 15 or above:

1. Provision of Defibrillators – due to a Serious Incident (SI) the provision of Defibrillators was escalated appropriately to the Trust Board. The Defibrillators have all been reviewed and replacements have been obtained. These are being installed during June 2013
2. Patient information systems – Due to the contract regarding Electronic Patient Record coming to an end the Trust is seeking an alternative provider. This has a significant clinical and financial impact for the Trust therefore it is included on the Board Assurance Framework.
3. Fit for Purpose Emergency Department – the Trust has continued to work on plans for an improved Emergency Department facility and the Trust Board has considered a Strategic Outline Business Case. Sources of finance for the scheme are being identified and it is planned that a more detailed plan is brought back to the Trust Board in 2013/14.

Actions to mitigate risk are evaluated on a monthly basis by the Risk Owner who is a member of the Board of Directors. This in turn is challenged at the Board Sub-Committee which receives a report on the Board Assurance Framework and Trust Risk Register at each meeting. The Trust Board has overall responsibility for the Board Assurance Framework which it monitors and challenges at each meeting.



## 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 Foundation Trust.

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:

### Patients and the public

- The Patient Experience team and specific patient representative groups
- The work of the local Overview and Scrutiny Committees
- Annual public meeting of the Board (annual Members Meeting)
- The National Patient Survey Programme
- Local Involvement Networks (LINks), who are also represented on the Council of Governors
- PEAT inspection of facilities (now PLACE)
- Local Authority representation on the Council of Governors

### Staff

- The annual staff survey
- Staff road shows with the Chief Executive
- Monthly two way communication, CASCADE

### Health partners

- Regular discussion of key issues and performance management arrangements with PCTs, CCG, GPs and ambulance Trusts
- Stakeholder membership of Trust working groups, for example from the voluntary sector
- Joint strategic planning meetings with healthcare partners for example the Healthier Together programme

Healthier Together was a programme which involved five hospitals (Milton Keynes, Bedford, Luton and Dunstable, Northampton and Kettering), GP commissioners, ambulance trusts and local councils working together for the following outcomes:

- More will be carried out locally e.g. in GP surgeries
- Some specialist centres of excellence will be established
- Expertise will be combined across the five hospitals
- Services will be better co-ordinated especially for the frail, elderly and those with long term conditions

Although, it was decided in 2012/13 that the Healthier Together programme was not being taken forward in the planned way, the Trust is building on the clinical engagement it undertook as part of the process. The Trust Board has reviewed the strategic future of the Trust and has decided to progress options which include an application to merge with Bedford Hospital NHS Trust. The reason for such a strategic alliance is to significantly contribute towards the long term clinical and financial viability of the Trust. There are already clinical synergies with Bedford for example the vascular service that is provided jointly with Bedford, which is operating well and this proposal aims to build on this. The close proximity to Bedford, the critical mass of population to provide acute and specialist services, the financial efficiencies that can be achieved by sharing support services e.g. Finance and Human Resources and the need for Bedford to achieve Foundation Trust status are all drivers for such a merger.

## Governance

Since 2010, the Trust has been rated by Monitor, NHS Independent Regulator as at '1' for Financial Management and 'Red' for Quality Governance, due to the financial deficit of the Trust and the CQC conditions placed on it. This ranked the Trust as one of the poorest performing Foundation Trusts in the country. The Trust has been monitored on a monthly basis by Monitor and has made some progress in both areas, with the CQC conditions being lifted in 2012.

The Trust Board has continued to receive monthly quality performance and safety reports to provide assurance on quality governance. It includes the high level CQC Essential Standards Dashboard and is discussed at CSU Clinical Improvement Groups (CIG).

A substantive risk manager was appointed in November 2012. Day to day responsibility for managing the Clinical Governance and Risk Management Departments was delegated to the Chief Compliance Officer who joined the Trust in December 2012. The Trust-wide Risk Register (TRR) and the Board Assurance Framework (BAF) have continued to be reviewed and management of risks has been simplified. The Chief Compliance Officer is undertaking a review of the Trust Risk Registers and has made an initial report to the Trust Board on proposed changes to the format and detail contained within the Board Assurance Framework.

There have been changes to the Board of Directors during 2012/13. The Trust appointed a substantive Chief Executive, Joe Harrison who commenced in early February 2013. Ian Mackie, Non Executive Director and Chair of Audit resigned in December 2012 and Bob Green was appointed from January 2013 to replace him. Lisa Knight joined the Trust as the Director of Patient Care and Chief Nurse in October 2012. An experienced Director of Finance, Robert Toole, was also appointed on a fixed term contract to provide additional Director resource within the Trust.

The Trust Board meetings continued to be bi-monthly public meetings with strategic Board of Director days during the intervening months which enable more proactive planning of the strategic direction for the Trust and to discuss business planning and service delivery issues fully. Deloitte LLP was commissioned to undertake a Leadership Development Programme for Board Members which is now completed and a draft report has been received for comments recommends actions to strengthen governance processes for the Trust Board, working with Council of Governors and improving reporting. The draft report is being considered and an action plan in response to the recommendations is being developed in Q1 of 2013/14.

Key issues from the Board of Director meetings are cascaded to all staff following these meetings. The visibility of Executive Directors has been enhanced with the Medical Director, Director of Patient Care and Chief Nurse and Chief Operating Officer formerly visiting clinical and non clinical areas on a weekly basis. Since February 2013, the Trust Board also undertake visits to different areas of the hospital for the first hour of the monthly Trust Board.

A Leadership Development Programme has been commissioned to support the newly appointed triumvirate leads at divisional and CSU levels which will enable them to perform more effectively and ensure a high quality of service is provided as well as sound financial control. The Director of Patient Care and Chief Nurse undertook a review of the Nursing and Midwifery establishment, taking into account the recommendations from previous reports and this was reported to Trust Board in March 2013.

A Cultural Development Programme was commissioned and commenced in April 2012. This programme was designed to be patient-centred and improve the quality of service provided across the Trust. A number of facilitated sessions whereby staff listened to patients' experience "In Your Shoes" and where staff members listened to one another "In Our Shoes". These comments have been used to inform the WE CARE programme, which involves a number of actions to improve patient and staff experience. A committed team are implementing the WE CARE programme, which includes service improvements that can be implemented over the short and medium term and new Trust Values and behaviours will be launched in May 2013. The Trust Board have received regular progress reports.

Each month the Divisional Triumvirates for Surgery, Medicine and Core Clinical have a performance review meeting where the Medical Director, Director of Patient Care and the Chief Operating Officer scrutinise the performance of the CSUs and the Division as a whole. The Divisions have corresponding meetings with each of the CSUs, to ensure that information is being disseminated throughout the organisational structure.

The Board of Directors continue to monitor the improvements in the Children's Services and have appointed Kate Robinson (NED) and Maria Wogan as Children's Champions.



## Francis report

The Trust Board have received the Francis report and the Government's subsequent response. A number of the recommendations in the Francis report relate to nursing skill mix, dignity and nutrition and the governance of the Trust ensuring that quality of patient care is at the heart of the decision making. A number of actions are already in place to address some of the recommendations, for example the Trust Board walkabouts prior to Board meetings to witness firsthand the patient care. In addition the implementation of intentional rounding on wards which was a specific action in the plan to address CQC concerns, a Nursing skill mix review reported to the Board in March 2013. resulting in an additional £1m investment in nursing.

A full report on additional measures the Trust needs to take in light of the Francis report is planned to be reported to the Board once the Government has issued its response.

The Council of Governors have also reviewed the changes in their role in light of the Health and Social Care Act and the Francis report recommendations. A report will be considered by the Council of Governors in May 2013 on changes to their roles and the actions that could be taken to improve accountability of the Trust Board.

## Incident Reporting

The Trust has an online incident reporting system (Datix) which is available for any member of staff to report an incident. A proactive reporting culture has promoted and incidents are monitored and trends identified, including those relating to the same staff members and teams and learning from incidents is shared. An analysis of serious incidents is carried out periodically. Incident reporting is an integral part of induction training which every member of staff has to attend within eight weeks of commencing work with the Trust. It also forms part of the risk management training which is mandatory for all staff on a three-yearly basis.

The Datix system was upgraded in 2012 – 2013 and additional categories were added to ensure that incident reporting is more robust and to further facilitate revalidation of medical staff by incorporating their details as contacts for serious incidents, inquests, claims and complaints. There were 5025 incidents reported on Datix from 1 April 2012 to 31 March 2013, which reflects a slight decrease from 5492 (the previous year).

The Trust has a designated person to manage National Patient Safety Agency (NPSA) issues. The Datix Manager has responsibility for leading on ensuring compliance with safety alerts as well as reporting applicable incidents to the National Reporting and Learning System (NRLS). These are then analysed by the NHS England (this was previously undertaken by the National Patient safety Agency (NPSA) and national benchmarking is completed.

In benchmarking the Trust was at the lower end of reporting Serious Incidents.

Reporting Organisation	2011				2012				Grand Total
	(Jan / Feb / Mar) Q1	(Apr / May / Jun) Q2	(Jul / Aug / Sep) Q3	(Oct / Nov / Dec) Q4	(Jan / Feb / Mar) Q1	(Apr / May / Jun) Q2	(Jul / Aug / Sep) Q3	(Oct / Nov / Dec) Q4	
Chesterfield Royal Hospital NHS Foundation Trust	15	16	13	9	21	32	9	16	131
Derby Hospitals NHS Foundation Trust	10	25	39	42	57	61	30	36	300
Kettering General Hospital NHS Foundation Trust	16	15	18	21	16	9	12	9	116
Northampton General Hospital NHS Trust	7	12	12	16	15	16	14	11	103
Nottingham University Hospitals NHS Trust	50	54	34	48	62	71	47	40	406
Sherwood Forest Hospitals NHS Foundation Trust	21	16	17	38	16	14	20	18	160
United Lincolnshire Hospitals NHS Trust	43	32	34	24	31	26	52	32	274
University Hospitals of Leicester NHS Trust	111	69	44	49	72	54	46	56	501
Milton Keynes NHS Foundation Trust	16	16	19	12	13	15	23	29	143
<b>Grand Total</b>	<b>289</b>	<b>255</b>	<b>230</b>	<b>259</b>	<b>303</b>	<b>298</b>	<b>253</b>	<b>247</b>	<b>2,134</b>

The Trust encourages staff to report incidents as evidence has shown that organisations who are high incident reporters with low severities are known to have a better and more effective safety culture. It is this culture that helps Trusts assess the quality of the care it is providing and improve safety for both patients and staff. Serious incidents are copied to the Risk Manager who in consultation with the Chief Compliance Officer and Deputy Chief Nurse ensures that the appropriate level of investigation and root cause analysis is undertaken. The level of investigation is dependent upon the seriousness of the incident and the timeframes set by the Community Commissioning Group (CCG), and this is in line with the Trust Incident Reporting Policy using a common template. All serious incidents reports are approved by the Medical Director/ Chief Nurse and Chief Executive Officer before being reported externally on the STEIS data base.

It is the responsibility of the Clinical Service Units (CSU) to monitor the action plans, lead on implementing improvements and disseminate any lessons learnt from RCA investigations. This is to ensure that the organisation is learning from incidents and minimising recurrence. The CCG randomly selects a number of action plans to review. Part of this process includes the review of evidence to demonstrate completion, improvement and dissemination of learning.

The Trust has reported 117 Serious Incidents from 1 April 2012 to 31 March 2013 on STEIS. This compares to 54 for the previous year. Changes in the Risk Management and Clinical Governance Departments have led to a review of the reporting and investigation of Serious Incidents in the past six months and better reporting has resulted. There has been a continual increase in the numbers of Serious Incidents over the past five years; however, this should be taken in context with relevant denominators and the openness of reporting.

The Trust reported two never events last year both of which were approved for closure by the Commissioners and related to Gynaecology. Both events have been fully discussed the learning from which will be shared at the Trust audit afternoon in May 2013. The audit afternoon is protected time for clinicians whereby good practice and learning is shared.

### Care Quality Commission

Following an unannounced visit to two wards by the Care Quality Commission on 8 August 2012, the Trust was found to be non-compliant with the following outcomes:

- Outcome 1 – People treated with respect
- Outcome 3 – Food and drink to meet people's needs
- Outcome 7 – People should be protected from abuse and their human rights should be protected
- Outcome 13 - Staffing levels
- Outcome 21 – People's personal records should be accurate, kept safe and confidential

The Trust developed an action plan which is being implemented and monitored by the Quality Committee and Trust Board. Two further unannounced CQC inspections took place on 19th February 2013 (within Radiology – Relating to IRMER compliance) and on 28th February to 1st March 2013 (Inspection against Outcome 14 - Supporting Workers and Outcome 16 -Assessing and monitoring the service quality and provision.) The CQC reported two moderate concerns regarding the outcome of the second CQC inspection.

In light of these recent inspections action plans for improvement are being developed and will be submitted to the CQC. The action plans will be monitored by the Management Board, Quality Committee and Trust Board, progress will be submitted to the CQC on a regular basis.

MKHFT is fully compliant with the registration requirements of the Care Quality Commission.





## Financial governance

The 2012/13 Transformation Programme delivered £5.5m of savings which was below the planned level of £10.1m. In response to this a series of actions have been taken over the last quarter of 2012/13 to ensure identification, planning and delivery of savings in 2013/14, and beyond.

External Support has been commissioned to review all existing saving plans, identify full range of opportunities to deliver cash releasing savings and then produce detailed plans as to how these will be delivered.

This external assistance will also support the delivery of savings through oversight of schemes as well as training and enhancing existing personnel to ensure the Trust puts in place a fit for purpose Programme Office which can support delivery of efficiencies across the Trust to continue their work subsequent to completion of the External support remit.

The Trust outsourced its payroll and financial transaction processing in the course of 2011/12. During 2012/13 these outsourced services have become firmly established and the Trust now has far more comprehensive information resulting from these external systems, thus allowing more robust decision making. Process improvements continue to be developed as necessary.

In recognition of the declining financial position of the organisation over the year, the Trust introduced new rigorous financial controls and processes, with respect of expenditure authorisation upon both capital and revenue. The governance process for approval of expenditure is now significantly enhanced, reflecting the new organisational committee structure, allowing the Board clear sight of any areas of concern and opportunity.

In January 2013 a new Director of Finance was appointed on a fixed term basis to support the organisation through the period until structural change. Each Division also now has within its structure a Financial Business Partner who is dedicated to ensuring financial best practice and optimal performance in that area.

The development of Service Line Reporting (SLR) has continued throughout 2012/13, with increasing levels of clinical engagement and ownership of the outputs. The Trust will continue to enhance the use of SLR over the forthcoming year towards the objective of it becoming its main financial management performance tool

## Information Governance and Data Security

The IGSG oversee 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. The controls exercised by the Trust are compliant with the IGSoC control requirements.

The toolkit includes a requirement to undertake an annual "data mapping" exercise to assess all routine data flows within the Trust and between the Trust and any third party. The output of this exercise was fed into the Trust's Risk Management Framework. The Trust is making good progress in determining its IG Toolkit attainment levels and collating the relevant documentation and evidence to support its attainment levels. Version 10 of the Toolkit introduced significant new requirements and required a more detailed set of evidence to support assessment scores. Standards were improved or maintained and the IG Toolkit overall assessment score increased from 82% in 2011/12 to 85% in 2012/13.

Data security risks are managed via an Information Governance Framework, which comprises an Information Governance Policy, related policies and guidance and the Information Governance 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 Assurance Tool (IGT) 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 and IGSG monitor progress and compliance with the IGT on an on-going basis. The SIRO and Caldicott Guardian report to Management and Trust Board on an annual basis.

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. In addition, a project to implement further technical controls to manage sensitive data is underway. 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 preventing the use of unencrypted memory sticks.

The Trust has comprehensive and relevant policies covering Information Governance and Security, Data Quality and Records Management.

During 2012/13 we have had 2 information governance SI's which related to:

1. Maternity Clinic list filed in patients notes in error. Clinics processes meant that there was a risk of loose paper being inappropriately filed. Action has been taken and a change of process has now been put in place to ensure clinic lists are no longer left loose.
2. Community midwife was alerted to appointment letters; prescriptions; test results from private healthcare; consent form for another patient found inside a different client's handheld records. Action has been taken and Notes trolleys have now been clearly marked and hand held notes of the patients remain with the patient.

### Data Quality

The Trust relies on robust information and data to make informed decisions. It is actively engaged with the Primary Care Trust and management of data quality contract challenges under Schedule 5. The Trust actively monitors its national key performance indicators relevant to data quality through the national data quality dashboard produced by the NHS Information Centre.

### Pensions

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



## 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 - 11,228 Tonnes

The slight increase in last year is due to the severe winter with increased heating requirements.

Although the Trust produced more CO2 in 2012/13 this was due to the particularly cold winter and the longer periods of sub-zero temperatures. It has been calculated that the performance would have been 10,757 Tonnes per annum.

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

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" (again, 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, 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.

In 2010, Tribal was commissioned to set up the Transformation Programme and continued to provide support and guidance in project and programme management until mid-2011. Grant Thornton undertook an Assurance Review of the Programme for Year 1 projects in 2011/12 and a follow up for the 2012/13 programme was undertaken in March 2012 by Ernst and Young (EY). EY raised concerns regarding the level of efficiencies identified in the programme for Year 2 and the lack of detailed plans for certain projects. It became clear during the year that the target for savings was ambitious and that securing the target was not achievable. This had a detrimental effect on the finances of the Trust.

External Support has been commissioned to assist the Trust in 2013/14 in achieving transformational change in both quality and efficiency during 2013/14 and beyond. The Trust Board have received a report on the We Care Transformation Programme and will continue to do so as the programme is developed and implemented.



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), where the Trust used Dr Foster information for benchmarking.

Business cases for service development and improvement are robustly challenged during consideration by the Management Board and benchmarking data is used as part of the consideration.

### **Managing Public Money**

An explanation of how the Trust manages public money is contained in the Governance section of the Annual report (section 4). 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 Corporate Governance Code 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 have been put 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.

These steps cover areas such as:

- The Quality Committee overseeing the production of the Quality Accounts to ensure that they reflect the Trust's Priorities
- The Council of Governors being consulted on the Quality Account 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. Improving systems and processes in response to clinical audit to improve timely prescribing medication to minimise delays in discharge
- Investing in people and skills such as ensuring all staff are trained to ensure compliance with the Trust's Antibiotic Policy
- 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
- Monthly Quality, Performance and Safety reports considered by Management Board, Quality Committee and Trust Board.

### 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 is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust that 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, Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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 and the independent assurance commissioned in year.

### The 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 undertook a workshop to review and challenge the Trust Risk Register on 4 September 2012 and have continued to monitor the Board Assurance Framework and Trust Risk register at every meeting. Both these documents are reported to the Audit Committee at its quarterly meetings. As stated earlier, the Chief Compliance Officer is undertaking a review of the Trust Risk Register and Board Assurance Framework and has provided the Trust Board with an overview of the review and a proposal for the new format has been shared.

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 both in terms of quality and financially the performance of the Trust was declining. In particular the Board recognised that correlation in declining performance of indicators that related to increased emergency admissions, A&E 4 hour maximum wait from arrival to admission/transfer or discharge, length of stay, occupancy rates and cancelled elective procedures. As a result, the Emergency Care Intensive Support Team (ECIST) was commissioned to undertake a review of the emergency care pathway. The subsequent report and action plan was reported to Board in January 2013 and is being actively monitored through weekly meetings chaired by the Chief Executive. The Trust has retained the support of ECIST to oversee the day to day delivery of the action plan.

The Trust achieved all the national targets, MRSA, Cancer and Referral to Treat, with the exception of Clostridium Difficile Infections (CDif) and A&E 4 hour wait. The performance for these is given below:

Indicator	Assessment Benchmark / Target	Trust Performance
Clostridium Difficile Infections	Maximum 14	19
Maximum wait of 4 hours in A&E from arrival to admission, transfer or discharge	95%	91.4%

Each case of CDif is investigated thoroughly and the Board were assured that there was no patient to patient infection.

With regard to local targets the Trust performance was mixed.

Indicator	Assessment Benchmark / Target	Trust Performance
CQUINs	90%	77.8%
Patient Experience- Family and Friends Test (Net Promoter Score)	56.9%	58.9%
The percentage of complaints responded to within the agreed time	93%	93.1%

The CQUIN indicator had a number of separate targets each of which had a financial value if achieved. The Board received exception reports regarding the performance against the CQUIN targets throughout the year and were particularly concerned that the actions to meet the Dementia CQUIN were not fully implemented. This has a direct impact to patient care and had an adverse effect on the financial position of the Trust. Plans are in place to improve delivery of the Dementia CQUIN in 2013/14.

### The Audit Committee

The function of the Audit Committee is to ensure an adequate and effective operation of the Trusts internal control system. The committee reviews on the establishment and maintenance of controls designed to give reasonable assurance that the assets are safeguarded, waste and inefficiency avoided, reliable information produced and that value for money is continuously sought.

### 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.

In 2012/13 there were 10 internal audits completed of which 1 received an excellent assurance rating, 2 good, 5 satisfactory and 2 limited. The Head of Internal Audit's opinion states that "Satisfactory assurance can be given as a generally sound system of internal control is in place, designed to meet the organisation's objectives, and controls are generally being applied consistently and effectively."

## External Audit

During 2012/13 a procurement process was undertaken for the provision of the External Audit function. Grant Thornton had been the Trust's provider and as a result of the procurement process Deloitte LLP was appointed by the Council of Governors as the External auditors in December 2012.

The external auditor provides assurance to the Trust on an ongoing basis by regularly attending Audit Committee 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 as outlined in the Annual Accounts.

## Press for Change Programme

The Press for Change programme was established in January 2011 to manage the projects which improved patient care and delivered financial efficiencies. The programme was successful in its first year and delivered both quality improvements and £10.1m savings. However, in 2012/13 the programme was targeted to save £10m and delivered £5.5m and this was in part due to the change in emphasis of the Programme Management Office leading the projects to supporting the Divisions to deliver. In addition, the significant pressure the hospital was under has meant that key staff have not been able to dedicate sufficient time to project management and delivery.

The newly appointed Chief Executive instigated the involvement of External Support to re-invigorate the Transformation programme in 2013/14. This external support team is working with key Trust staff to deliver projects which improve patient care and deliver £8m of savings. The governance arrangements for the Transformation Programme have been strengthened by Executive Director's having fortnightly performance meetings with project managers. The Transformation Programme Board will meet monthly and will be chaired by the Chief Executive and will report directly to the Management Board. The Finance and Investment Committee will monitor performance and report to the Trust Board.



## Board Committee Structure review

The Board have reviewed its Committee structure. The new structure strengthens 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. In addition, a Quality Board has been established to monitor and if required take action on the quality of care being provided. This will be 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

There has been no application to the secretary of state for the dissolution of the 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 Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received from Milton Keynes CCG (contractual income / QIPP transformation support), and through the Department of Health / Monitor (public dividend capital / transition funding). These are expected to be sufficient to prevent the Trust from failing to meet its obligations as they fall due and to continue until adequate plans are in place to achieve financial sustainability for the Trust. However, the Directors have identified that there is a material uncertainty 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.

The current economic environment for all NHS and NHS Foundation Trusts is challenging with on-going internal efficiency gains necessary due to annual tariff (price) reductions; 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 £ (8.8)m for the year ended 31 March 2013. The Directors consider that the outlook presents significant challenges in terms of cash-flow for the reasons outlined above, including planned reductions in activity commissioned from the Trust and the need to reduce the underlying cost base of the Trust to continuously align capacity and demand.

The Trust has secured £5.1m of (Public Dividend Capital “PDC”) funding to support the Trust financial revenue position in early 2013/14 and is in further discussions with Monitor/DH to ensure further in-year requirements are fully supported. This funding will be required to support the Trust’s working capital requirements for the duration of the financial year whilst the internal savings plan is embedded and organisational realignment discussions are clarified. Provided the Trust is in receipt of these funds the Trust should continue to remain a going concern.

The 3-year financial plan indicates a need to improve the Financial Risk Rating to an FRR of 3 from the current and historical FRR rating of 1 in order to enable a commercial working capital facility to be secured. Positive cash balances are likely to be maintained throughout the period through successfully securing commitments to necessary funding from external bodies (DH/Monitor) and a contract quantum for 2013/14 with the lead commissioner Milton Keynes Clinical Commissioning Group (“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 for 2013/14 which shows a minimum level of headroom of £1.6m. There is a level of uncertainty over whether the Trust will receive an additional £7.0m of PDC/loan income and £4.0m of transition/restructuring income required to meet its financial obligations in 2013/14. The Trust has however developed its financial plan for 2013/14 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 improvement plan of £8m in 2013/14 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. There is uncertainty over the level of income that the Trust will receive in 2013/14 through its national NHS Acute contract with its Commissioners. This is because negotiations are on-going and there is currently a gap between the Trust’s assumed income and that currently offered by MK CCG. The principal variance is between the Trust’s plan and the Commissioner intentions, predicated principally on the delivery of admission avoidance schemes in the community. Although, the Trust recognises the plan by the MKCCG to implement these schemes, past experience is that the implementation has had limited impact on hospital demand and in thus avoiding patient admissions.
4. The level of financial benefit from the Transformation Programme in 2014/15 and 2015/16 reduces. This will likely lead to a further challenge to the Trust financial position without structural change. It is considered that this change will be partly delivered by 1st April 2014 through principally a merger or secondly joint working / other reconfiguration options thus enabling the level of savings to be materially increased. The key merger option is not currently reflected in financial plans, as it is subject to external agreements and regulatory authorities’ oversight at this stage. The Board remains reasonably confident that this process will be concluded during 2013/14, with external funding support across the year and into future implementation stage probable, thus enabling on-going operations to continue.

There is thus a material uncertainty which may cast significant doubt as to the Trust’s ability to continue as a going concern and therefore it 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.

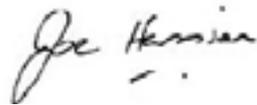


## Monitor's Quality Governance Framework

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 and that since Q2 the performance of A&E in treating patients within 4 hours was not achieved, the Governance statement has been signed as Not Compliant for Quarters 2-4 inclusive.

## Conclusion

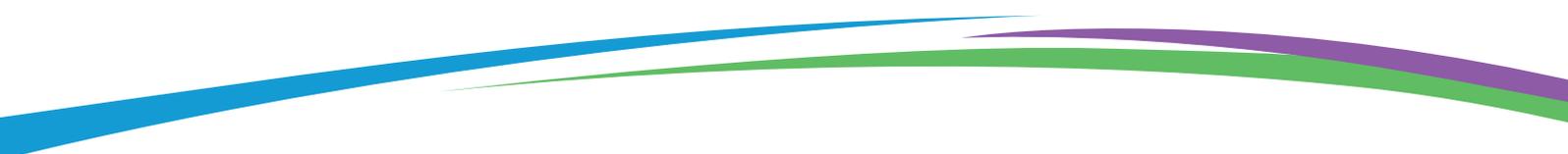
Based on my review, I am aware of significant ongoing internal control challenges that are being addressed by the engagement of external support and expertise to assist with the Transformation Programme, changes to the Committee Structure and governance arrangements.



**Joe Harrison**  
CHIEF EXECUTIVE



**We CARE**



# Section 5

## Remuneration Report

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 5

## Remuneration Report

**For the purposes of this report, 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.**

**The Chair and non-executive directors are responsible for setting the remuneration of the chief executive and executive/associate directors, while the Council of Governors is responsible for approving the remuneration of the Chair and non-executive directors and associate non-executive directors.**

**In accordance with the constitution, the Trust has two committees for this purpose. The remuneration and allowances of executive/associate directors were determined by a committee of the non-executive directors of the Trust, the Remuneration Committee.**

The remuneration and allowances of the Chair and non-executive directors and associate non-executive directors are determined by the Nominations Committee, which is a sub-committee of the Council of Governors.

The membership of the Remuneration Committee comprises the Chair and two other non-executive directors. The table in Appendix 3 sets out the membership and attendance of the Remuneration Committee for 2012/13.

The remuneration of the Chair and non-executive directors is approved by the Council of Governors. The Nominations Committee, which is set up under the Trust's Constitution and comprises three governors and the Trust Chair (although the latter leaves the committee when his own remuneration is discussed) considers and makes recommendations to the Council of Governors.

The remuneration levels of the Chief Executive and Executive Directors are determined, taking into account the requirements of the role, market rates, the performance of the Trust, benchmarking and affordability. The current market rates were determined using information obtained from Capita Health Service Partners – NHS Chief Executive and Directors Salary Survey 2009. No individual is involved in any decision that is related to the determination of their own pay or any allowance. The Remuneration Committee is serviced by the Director of Workforce.

The Council of Governors' Nominations Committee is supported by the Trust Secretary. The Nominations Committee adopts the principles of good governance in setting remuneration and allowances, taking into account a range of pay guidance including the remuneration received by Chairs and non-executive directors of NHS trusts in England as set out in the Capita Health Service Partners – NHS Chief Executive and Directors Salary Survey 2009 and information obtained through the Foundation Trust Network.

The Remuneration Committee and the Council of Governors' Nominations Committee consider any changes in remuneration and employee benefits on an annual basis to ensure that the Trust has the capacity to attract and retain the best director-level talent.

The Remuneration Committee and the Council of Governors' Nominations Committee are responsible for ensuring that any payments associated with termination of employment are fair to the individual and to the Trust. Both committees can obtain independent advice on any matters within their terms of reference, with due regard to probity and cost. The following table details the service contract for each senior manager, together with their notice periods in 2012/13.

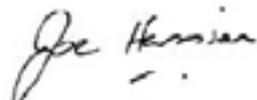
The details of the executive directors and non-executive directors who held office during 2012/13 and their remuneration and pensions as detailed in the Annual Accounts section 4.3. The details of other remuneration, travel and assistance for Directors and Non executive Directors is attached in table 1 .

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. LINK:MK Executive. Details of the claims made in 2012/13 are attached at table 2

As part of the Review of Tax Arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, the Trust is required to publish the following:

- a. off payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012
- b. off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months.

Details of these payments are attached at table 3.



**Joe Harrison**  
CHIEF EXECUTIVE

## Director's Remuneration Statement

Name and title	Year Ended 31 March 2012 Salary (Bands of £5,000) £	Year Ended 31 March 2013 Salary (Bands of £5,000) £
<b>MARK MILLAR - left Jan 2013</b> (MILLAR MANAGEMENT ASSOCIATES) Interim Chief Executive Officer *	255-260	215-220
<b>Joe Harrison- started Feb 2013</b> Chief Executive Officer	N/A	25-30
<b>Duncan Smith</b> Director of Finance until Dec 2012 Director of Commercial Development from Dec 2012	125-130 N/A	95-100 30-35
<b>Robert Toole - started Jan 2013</b> (Penna PLC) Director of Finance *	N/A	70-75
<b>Tony Halton - left Sept 2012</b> Director of Nursing	95-100	40-45
<b>Gillian Prager - started Aug 2012 &amp; left Oct 2012 *</b> (Gemp Associates) Interim Director of Nursing	N/A	30-35
<b>Lisa Knight - started Oct 2012</b> Director of Patient Care / Chief Nurse	N/A	50-55
<b>Maria Wogan - left Dec 2012</b> Director of Corporate Services	70-75	35-40
<b>Louise Watson - started Oct 2011 &amp; left Nov 2012*</b> (Secondment West Sussex PCT) Director of Commercial Development	50-55	75-80
<b>Darren Leech - started 19th Dec 2011</b> Chief Operating Officer	25-30	110-115
<b>Kathy Renacre</b> Director of HR & Workforce Development	90-95	90-95
<b>Martin Wetherill - from June 2011</b> Medical Director	130-135	175-180

Name and title	Year Ended 31 March 2012 Salary (Bands of £5,000) £	Year Ended 31 March 2013 Salary (Bands of £5,000) £
<b>S Lanson - Miller (up to June 2011)</b> Medical Director	10-15	N/A
<b>David Wakefield - Started 30th April 2011</b> Chairman	40-45	45-50
<b>Walter Greaves - Left 30th April 2011</b> Chairman	0-5	N/A
<b>Graham Anderson</b> Non Executive Director	10-15	10-15
<b>Kate Robinson</b> Non Executive Director	10-15	10-15
<b>Penny Emerson - Started 21st Feb 2012</b> Non Executive Director	0-5	10-15
<b>Robert Green - Started Jan 2013</b> Non Executive Director	N/A	0-5
<b>Ian Mackie - Started Feb 2012 &amp; left Dec 2012</b> Non Executive Director	0-5	5-10
<b>David Moore - Started 21st Feb 2012</b> Non Executive Director	0-5	10-15
<b>Frank Burdett - Started 21st Feb 2012</b> Non Executive Director	0-5	10-15
<b>Jenny Hawsworth - Left 4th Feb 2012</b> Non Executive Director	10-15	N/A
<b>Rita Spada - Left 31st Jan 2012</b> Non Executive Director	10-15	N/A
<b>Ann Limb - Left 31st Oct 2011</b> Non Executive Director	5-10	N/A
<b>Philip Smith - Left 4th Feb 2012</b> Non Executive Director	10-15	N/A

\* The costs associated with these Directors are the total cost, inclusive of VAT, of the professional service provided and includes other costs associated with providing the service.

## Director's Allowances Statement

### Table 1

Name and title	Year Ended 31 March 2012		Year Ended 31 March 2013	
	Other (Bands of £5,000) £	Travel & Subsistence (Bands of £5,000) £	Other (Bands of £5,000) £	Travel & Subsistence (Bands of £5,000) £
<b>Mark Millar - Left Jan 2013 (Millar Management Associates)</b> Interim Chief Executive Officer *	0	15-20	0	15-20
<b>Joe Harrison- started Feb 2013</b> Chief Executive Officer	N/A	N/A	0	0
<b>Duncan Smith</b> Director of Finance until Dec 2012 Director of Commercial Development from Dec 2012	0-5 N/A	0 N/A	0-5 0-5	0-5 0
<b>Robert Toole - started Jan 2013 (Penna PLC)</b> Director of Finance *	N/A	N/A	0	0-5
<b>Tony Halton - left Sept 2012</b> Director of Nursing	0-5	0-5	0-5	0-5
<b>Gillian Prager - started Aug 2012 &amp; left Oct 2012* (Gemp Associates)</b> Interim Director of Nursing	N/A	N/A	0	0-5
<b>Lisa Knight - started Oct 2012</b> Director of Patient Care / Chief Nurse	N/A	N/A	0	0
<b>Maria Wogan - left Dec 2012</b> Director of Corporate Services	0-5	0-5	0-5	0
<b>Louise Watson - started Oct 2011 &amp; left Nov 2012* (Secondment West Sussex PCT)</b> Director of Commercial Development	0	0	0	0-5
<b>Darren Leech - started 19th Dec 2011</b> Chief Operating Officer	0	0	0	0-5
<b>Kathy Renacre</b> Director of HR & Workforce Development	0-5	0-5	0-5	0-5
<b>Martin Wetherill - from June 2011</b> Medical Director	0	0	0	0-5
<b>S Lanzon - Miller (up to June 2011)</b> Medical Director	0	0	0	0-5
<b>David Wakefield - Started 30th April 2011</b> Chairman	0	0-5	0	0-5
<b>Walter Greaves - Left 30th April 2011</b> Chairman	0	0	N/A	N/A
<b>Graham Anderson</b> Non Executive Director	0	0	0	0
<b>Kate Robinson</b> Non Executive Director	0	0	0	0
<b>Penny Emerson - Started 21st Feb 2012</b> Non Executive Director	0	0	0	0
<b>Robert Green - Started Jan 2013</b> Non Executive Director	0	0	0	0-5
<b>Ian Mackie - Started Feb 2012 &amp; left Dec 2012</b> Non Executive Director	0	0	0	0
<b>David Moore - Started 21st Feb 2012</b> Non Executive Director	0	0	0	0-5
<b>Frank Burdett - Started 21st Feb 2012</b> Non Executive Director	0	0	0	0-5
<b>Jenny Hawsworth - Left 4th Feb 2012</b> Non Executive Director	0	0	0	0
<b>Rita Spada - Left 31st Jan 2012</b> Non Executive Director	0	0	0	0
<b>Ann Limb - Left 31st Oct 2011</b> Non Executive Director	0	0-5	0	0
<b>Philip Smith - Left 4th Feb 2012</b> Non Executive Director	0	0-5	0	0

## Governor Expenses 2012-13 Table 2

Governor	Amount £
Bob Collard	140.00
Lesley Bell	200.00
Bob Collard (Feb – Nov 2012)	100.00
Barbara Senior (2011 – May 2013)	357.75
Lesley Bell (Oct – Dec 2012)	100.00

## Off payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012 Table 3

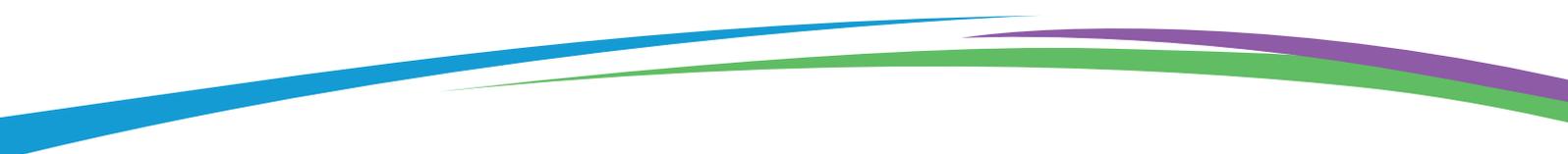
No. In place on 31 January 2012	16
Of which:	
No. that have since come onto the Organisation's payroll	0
Of which:	
No. that have since been re-negotiated/re-engaged to include to include contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the (department) to seek assurance as to their tax obligations	0
No that have come to an end	14
<b>Total</b>	<b>2</b>

## Off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than six months

No. of new engagements	5
Of which:	
No. that have since come onto the Organisation's payroll	0
Of which:	
No. for whom assurance has been accepted and received	0
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being received	0
<b>Total</b>	<b>5</b>



**We CARE**



# Section 6

## Membership Report

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 6

## Membership Report

Milton Keynes NHS Foundation Trust is committed to establishing and growing an effective membership and during 2012/13, 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 providing members with news about the hospital, information, dates for their diaries and 'members only' incentives and discounts negotiated by the Trust with local companies via 'Members Matters' a monthly e mail.

### Number and analysis of members

Public constituency	2011/12	2012/13
At year start 1 April	6,073	6,192
New members	153	196
Members leaving	34	211
At year end 31 March	6,192	6,177
Staff constituency		
At year start (1 April)	3,381	3,352
At year end (31 March)	3,352	2,948
Public constituency	Number of members	
Age (years)	(% of total)	
0-16	14 (0.23%)	17 (0.28%)
17-21	206 (3.32%)	211 (3.4%)
22+	1,793 (28.95%)	1,912 (30.95%)
Not declared	4,179 (66.79%)	4,037 (65.35%)
Ethnicity		
White	4,818 (77.81%)	4,891
Mixed	95 (1.53%)	79
Asian or Asian British	332 (5.36%)	285
Black or Black British	271 (4.37%)	278
Other	184 (2.97%)	168
Not declared	492 (7.94%)	482
Gender		
Male	2,466 (39.82%)	2,456
Female	3,726 (60.17%)	3,721

## Our governors

Governors have been or are currently involved in various groups and committees, these include:

- Patient, public and staff experience committee
- Engagement group
- Nominations committee
- PEAT inspection team (Now PLACE)
- Orthopaedic diaries
- Healthier Together Patient and Public Advisory Group and Transport Group.

During 2012 the Council of Governors established focused patient panels in relation to each of the six clinical working groups identified by the 'Healthier Together' programme. There were:

- Emergency care
- Cancer care
- Planned care
- Long term conditions (LTC)
- Maternity care
- Children's care

## Membership constituencies

The Trust has staff and public constituencies, and also has nominated governors representing local stakeholders in partnership constituencies.

Public Constituencies	Governors
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 Horwoods, The Brickhills, Woburn)	2
New Constituency	1
Staff Constituencies	Governors
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	Governors
MK CHS/ NHS MK – now CCG	1
Milton Keynes Business Leaders	1
MK Council for Voluntary Organisations	1
Local Authority	1
LINK (Healthwatch)	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 reduced over the last 12 months due to a reduction 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 Constituency	Members
Bletchley and Fenny Stratford, Denbigh, Eaton Manor and Whaddon	1,225
Emerson Valley, Furzton, Loughton Park	886
Linford South, Bradwell, Campbell Park	939
Hanslope Park, Olney, Sherington, Newport Pagnell North, Newport Pagnell South, Linford North	735
Walton Park, Danesborough, Middleton, Woughton	943
Stantonbury, Stony Stratford, Wolverton	870
Outer catchment area: - (Buckingham, Winslow, Leighton Buzzard, Linslade, Woburn Sands, Hanslope, Old Stratford, Beachampton, The Horwoods, The Brickhills, Woburn)	483
Extended catchment area	96
<b>Total</b>	<b>6,177</b>

The Trust currently has 6177 public members 2948 staff members on its membership register. The total membership is therefore 9125.

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 Communications Team and Trust Secretary. Additionally, some of the Trust’s Governors have been very active in assisting to recruit new members. Initiatives undertaken during 2012/13 include:

- Membership promotion at local public events e.g. Feel good Friday in November 2012
- Procedures in place for dealing with applications for membership - including freepost address, dedicated membership office telephone number, email and web links
- Leaflet distribution
- Engagement and Membership Manager visiting local GP Practice groups and attending LINK:MK (Healthwatch) events
- Trust website and local media
- Improved communications for members, including Members Matter
- Established two-way feedback systems, so that staff and community members have appropriate channels to feedback their ideas concerns, raise issues and ask questions
- Securing discounts for members on a wide range of goods and services that are offered to NHS staff

- Negotiating with local businesses for discounts for staff, volunteers and members.
- Demonstrating the value of membership through publicising events for members
- Encouraging members to bring their friends and family to these events and becoming members too
- A series of talks to local secondary schools delivered and led by the Membership Manager
- Local schools and colleges have helped to encourage 14 + students to get involved with the hospital and we have distributed information to students via newsletters and presentations
- Articles about membership and opportunities to engage with the Trust have been published in newsletters for stakeholders, school newsletters and in publications sent out to various local organisations
- Membership promoted at designated points throughout the Trust, including reception areas (though leaflets and posters), patient experience team and voluntary services.

### Engaging young people

Historically the Trust has struggled to recruit young members, with currently only 300 members aged 25 or younger (approximately 4.4 %). The Trust (with funding from The Health Foundation) was involved with an engagement event “Feel Good Friday” in November 2012 to help raise the profile of the hospital amongst young people, encourage engagement and membership and promote healthy lifestyles and activities. The Milton Keynes Health and Wellbeing Strategy was launched at the event. Local schools took part in the “Touch of Pink” fashion show, supported by one of the Trust’s volunteers and promoted membership and the Healthcare MK current appeal.

### 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 Link to Health event and other local events.

### 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

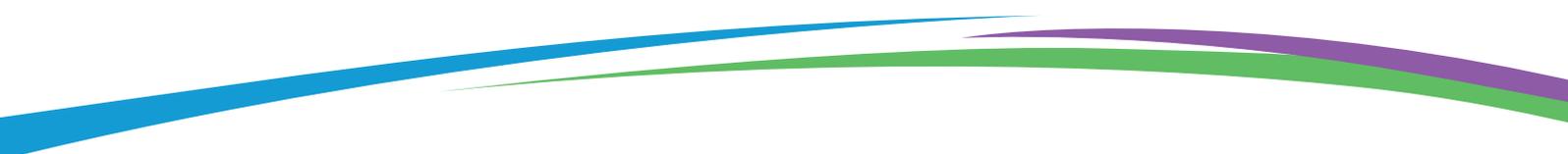
Anyone wishing to contact our Council of Governors or Directors, or enquire about becoming a member, can do so in writing or by using a dedicated membership email address ([foundation.members@mkhospital.nhs.uk](mailto:foundation.members@mkhospital.nhs.uk)). Contact can also be made directly by telephoning the Membership Office on 01908 243300.

Anyone wishing to contact a Governor can do so via email or writing to the Trust Secretary ([Michelle.evans-riches@mkhospital.nhs.uk](mailto:Michelle.evans-riches@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 Hospital NHS Foundation Trust, Standing Way, Eaglestone, Milton Keynes, Buckinghamshire, MK6 5LD.



**We CARE**



# Section 7

## Financial Review

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Section 7

## Financial Review

### Income and expenditure

The Trust's financial position and end of year accounts are detailed in the Summary Financial Statements on pages 7-10 of the annual accounts. The accounts are prepared under International Financial Reporting Standards and HM Treasury's Financial Reporting Standards

Financial headlines for 2012-13 were:

- Total income of £162.5m, a decrease of £1.0m, 0.6%, reduction on the previous year
- Income from activities was up by £0.7m, 0.5%, at £151.1m
- Retained deficit for year increased to £8.8m from £4.3 the prior year
- The Trust did not comply with the Prudential Borrowing Code due to the in year deficit position
- Against Monitor's Financial Risk Rating, the Trust scored '1', in a scale of '1'-'5', where '5' is the highest performance rating, indicating the lowest level of financial risk.

Monitor Financial Risk Rating for the year ending 31 March 2013

Metric	FY12	FY13			
		Plan	Actual	Variance	Rating
Underlying performance EBITDA	2.0	3.0	2.0	1.0	2
Achievement of plan – EBITDA %	68.2	68.2	24.5	43.7	1
<b>FINANCIAL EFFICIENCY</b>					
Return on assets	(4.6%)	0.3%	(5.8%)	(5.5%)	1
Surplus margin %	(2.7%)	0.3%	(4.9%)	(4.6%)	1
Liquidity (Days)	(11.4)	16.2	(17.5)	(17.5)	1

## Statement of Comprehensive Income

The table below summarises the Trust's actual performance for 2012/13 against plan and the previous year. The Trust recorded a retained deficit of £8.8m for the year ending 31 March 2013.

£m	FY12 Actual	FY13		
		Plan	Actual	Variance
Income	163.5	161.7	162.5	0.8
Expenses	(163.3)	(157.8)	(166.4)	(8.6)
Operating surplus	0.2	3.9	(3.9)	(7.8)
Finance costs	(4.5)	(4.9)	(4.9)	0.0
Retained surplus/(deficit)	(4.3)	(1.0)	(8.8)	(7.8)

## 2012/13 Statement of Comprehensive Income Summary

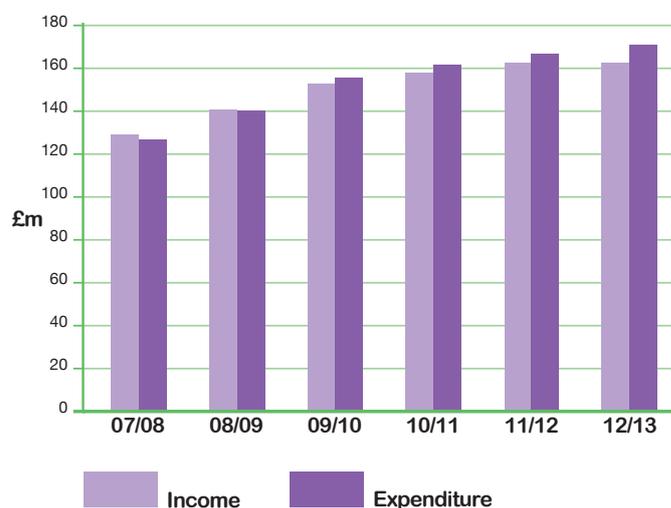
Total income was £162.5m, a decrease of £1.0 (0.6%) on the prior year, but £0.8m above plan:

- Income from clinical activities was £151.1m, £2m (1.3%) ahead of plan principally driven by:
  - Out-patients activity £1.5m
  - A&E activity £0.5m
- Income from other activities reduced by £1.7m on the previous year, £2.1m of this relates to the non-recurrent government grant income that was received in the prior year, with the small increases seen across a variety of areas.

Operating expenses rose by £3.1m (1.9%) on the previous year at £163.3m, an £8.6m adverse variance against plan. The principal drivers of the adverse performance to plan were:

- £4m of the targeted Transformation Programme benefit was not delivered in-year
- Additional unfunded bed capacity put in place to address high volumes and length of stay of emergency activity. Reflected in spend on Agency staffing in year of £7.7m

The chart below shows the income and expenditure over the 6-year period from April 2007 to March 2013.



### Cash flow and net debt

The Trust's cash and cash equivalents at 31 March 2013 was £0.6m, a decrease of £1.0m in-year, driven by:

- The in year deficit of £8.8m was offset by
- £3.8m improvement in working capital, with a £2.4m increase in other payables for Tax and NI which will be paid in FY14 as it becomes due and the remainder an £1.4m increase in other trade creditors
- £4m of PDC funding

Three-year cash balances and gearing ratios

	FY09	FY10	FY11	FY12	FY13
Cash (£m)	3.2	4.7	9.0	1.6	0.6
Gearing ratio (%)	4.7	5.0	8.9	7.4	8.0

The Trust's gearing ratio increased by 0.6% compared to the prior year, which was due to the increased deficit reducing the total assets employed.

The Trust's liquidity ratio (Monitor's Financial Risk Rating) fell from (11.4 days) at 31 March 2012 to (17.5 days) at 31 March 2013, driven directly by the reduction in cash, as fact that the Trust does not have a Working Capital Facility in place.

### Return on invested capital

Return on assets was(5.8%), a slight deterioration of 1.2%, compared to (4.6%) in the prior year.

### Total assets employed

Total assets employed decreased by £4.9m (3.7%) to £126.9m. This is due to the movement in the deficit which is offset by increased Public Dividend Capital.

Total Assets Employed:

£m	FY12	FY13
Non-Current Assets	145.4	142.5
Current Assets	10.2	10.4
Current Liabilities	(13.3)	(15.9)
Non-Current Liabilities	(10.5)	(10.1)
<b>Total Net Assets Employed</b>	<b>131.8</b>	<b>126.9</b>

Other material movements in Total Assets include:

- Non Current assets have reduction by £2.9m, which reflects a reduction in expenditure on capital assets compared to the level of depreciation.
- Current Assets have increased by £0.2m, the in year cash reduction of £1.0m has been offset by a £0.5m increased in inventories in year and £0.7m increase in trade receivables.
- Current liabilities have increased by £2.6 due to the Tax, NI and pension costs for March not being paid until April, unlike the previous year when these were paid in year early as a one off only for that period.
- Non-Current Liabilities have reduced by £0.4m which reflects the trust paying back its long term loan in year.

## Capital expenditure

Total levels of capital spend in 2012/13 was £3.2m with material schemes being clinical and environmental improvements made to the Endoscopy department which provided additional clinical areas, along with the creation of a sub-acute ward. The Trust also invested in a number of clinical information systems to ensure that the Trust could be supported in its operational requirements; these included a new radiology information system, E prescribing and E rostering systems.

## Asset valuations

### Land and buildings

In accordance with International Accounting Standards, a full valuation is carried out on the Trusts land and buildings every five years, with an interim valuation after three years. The valuations are performed by members of the Royal Institute of Chartered Surveyors. A desktop valuation was performed by the District Valuer in March 2011 and the Trust has not had any significant changes to its land and building so did not have an asset revaluation in year. The situation will be reviewed during FY14.

### Plant and equipment

The value of plant and equipment is carried at depreciated historic cost as this is not considered to be materially different from fair value.

### Prudential Borrowing Limit and Code

A Prudential Borrowing Limit of £29.4 m was set for the Trust by the regulator Monitor in 2012/13; an increase of £0.2m on the previous year. The Trust is currently utilising £10.1m through:

- £7.0m - A variety of finance leases, including the £5.4m accommodation lease
- £3.1m Treasury loan for IT systems

The Trust is not compliant with the Prudential Borrowing Code as it has breached the minimum dividend cover due to its in year deficit position.

### Prudential Borrowing Code Ratios

Ratio Description	Definition	FY13 M12 Ratio %	Monitor Threshold
Minimum dividend cover	The amount of income available to make the annual PDC dividend payment annually.	0.35	Must be greater than 1
Minimum interest cover	The amount of income available to make interest payments after all operating and non operating income and expenses (including PDC payment), expressed as a ratio to.	4.27	Must be greater than 3
Minimum debt service cover	The amount of income available as a ratio to the amount of cash the Trust has to set aside every year to make payments of interest and principal on its outstanding loans.	2.20	Must be greater than 2
Maximum debt service to revenue	Percentage of cash the Trust has to set aside every year to make payments of interest and principal on its outstanding loans to amount of income available	0.57	Must be less than 2.5%

## Monitoring Trust performance

Monitor uses four criteria to assess the Trust's financial risk rating:

- underlying financial performance
- achievement of financial plan
- financial efficiency
- liquidity

At the end of the year, the Trust achieved a financial risk rating of one, in a range from one to five where five is the best performance. This rating is reflective of the Trust's current deficit position and that there is no working capital facility in place.

### Accounting policies

The accounts have been prepared in accordance with guidance issued by Monitor, and in line with IFRS (International Financial Reporting Standards).

### Financial risk management

The Trust's financial instruments, and risk thereof, are described on page 43 of the Financial Statements (note 24 Financial Instruments). The Trust continued to only use 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 Transformation Programme is core to the success of the Trust, while improving the quality of services and the safety of patients paramount. This programme requires a challenging but realistic financial saving to be realised, and performance improvement delivered.
- The Department of Health, with support from Monitor, has provided Public Dividend Capital to fund the Trust's working capital position whilst the future strategic solution for the Trust is finalised. This support is integral to the short-term viability of the Trust.

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 (Section 7, Financial Statements) and Annual Governance Statement (page 74)

### Political and charitable donations

There have been no political donations made to 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.

### Audit information

As far as the Directors are aware, there is no relevant audit information that the auditors are unaware of. The Directors have taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### 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, 2013.

### Better Payments Practice Code

The Trust uses the Better Payments Practice Code with regards to paying creditors and due to its in year deficit position achieved a rate of 24% in the year ending 31 March, 2013. The Trust also paid £3k 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 on page 14 of the Financial Statements (note 1.5 Pension costs) and the arrangements for senior employees' remuneration can be found on pages 139 to 140.

## Income Disclosure

Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The Trust can confirm that it has met this requirement for the financial period ended 31st March 2013.

### External audit services

The NHS Foundation Trust's changed its external auditors for 2012/13 to Deloitte LLP through a competitive tendering process and during the year the early part of FY12/13, Grant Thornton undertook some final advisory work relating to the statutory accounts.

### The external auditor's remuneration

The total cost of statutory audit services for the year 2012/13 was £86,000 (including VAT), including the Quality Accounts audit and Value for Money exercise.

The Trust also used Deloitte for additional assurance work in respect in support of the Taxation advice and Board evaluation and development work. This was at a cost of £72,000 (including VAT).

In instances where the external auditors are used for work other than external audits, the Council of Governors approve this and the Audit Committee is also informed, to ensure independence is maintained.

### Management of risks and outlook

The outlook is increasingly challenging for the Trust as with all public sector organisations. It is recognised that in the medium to long-term future the Trust will need to advance a strategic solution which enables the organisation to be financially and operationally successful on an ongoing basis. In the immediate sense, both local and national bodies are fully engaged and supportive of providing the necessary resources and time to ensure the Trust is able to deliver the right strategic outcome.

In the short-term the Trust has developed a Transformation Programme to enable it to achieve its key financial targets in 2013/14. Strategic options for the medium-term continue to be developed which primarily revolve around opportunities for organisational reconfiguration with other providers.

### Risks and uncertainties

The Trust has undertaken a review of the Trust Risk Register and Board Assurance Framework to eradicate duplication, ensure the risk descriptions are accurate and to update actions required to close gaps in control. As a result the Trust Board's three highest Risks are:

1. Provision of Defibrillators – due to a Serious Incident (SI) the provision of Defibrillators was escalated appropriately to the Trust Board. The Defibrillators have all been reviewed and replacements have been obtained. These are being installed during June 2013
2. Patient information systems – Due to the contract regarding Electronic Patient Record coming to an end the Trust is seeking an alternative provider. This has a significant clinical and financial impact for the Trust therefore it is included on the Board Assurance Framework.
3. Fit for Purpose Emergency Department – the Trust has continued to work on plans for an improved Emergency Department facility and the Trust Board has considered a Strategic Outline Business Case. Sources of finance for the scheme are being identified and it is planned that a more detailed plan is brought back to the Trust Board in 2013/14.

The key risks are being actively managed and the details of the mitigating actions being undertaken is included in the Annual Governance Statement

### Regulatory Ratings

As with all foundation trusts, Milton Keynes Hospital NHS Foundation Trust is regulated by Monitor, the independent regulator of foundation trusts. The Trust Board and senior management team have continued to rigorously monitor performance on a monthly basis and where necessary take additional action to ensure that the Trust met its performance targets. The Trust completes a self-declaration of compliance with Monitor's regulatory regime for finance and governance on a quarterly basis, and the results are set out in the table below.

	2011-12					2012-13				
	Annual Plan	Q1	Q2	Q3	Q4	Annual Plan	Q1	Q2	Q3	Q4
Financial risk rating	2	1	1	1	2	3	1	2	1	1
Governance risk rating	G	R	R	R	G	G	R	R	R	R

### Going Concern Statement

A statement of the Going Concern is included in the Annual Accounts section 1.1

# Milton Keynes Hospitals NHS Foundation Trust



## Accounts

### Year Ended 31 March 2013

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

## 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 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.**

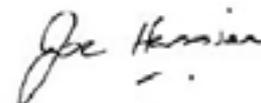
Under the National Health Service Act 2006, Monitor has directed Milton Keynes Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and 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; 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: 29 MAY 2013

## Independent Auditor's Report to the Board of Governors and Board of Directors of Milton Keynes Hospital NHS Foundation Trust

**We have audited the financial statements of Milton Keynes Hospital NHS Foundation Trust for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Taxpayers Equity and the related notes 1 to 25. 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.**

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.

### 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 of NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### 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.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 March 2013 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.

### Opinion on other matter[s] prescribed by the National Health Service Act 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Emphasis of matter - going concern

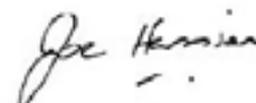
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in Note 1 Section 1.1 of the financial statements concerning the material uncertainty as to the continuation of the entity in its present form and the financial risks facing the Trust in the foreseeable future. The matters described in Note 1 Section 1.1 of the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

# Foreword To The Accounts

**Milton Keynes Hospital  
NHS Foundation Trust**

**Milton Keynes Hospital  
NHS Foundation Trust  
("the Trust") acts as  
an acute Hospital for  
Milton Keynes.**

**These accounts for  
the year ended 31  
March 2013 have been  
prepared by Milton  
Keynes Hospital NHS  
Foundation Trust  
in accordance with  
paragraphs 24 and 25  
of Schedule 7  
to the 2006 Act.**



**Joe Harrison**  
CHIEF EXECUTIVE  
DATE: 29 MAY 2013

## **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.

The Trust's Annual Governance Statement describes:

- the risks to the Trust in respect of its financial performance in 2012/13 and plan for 2013/14 and the Monitor financial risk rating as at 31 March 2013; and
- findings from reviews of the Trust performed in 2012/13 by the Care Quality Commission and an independent review of the Trust's Board Governance arrangements.

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us 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. 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;
- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

## **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 the Audit Code for NHS Foundation Trusts.

**Heather Bygrave**  
(SENIOR STATUTORY AUDITOR)

**FOR AND ON BEHALF OF DELOITTE LLP  
CHARTERED ACCOUNTANTS  
AND STATUTORY AUDITOR  
ST ALBANS, UNITED KINGDOM**

**29 MAY 2013**

## Statement of Comprehensive Income For The Year ended 31 March 2013

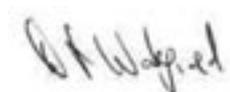
	Note	2012 / 13 £000	2011 / 12 £000
Operating Income from continuing operations	2.2	162,506	163,456
Operating Expenses of continuing operations	3.1	(166,395)	(163,313)
<b>OPERATING (DEFICIT) / SURPLUS</b>		<b>(3,889)</b>	<b>143</b>
<b>FINANCE COSTS</b>			
Finance income	6.1	20	30
Finance expense - financial liabilities	6.2	(582)	(547)
Finance expense - unwinding of discount on provisions		(8)	(11)
PDC Dividends payable		(4,380)	(3,922)
<b>NET FINANCE COSTS</b>		<b>(4,950)</b>	<b>(4,450)</b>
<b>(DEFICIT) FOR THE YEAR</b>		<b>(8,839)</b>	<b>(4,307)</b>
<b>TOTAL COMPREHENSIVE (DEFICIT) FOR THE YEAR</b>		<b>(8,839)</b>	<b>(4,307)</b>

The notes to the accounts are on page 10

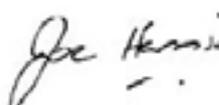
## Statement of Financial Position as at 31 March 2013

	Note	31 March 2013 £000	31 March 2012 £000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	7.1	4,218	4,189
Property, plant and equipment	8.1	137,515	140,367
Trade and other receivables	11	814	809
<b>TOTAL NON-CURRENT ASSETS</b>		<b>142,547</b>	<b>145,365</b>
<b>CURRENT ASSETS</b>			
Inventories	10	2,229	1,688
Trade and other receivables	11	7,522	6,904
Cash and cash equivalents	18	640	1,583
<b>TOTAL CURRENT ASSETS</b>		<b>10,391</b>	<b>10,175</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	(11,937)	(12,044)
Borrowings	13	(782)	(770)
Provisions	16	(141)	(194)
Tax Payable	12.1	(2,422)	(25)
Other liabilities	12.2	(619)	(258)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(15,901)</b>	<b>(13,291)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>137,037</b>	<b>142,249</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	(9,330)	(10,112)
Provisions	16	(761)	(352)
Other liabilities	12.2	0	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(10,091)</b>	<b>(10,464)</b>
<b>TOTAL ASSETS EMPLOYED</b>		<b>126,946</b>	<b>131,785</b>
<b>FINANCED BY (TAXPAYERS' EQUITY)</b>			
Public Dividend Capital		75,821	71,821
Revaluation reserve	17	55,214	55,214
Income and expenditure reserve		(4,089)	4,750
<b>TOTAL (TAXPAYERS' EQUITY)</b>		<b>126,946</b>	<b>131,785</b>

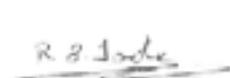
The financial Statement and notes on pages 122-155 were approved by the Board on 29 May 2013 and signed on its behalf by:



**David Wakefield**  
CHAIRMAN



**Joe Harrison**  
CHIEF EXECUTIVE



**Robert D Toole**  
INTERIM DIRECTOR OF FINANCE

## Statement of Changes in Taxpayers' Equity for the Year ended 31 March 2013

	Public Dividend Capital	Revaluation Reserve	Donated Asset Reserve	Income & Expenditure Reserve	Total
	£000	£000	£000	£000	£000
<b>TAXPAYERS' EQUITY AT 1 APRIL 2012</b>	<b>71,821</b>	<b>55,214</b>	<b>0</b>	<b>4,750</b>	<b>131,785</b>
(deficit) for the year	0	0	0	(8,839)	(8,839)
Transfers between reserves	0	0	0	0	0
Public Dividend Capital received	4,000	0	0	0	4,000
Other reserve movements	0	0	0	0	0
<b>TAXPAYERS' EQUITY AT 31 MARCH 2013</b>	<b>75,821</b>	<b>55,214</b>	<b>0</b>	<b>(4,089)</b>	<b>126,946</b>
<b>TAXPAYERS' EQUITY AT 1 APRIL 2011</b>	<b>66,821</b>	<b>55,220</b>	<b>0</b>	<b>9,073</b>	<b>131,114</b>
(deficit) for the year	0	0	0	(4,307)	(4,307)
Transfers between reserves	0	(13)	0	(16)	(29)
Public Dividend Capital received	5,000	0	0	0	5,000
Other reserve movements	0	7	0	0	7
<b>TAXPAYERS' EQUITY AT 31 MARCH 2012</b>	<b>71,821</b>	<b>55,214</b>	<b>0</b>	<b>4,750</b>	<b>131,785</b>

## Statement of Cash Flows for the Year ended 31 March 2013

	2012 / 2013 £000	2011 / 2012 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (deficit) / surplus from continuing operations	(3,889)	143
<b>OPERATING (DEFICIT) / SURPLUS</b>	<b>(3,889)</b>	<b>143</b>
<b>NON-CASH INCOME AND EXPENSE</b>		
Depreciation and amortisation	6,006	6,301
Impairments	4	0
Interest accrued and not paid	(5)	(15)
Dividends accrued and not paid or received	26	(106)
(Increase) / Decrease in Trade and Other Receivables	(623)	(1,221)
(Increase) / Decrease in Inventories	(541)	232
(Increase) / Decrease in Trade and Other Payables	2,290	(4,738)
(Increase) / Decrease in Other Liabilities	361	(2,535)
(Increase) / Decrease in Provisions	356	(60)
Other movements in operating cash flows	0	17
<b>NET CASH GENERATED FROM / (USED IN) OPERATIONS</b>	<b>3,985</b>	<b>(1,982)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	20	30
Purchase of intangible assets	(728)	(2,147)
Purchase of Property, Plant and Equipment	(2,459)	(4,035)
<b>NET CASH GENERATED (USED IN) INVESTING ACTIVITIES</b>	<b>(3,167)</b>	<b>(6,152)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
PDC received	4,000	5,000
Loans received	0	0
Loans repaid to the Foundation Trust Financing Facility	(445)	(445)
Other capital receipts	58	0
Capital element of finance lease rental payments	(324)	511
Interest paid	(109)	(121)
Interest element of finance lease	(473)	(426)
PDC Dividend paid	(4,512)	(3,824)
Cash flows from (used in) other financing activities	44	(11)
<b>NET CASH GENERATED (USED IN) / FROM FINANCING ACTIVITIES</b>	<b>(1,761)</b>	<b>684</b>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(943)</b>	<b>(7,450)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>	<b>1,583</b>	<b>9,033</b>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>640</b>	<b>1,583</b>

# Notes to the accounts

## 1. Accounting policies and other information

These accounts for the year ended 31 March 2013 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 Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2012/13 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. Charitable funds have not been included in these accounts.

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.

### 1.1 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 those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current 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.

The most significant estimate within the account is the value of land and buildings. The land and buildings have been valued by the district valuer on a modern equivalent asset basis as at 31st March 2012. 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.

In order to report within government guidelines, the value of patient care activity for the year ended 31st March 2013 has been estimated based on data available as at 1st April 2013.

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.

Assumptions around the timing of cash flows relating to provisions are based on information from the NHS Pensions Agency, external legal advisors reading when the legal issues may be settled.

#### 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 period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimations as to the recoverability of receivables and the valuation of inventories has been made in determining the carrying amounts of these assets, no significant variations are expected.

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.

#### Basis of accounting – going concern

IAS 1 requires the management to undertake an assessment of the NHS Foundation's Trusts 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 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 Trust has prepared its financial plans and cash flow forecasts on the assumption that adequate funding will be received from Milton Keynes CCG (contractual income/QIPP transformation support), and through the Department of Health / Monitor (public dividend capital/transition funding). These are expected to be sufficient to

prevent the Trust from failing to meet its obligations as they fall due and to continue until adequate plans are in place to achieve financial sustainability for the Trust. However, the Directors have identified that there is a material uncertainty 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.

The current economic environment for all NHS and NHS Foundation Trusts is challenging with on-going internal efficiency gains necessary due to annual tariff (price) reductions; 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 £(8.8)m for the year ended 31 March 2013. The Directors consider that the outlook presents significant challenges in terms of cash-flow for the reasons outlined above, including planned reductions in activity commissioned from the Trust and the need to reduce the underlying cost base of the Trust to continuously align capacity and demand.

The Trust has secured £5.1m of (Public Dividend Capital "PDC") funding to support the Trust financial revenue position in early 2013/14 and is in further discussions with Monitor/DH to ensure further in-year requirements are fully supported. This funding will be required to support the Trust's working capital requirements for the duration of the financial year whilst the internal savings plan is embedded and organisational realignment discussions are concluded. Provided the Trust is in receipt of these funds the Trust should continue to remain a going concern.

The 3-year financial plan indicates a need to improve the Financial Risk Rating to an FRR of 3 from the current and historical FRR rating of 1 in order to enable a commercial working capital facility to be secured. Positive cash balances are likely to be maintained throughout the period through successfully securing commitments to necessary funding from external bodies (DH/Monitor) and a contract quantum for 2013/14 with the lead commissioner Milton Keynes Clinical Commissioning Group ("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 for 2013/14 which shows a minimum level of headroom of £1.6m. There is a level of uncertainty over whether the Trust will receive an additional £7.0m of PDC/loan income and £4.0m of transition/restructuring income required to meet its financial obligations in 2013/14. The Trust has however developed its financial plan for 2013/14 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 improvement plan of £8m in 2013/14 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. There is uncertainty over the level of income that the Trust will receive in 2013/14 through its national NHS Acute contract with its Commissioners. This is because negotiations are on-going and there is currently a gap between the Trust's assumed income and that currently offered by MK CCG. The principal variance is between the Trust's plan and the Commissioner intentions, predicated principally on the delivery of admission avoidance schemes in the community. Although, the Trust recognises the plan by the MKCCG to implement these schemes, past experience is that the implementation has had limited impact on hospital demand and in thus avoiding patient admissions.
4. The level of financial benefit from the Transformation Programme in 2014/15 and 2015/16 reduces. This will likely lead to a further challenge to the Trust financial position without structural change. It is considered that this change will be partly delivered by 1st April 2014 through principally a merger or secondly joint working / other reconfiguration options thus enabling the level of savings to be materially increased. The key merger option is not currently reflected in financial plans, as it is subject to external agreements and regulatory authorities oversight at this stage. The Board remains reasonably confident that this process will be concluded during 2013/14, with external funding support across the year and into future implementation stage probable, thus enabling on-going operations to continue.

There is thus a material uncertainty which may cast significant doubt as to the Trust's ability to continue as a going concern and therefore it 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 e.g. by an insurer. The Trust recognises the Income when it receives notification from the Department of Work and Pension's 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, they 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 staffing, 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 period is recognised in the financial statements.

### Pension costs-NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme (which prepares its own scheme statements) that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

The last full actuarial (funding) valuation for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012, is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 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 liabilities of the pension scheme as at 31st March 2012 was £247.0 billion. The national deficit of the scheme was £3.3 billion as per the last scheme valuation by the Government Actuary for the period 1 April 1999 to 31 March 2004. 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. At the last valuation, it was recommended that

employer contribution rates should continue at 14% of pensionable pay. From 1st April 2012, the tier contributions have changed, the lower limit remains at 5% whilst the upper limit has increased to 10.9% 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.

## 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 and anticipated to have simultaneous disposal dated and are under single managerial control.

Assets will also be capitalised if they form part of the initial set-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost. In accordance with IAS23, borrowing costs directly attributable to the financing of PPE are also capitalised up until all the activities necessary to prepare the asset for its intended use are complete.

### 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 no specialised buildings – Modern equivalent asset basis.  
Specialised buildings – depreciated replacement cost.

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. HM Treasury has agreed that NHS Trusts must apply these new valuations techniques by 1 April 2010 at the latest.

In any event, professional valuations are carried out every five years, together with a three year interim/desk top valuations. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Standards Manual. The last full asset valuation was undertaken as at 1 April 2009 and a desktop valuation was undertaken in 2012 as at the prospective valuation date of 31 March 2012. These valuations are based on a standard approach to depreciated replacement cost on a modern equivalent assets (no alternative site) for buildings which qualify as a specialised operational property asset which is consistent with IAS16. Non specialised operational property, including land, are assessed at existing use value whilst non operational property, including surplus land are valued on the basis of market value. The valuation was undertaken by a RICS qualified valuer from District Valuer Services, South East Valuation Office Agency.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. 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 costs, based on indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over the remaining useful economic life and new assets carried at depreciated historic cost, unless this is considered to be materially different from fair value due to significant volatility in asset values.

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

## 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 lives fall into the following ranges;

Asset Category	Estimated life (in years)
Plant and Machinery	5 to 20 years
Transport Equipment	7 years
Information Technology	2 to 8 years
Furniture and Fittings	5 to 10 years

Where a large asset, for example a building, includes a number of components with significantly different lives e.g. plant and equipment, then these components are treated as separate assets and are depreciated over their own useful economic lives.

## Revaluation

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 FTARM, impairments that are due to a loss of economic benefits 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 arising from a loss 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 if would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains. Where impairment arises from a clear consumption of economic value, this is taken in full to operating expenses.

## De-recognition

Assets intended for disposal, are reclassified as 'Held for sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable; 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 plan indicate it is unlikely that the plan 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 goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised and recognised as an operating expense in the period that it is incurred.

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.

### Intangible assets are amortised over the following estimated lives:

Asset Category	Estimated life (in years)
Purchased computer software	2 to 8 years
Internally Generated IT	2 to 8 years

### 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 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.

## 1.8 Donated, government grant and other grant funded assets

Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provisions 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 Assets

### Recognition

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.

### De-recognition

Financial assets are derecognised when the rights to received cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

### Classification

The Trust has the following categories of financial assets;

- Receivables.

The classification depends on the nature and purpose of the financial asset which is determined at the time of initial recognition.

Receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's receivables comprise of; cash and cash equivalents, NHS debtors, accrued income and other debtors.

## Measurement

Financial assets 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 exactly 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.

At the Statement of Financial Position date, the Trust assesses whether any financial assets 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. 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 Liabilities

### Recognition

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

Financial liabilities are de-recognised when the obligations are discharged, cancelled or expire.

### Measurement

Financial liabilities are initially recognised 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 balance sheet date, which are classified as long-term liabilities.

The Trust's other financial liabilities comprise of FTFF Loan, NHS creditors, accruals and other trade creditors.

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.

## 1.12 Liquidity Risk

The Trust's net operating costs are mainly incurred under legally binding contracts with local Primary Care Trusts, which are financed from resources voted annually by Parliament. Under Payment by Results the Trust is paid for activity on the basis on nationally set tariffs. For contracted activity the trust is paid in 12 monthly instalments through the year which has in the latter part of the year included monthly payments for activity over contracted levels. This has reduced the liquidity risk. However the impact of the Trust's ability to meet its in year Cost Reductions Programme and the fact that the Trust does not have working capital facility due to its current risk rating increased the Trusts liquidity risk.

## 1.13 Market Risk

### Interest –rate risk

All of the Trusts financial liabilities carry nil or fixed rates of interest. Therefore 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.

## 1.14 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 plant and equipment and are 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.

## 1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount at the balance sheet 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 injury benefit provisions and pensions is at a rate of 2.35 % in real terms is applied.

## 1.16 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.

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.

## 1.17 Contingencies

### Recognition

Contingent assets are assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control. They are not recognised as assets, but are disclosed where an inflow of economic benefits is probable.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control ; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

## 1.18 Public Dividend Capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the original NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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) cash held with Government Banking Service and any (iii) PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health, 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. Average relevant net assets are calculated as a simple means of opening and closing relevant net assets.

### 1.19 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.20 Corporation Tax

The Trust does not foresee that it will have any material commercial activities on which corporate tax liability will arise under the guidance issues by HM Revenue and Customs.

### 1.21 Foreign Exchange

The functional and presentational currencies of the trust are sterling. A transaction which is denominated in a foreign currency is translated into sterling at the exchange rate ruling on the dates of the transaction. Resulting exchange gains and losses are taken to the Statement of Comprehensive Income.

### 1.22 Third Party Assets

Assets belonging to third parties, such as money held on behalf of patients, are not recognised in the accounts since the Trust does not have any beneficial interest in them.

### 1.23 Losses and Special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure. The information for losses and special payments is compiled directly from the losses and special payments register.

### 1.24 Accounting Standards that have been issued but have not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the IASB and IFRIC but are not yet required to be adopted.

**IFRS 7 FINANCIAL INSTRUMENTS: DISCLOSURES** is an amendment on enhancing disclosures about transfers of financial assets. It requires certain disclosures to be presented by category of instrument based on the IAS 39 measurement categories. Certain other disclosures are required by class of financial instrument. For those disclosures an entity must group its financial instruments into classes of similar instruments as appropriate to the nature of the information. The two main categories of disclosures required by IFRS 7 are information about the significance of financial instruments and information about the nature and extent of risks arising from financial instruments. The impact of this change will allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The trust will need to ensure that it complies with these additional disclosure requirements. The effective date is 2013/14.

**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 has been revised to 2015/16.

**IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS** replaces parts of IAS 27 that address how and when an investor should prepare consolidated financial statements and replaces SIC 12 in its entirety. The objective of IFRS 10 is to have a single basis for consolidation for all entities, regardless of the nature of the investee, and that basis is control. The impact of this standard is consistency on consolidation decisions. This standard could have an impact if the Trust in the future takes controls of another entity. It will need to ensure that it complies with all the requirements of this standard and produces consolidated statements. The effective date is 2014/15.

**IFRS 11 JOINT ARRANGEMENTS** replaces IAS 31 – Interests in Joint Ventures and SIC 13 – Jointly Controlled Entities. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The impact of this standard is that the trust will need to consider if the arrangement with the Urgent Care Centre is a joint venture or a joint operation to ensure correct accounting treatment for these different types of arrangements. The effective date is 2013/14

**IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES.**

The new standard sets out the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The impact of this new statement is that the Trust will need to disclose additional information relating to any joint arrangements such as the Urgent Care Centre that will enable users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The effective date is 2013/14.

**IFRS 13 FAIR VALUE MEASUREMENT** This standard defines fair value, provides guidance on its determination and introduces consistent requirements for its disclosures on fair value measurements. The standard does not include requirements on when fair value measurement is required; it prescribes how fair value is to be measured if another standard requires it. The impact of the standard is to increase consistency and comparability in fair value measurements and related disclosures through a 'fair value hierarchy'. The Trust will review its valuation of assets and liabilities to ensure that they comply with this standard. The effective date is 2013/14

**IAS 1 PRESENTATION OF FINANCIAL STATEMENTS.**

The amendments to IAS 1 Presentation of Financial Statements require companies preparing financial statements in accordance with IFRSs to group together items within Other Comprehensive Income that may be reclassified to the profit or loss section of the income statement. The Trust currently presents this as a single statement so there will be minimal impact on the Trust. The effective date is 2013/14.

**IAS 12 INCOME TAX AMENDMENT.** This relates to the treatment of all tax balances, both current and deferred, where these taxes are based on taxable profits (income taxes). The main changes relate to the calculation of deferred tax and of Underlying Assets (Amendments to IAS 12) and provides a practical solution to the application of these requirements in relation to investment property under IAS 40 Investment Property, introducing a presumption that recovery of the carrying amount of an investment property will normally be through sale. Currently this does not impact on the Trust as it has not been adopted by the NHS. The effective date was 2012/13 but not adopted by the NHS.

**IAS 19 (REVISED 2011) EMPLOYEE BENEFITS.** This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The impact on this is the Trust will need to comply with the additional disclosure requirements. The effective date is 2013/14.

**IAS 27 SEPARATE FINANCIAL STATEMENTS** Consolidation requirements previously forming part of IAS 27 (2008) have been revised and are now contained in IFRS 10 Consolidated Financial Statements. Please refer to IFRS 10 as above for further information. The effective date 2013/14.

**IAS 28 ASSOCIATES AND JOINT VENTURES** The objective of IAS 28 (as amended in 2011) is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. It applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). The Trust will review this in light of its arrangements with the Urgent Care Centre. The effective date is 2013/14.

**IAS 32 FINANCIAL INSTRUMENTS.** It outlines the accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The standard also provides guidance on the classification of related interest, dividends and gains/losses, and when financial assets and financial liabilities can be offset. The Trust will review its financial instruments in light of the new classifications. Its effective date is 2014/15.

There are other new standards which exist but these are deemed not to be relevant to the NHS. The directors do not expect that the adoption of these standards and interpretations will have a material impact on the financial statements in future periods. All other revised and new standards have not been listed here as they are not considered to have an impact on the Trust.

## 2. Operating Income

IFRS 8 requires the disclosure of results of significant operating segments, the Trust considers that it only has one operating segment, Healthcare.

### 2.1 Operating Income

	2012/13 £000	2011/12 £000
Mandatory Services	148,527	146,288

The Trust's mandatory services is the total income from activities excluding private patient's income and non-protected clinical income. Mandatory services are protected from closure without prior agreement from commissioning bodies.

### 2.2 Operating Income (by classification)

	2012/13 £000	2011/12 £000
<b>INCOME FROM ACTIVITIES</b>		
Elective income	24,858	23,651
Non elective income	55,826	52,840
Outpatient income	29,173	29,128
A&E income	7,807	7,289
Other NHS clinical income	30,864	33,382
Private patient income	779	451
Other non-protected clinical income	1,833	3,678
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>151,139</b>	<b>150,417</b>
<b>OTHER OPERATING INCOME</b>		
Research and development	458	396
Education and training	3,945	3,952
Received from NHS charities :		
Receipt of grants / donations for capital acquisitions -	59	0
Donation (ie receipt of donated asset)		
Non-patient care services to other bodies	800	679
Car Parking	1,211	1,033
Staff accommodation rentals	873	778
Catering	689	558
Property rentals	86	35
Income in respect of staff costs where accounted on gross basis	0	263
Other	3,246	5,345
<b>TOTAL OTHER OPERATING INCOME</b>	<b>11,367</b>	<b>13,039</b>
<b>TOTAL OPERATING INCOME</b>	<b>162,506</b>	<b>163,456</b>

Other Operating income for the prior year included a non-recurrent government grant income of £2.1m.

### 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. Therefore the private patient income disclosure is no longer required and has been omitted from these accounts.

### 2.4 Other operating income (by Type)

	2012/13 £000	2011/12 £000
<b>INCOME FROM ACTIVITIES</b>		
NHS Foundation Trusts	(3)	2
NHS Trusts	542	2,909
Strategic Health Authorities	(63)	0
Primary Care Trusts	148,495	143,862
Local Authorities	183	125
NHS other	13	2,084
Non NHS : Private patients	779	451
Non NHS : Overseas patients (non-reciprocal)	176	100
NHS Injury Scheme (was RTA)	909	849
Non NHS : Other	108	35
<b>TOTAL INCOME FROM ACTIVITIES</b>	<b>151,139</b>	<b>144,185</b>

### 3. Operating expenses

#### 3.1 Operating expenses (by Type)

	2012/13 £000	2011/12 £000
<b>OPERATING EXPENSES COMPRISE :</b>		
Services from NHS Foundation Trusts	300	241
Services from NHS Trusts	1,736	2,349
Services from PCTs	584	54
Services from other NHS Bodies	120	85
Purchase of healthcare from non NHS Bodies	1,144	953
Employee Expenses - Executive directors	986	699
Employee Expenses - Non-executive directors	133	127
Employee Expenses - Staff	111,296	108,480
Supplies and services - clinical (excl drug costs)	12,911	13,045
Supplies and services - general	2,630	2,627
Establishment	1,170	1,736
Transport	78	88
Premises	5,963	5,850
Increase / (decrease) in provision for impairment of receivables	74	87
Increase / (decrease) in other provisions	0	(59)
Drugs	10,126	9,488
Rentals under operating leases-minimum lease receipts	417	0
Depreciation on property, plant and equipment	5,307	5,797
Amortisation on intangible assets	699	504
Impairments of property, plant and equipment (6.3)	4	0
Audit fees Statutory	86	77
Other auditors remuneration - assurance work	0	26
Other auditors remuneration - other services	72	0
Clinical negligence	4,870	5,175
Loss on disposal of other property, plant and equipment	0	16
Legal fees	385	418
Consultancy costs	1,986	3,062
Training, courses and conferences	448	429
Patient travel	9	8
Car parking & Security	84	83
Redundancy (included in employee expenses)	809	1,443
Hospitality	18	1
Insurance	122	5
Other services, eg external payroll	763	187
Losses, ex gratia & special payments not included in employee expenses	123	15
Other	942	217
<b>TOTAL</b>	<b>166,395</b>	<b>163,313</b>

#### 3.2 Arrangements containing an operating lease

	2012/13 £000	2011/12 £000
Minimum Lease payments in year	417	418
<b>TOTAL</b>	<b>417</b>	<b>418</b>

Operating lease includes rentals for a variety of medical equipment as well as photocopiers and lease cars.

	2012/13 £000	2011/12 £000
Future lease payments	1,615	1,592
<b>TOTAL</b>	<b>1,615</b>	<b>1,592</b>
- not later than one year	532	460
- later than one year and not later than five years	1,083	1,132
- later than five years	0	0
<b>TOTAL</b>	<b>1,615</b>	<b>1,592</b>

#### 4. Staff costs and numbers

	2012/13 £000	2011/12 £000
Salaries and wages	87,083	87,887
Social security costs	7,502	6,763
Pension costs - defined contribution plan		
Employers contribution to NHS Pensions	9,952	9,886
Termination benefits	809	1,443
Agency / contract staff	7,745	4,643
<b>TOTAL</b>	<b>113,091</b>	<b>110,622</b>

These costs exclude those for Non-Executive Directors' remuneration and benefits in kind.

#### 4.1 Average number of persons employed (WTE basis)

	2012/13 £000	2011/12 £000
Medical and dental	312	307
Administration and estates	713	720
Healthcare assistants and other support staff	256	250
Nursing, midwifery and health visiting staff	755	730
Scientific, therapeutic and technical staff	352	352
Bank and agency staff	203	205
<b>TOTAL</b>	<b>2,591</b>	<b>2,564</b>

All numbers shown are based on average whole time equivalents for the twelve months.

#### 4.2 Employee Benefits

There were no employee benefits paid in the year or in the previous financial year.

### 4.3 Salary and pension entitlements of Directors

Name and title	Year Ended 31 March 2013	Year Ended 31 March 2012
	Salary (Bands of £5,000) £	Salary (Bands of £5,000) £
<b>Mark Millar - Left Jan 2013 (Millar Management Associates)</b> Interim Chief Executive Officer *	215 - 220	255 - 260
<b>Joe Harrison- started Feb 2013</b> Chief Executive Officer	25 - 30	N/A
<b>Duncan Smith</b> Director of Finance until Dec 2012 Director of Commercial Development from Dec 2012	95 - 100 30 - 35	125 - 130 N/A
<b>Robert Toole - started Jan 2013 (Penna PLC)</b> Interim Director of Finance *	70 - 75	N/A
<b>Tony Halton - left Sept 2012</b> Director of Nursing	40 - 45	95 - 100
<b>Gillian Prager - started Aug 2012 &amp; left Oct 2012* (Gemp Associates)</b> Interim Director of Nursing	30 - 35	N/A
<b>Lisa Knight - started Oct 2012</b> Director of Patient Care / Chief Nurse	40 - 45	N/A
<b>Maria Wogan - left Dec 2012</b> Director of Corporate Services	35 - 40	70 - 75
<b>Louise Watson - started Oct 2011 &amp; left Nov 2012* (Secondment West Sussex PCT)</b> Director of Commercial Development	75 - 80	50 - 55
<b>Darren Leech - started 19th Dec 2011</b> Chief Operating Officer	110 - 115	25 - 30
<b>Kathy Renacre</b> Director of HR & Workforce Development	90 - 95	90 - 95
<b>Martin Wetherill - from June 2011</b> Medical Director	175 - 180	130 - 135
<b>S Lanzon - Miller (up to June 2011)</b> Medical Director	N/A	10 - 15
<b>David Wakefield - Started 30th April 2011</b> Chairman	45 - 50	40 - 45
<b>Walter Greaves - Left 30th April 2011</b> Chairman	N/A	0 - 5
<b>Graham Anderson</b> Non Executive Director	10 - 15	10 - 15
<b>Kate Robinson</b> Non Executive Director	10 - 15	10 - 15
<b>Penny Emerson - Started 21st Feb 2012</b> Non Executive Director	10 - 15	0 - 5
<b>Robert Green - Started Jan 2013</b> Non Executive Director	0 - 5	N/A
<b>Ian Mackie - Started Feb 2012 &amp; left Dec 2012</b> Non Executive Director	5 - 10	0 - 5
<b>David Moore - Started 21st Feb 2012</b> Non Executive Director	10 -15	0 - 5
<b>Frank Burdett - Started 21st Feb 2012</b> Non Executive Director	10 - 15	0 - 5
<b>Jenny Hawsworth - Left 4th Feb 2012</b> Non Executive Director	N/A	10 - 15
<b>Rita Spade - Left 31st Jan 2012</b> Non Executive Director	N/A	10 - 15
<b>Ann Limb - Left 31st Oct 2011</b> Non Executive Director	N/A	0 - 5
<b>Philip Smith - Left 4th Feb 2012</b> Non Executive Director	N/A	10 - 15

Notes\*The costs associated with these Directors are the total cost, inclusive of VAT, of the professional service provided and includes other costs associated with providing the service.

## 4.4 Highest paid Director Analysis

The Trust's highest paid Director was the Interim Chief Executive and the remuneration costs that have used in the calculation are the banded, full time equivalent annualised total remuneration costs. These costs include a premium relating to Tax, NI and pensions as well as costs associated with providing the professional services of the role.

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.

	2012/13 £000	2011/12 £000
Band of Highest Paid Director's Total Remuneration	325-350	325-330
Median Remuneration	30.1	25.5
<b>RATIO</b>	<b>10.9</b>	<b>12.7</b>

## 4.5 Pension Benefits

There are no Pension Benefits included for the Interim Directors as they are self employed and therefore no Pension information is available. In addition Non executive directors do not receive pensionable remuneration and therefore there are no pension details included. The pension information has been provided by NHS Pensions Agency.

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 31 march 2013 (Bands of £5k) £000	Lump sum at aged 60 accrued pension at 31 march 2013 (Bands of £5k) £000	Cash equivalent transfer value at 31 march 2012 (Bands of £1k) £000	Real increase in Cash equivalent transfer value (Bands of £1k) £000	Cash equivalent transfer value at 31 march 2013 (Bands of £1k) £000
<b>Joe Harrison- started Feb 2013</b> Chief Executive Officer	2.5-5	10-12.5	35-40	105-110	474	65	539
<b>Duncan Smith</b> Director of Finance and then Director of Commercial Development	0-2.5	5.7-5	55-60	175-180	1,129	66	1,195
<b>Tony Halton - left Sept 2012</b> Director of Nursing	0-2.5	0-2.5	25-30	75-80	400	11	411
<b>Lisa Knight - started Oct 2012</b> Director of Patient Care / Chief Nurse	N/A	N/A	27.5-30	85-100	N/A	N/A	441
<b>Maria Wogan - left Dec 2012</b> Director of Corporate Services	0-2.5	0-2.5	0-5	12.5-15	62	3	65
<b>Louise Watson (Secondment West Sussex PCT) left Nov 2012</b> Director of Commercial Development	0-2.5	2.5-5	20-25	60-65	284	25	309
<b>Darren Leech - started Dec 2011</b> Chief Operating Officer	2.5-5	10-12.5	20-25	60-65	217	55	272
<b>Kathy Renacre</b> Director of HR & Workforce Development	0-2.5	2.5-5	40-45	120-125	800	47	847
<b>Martin Wetherill</b> Medical Director	17.5-20	57.5-60	50-55	155-160	N/A	N/A	N/A

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

#### 4.6 Retirements due to ill-health

During the year ended 31 March 2013 there were no early retirements from the Trust agreed on the grounds of ill-health, the situation was the same for the prior year.

#### 4.7 Termination Benefits

During the year the Trust was in second phase of its Organisational Structure review which began during 2011/12 as well as operating a MARS redundancy scheme. As a result there were 19 departures agreed during 2012/13 at a cost of £809k during the year. The table below provides a summary of the departures.

2012 / 13	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
Exit package cost band	Number	£000	Number	£000	Number	£000
< £10,000	0	0	5	31	5	31
£10,001 - £25,000	1	23	5	86	6	109
£25,001 - £50,000	3	134	0	0	3	134
£50,001 - £100,000	2	179	0	0	2	179
£100,001 - £150,000	3	356	0	0	3	356
<b>TOTAL</b>	<b>9</b>	<b>692</b>	<b>10</b>	<b>117</b>	<b>19</b>	<b>809</b>

2011 / 12	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages
Exit package cost band	Number	£000	Number	£000	Number	£000
< £10,000	24	181	36	187	60	368
£10,001 - £25,000	0	0	18	268	18	268
£25,001 - £50,000	0	0	16	549	16	549
£50,001 - £100,000	2	146	0	0	2	146
£100,001 - £150,000	1	112	0	0	1	112
<b>TOTAL</b>	<b>27</b>	<b>258</b>	<b>70</b>	<b>1,004</b>	<b>97</b>	<b>1,443</b>

#### 4.8 Staff Sickness

	2012/13 Number	2011/12 Number
Days Lost - Long Term (over 20 consecutive days)	31,905	23,932
Days Lost - Short Term	18,164	22,297
<b>TOTAL DAYS LOST</b>	<b>50,069</b>	<b>46,229</b>
Total Staff Employed In Period (Headcount)	2,934	2,834
Total Staff Employed In Period With No Absence(Headcount)	1,291	1,251
<b>PERCENTAGE STAFF WITH NO SICK LEAVE</b>	<b>44%</b>	<b>44%</b>

#### 5. Better Payment Practice Code

##### 5.1 Better Payment Practice Code- measure of compliance

	2012/13 Number	2012/13 £000	2011/12 Number	2011/12 £000
Total trade invoices paid in the year	51,090	55,728	52,523	54,581
Total trade invoices paid within target	12,385	19,017	28,048	31,832
Percentage of Total trade invoices paid within target	24%	34%	53%	58%

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 reduction in the achievement of the target was in part due to a late in year settlement of contract income with its main commissioner with a result that the Trust actively managed its creditors in year whilst maintaining patient safety. As a result there was £3.0k incurred due to late payment of invoice under the Late Payment of Commercial Debts (Interest) Act 1998 (2011/12 £0)

#### 6. Finance income and expense

##### 6.1 Finance Income

	2012/13 £000	2011/12 £000
Interest on deposits and receivables	20	30
<b>TOTAL</b>	<b>20</b>	<b>30</b>

##### 6.2 Finance Expenses – interest expense

	2012/13 £000	2011/12 £000
Loan from the Foundation Trust Financing Facility	109	121
Finance leases	473	426
<b>TOTAL</b>	<b>582</b>	<b>547</b>

##### 6.2 Finance Expenses – interest expense

	2012/13 £000	2011/12 £000
Changes in market price (within Other comprehensive income)	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>

## 7.1 Intangible Assets

	Software licences (Purchased) £000	Information technology (internally generated) £000	Intangible assets under construction £000	Total £000
<b>GROSS COST AT 1 APRIL 2012</b>	<b>2,504</b>	<b>3,015</b>	<b>709</b>	<b>6,228</b>
Additions - purchased	339	208	182	728
Reclassification	200	15	(215)	(0)
Disposals	0	0	0	0
<b>GROSS COST AT 31 MARCH 2013</b>	<b>3,043</b>	<b>3,237</b>	<b>676</b>	<b>6,956</b>
<b>AMORTISATION AT 1 APRIL 2012</b>	<b>1,733</b>	<b>306</b>	<b>0</b>	<b>2,039</b>
Provided during the year	246	453	0	699
Disposals	0	0	0	0
<b>AMORTISATION AT 31 MARCH 2013</b>	<b>1,979</b>	<b>759</b>	<b>0</b>	<b>2,738</b>
<b>NET BOOK VALUE</b>				
NBV - Purchased at 31 March 2013	1,050	2,478	0	3,528
NBV - Government Granted at 31 March 2013	14	0	0	14
NBV - Donated at 31 March 2013	0	0	676	676
<b>NBV TOTAL AT 31 MARCH 2013</b>	<b>1,064</b>	<b>2,478</b>	<b>676</b>	<b>4,218</b>
NBV - Purchased at 1 April 2012	973	2,709	745	4,427
NBV - Government Granted at 1 March 2012	22	0	0	22
NBV - Donated at 31 March 2012	(224)	0	(36)	(260)
<b>NBV TOTAL AT 1 APRIL 2012</b>	<b>771</b>	<b>2,709</b>	<b>709</b>	<b>4,189</b>

	Software licences (Purchased) £000	Information technology (internally generated) £000	Intangible assets under construction £000	Total £000
<b>GROSS COST AT 1 APRIL 2011</b>	<b>1,915</b>	<b>407</b>	<b>2,208</b>	<b>4,530</b>
Additions - purchased	589	647	709	1,945
Reclassification	0	1,961	(2,208)	(247)
<b>GROSS COST AT 31 MARCH 2012</b>	<b>2,504</b>	<b>3,015</b>	<b>709</b>	<b>6,228</b>
<b>AMORTISATION AT 1 APRIL 2011</b>	<b>1,468</b>	<b>67</b>	<b>0</b>	<b>1,535</b>
Provided during the year	265	239	0	504
<b>AMORTISATION AT 31 MARCH 2012</b>	<b>1,733</b>	<b>306</b>	<b>0</b>	<b>2,039</b>
<b>NET BOOK VALUE</b>				
NBV - Purchased at 31 March 2012	973	2,709	745	4,427
NBV - Government Granted at 31 March 2012	22	0	0	22
NBV - Donated at 31 March 2012	(224)	0	(36)	(260)
<b>NBV TOTAL AT 31 MARCH 2012</b>	<b>771</b>	<b>2,709</b>	<b>709</b>	<b>4,189</b>
NBV - Purchased at 1 April 2011	447	340	2,208	2,995
<b>NBV TOTAL AT 1 APRIL 2011</b>	<b>447</b>	<b>340</b>	<b>2,208</b>	<b>2,995</b>

## 7.2 Economic Life of Intangible Asset

	Min Life Years	Max Life Years
<b>INTANGIBLE ASSETS - INTERNALLY GENERATED</b>		
Information technology	2	8
<b>INTANGIBLE ASSETS - PURCHASED</b>		
Software	2	8
Licences & Trademarks	2	8

## 8.1. Property, Plant and Equipment

Property, plant and equipment at Statement of Financial Position date and is broken down 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>COST OR VALUATION AT 1 APRIL 2012 AS PREVIOUSLY STATED</b>	<b>18,896</b>	<b>125,880</b>	<b>917</b>	<b>508</b>	<b>23,974</b>	<b>44</b>	<b>9,367</b>	<b>1,760</b>	<b>181,346</b>
Prior Period Adjustment	0	(650)	(47)	0	(28)	0	27	0	(698)
<b>COST OR VALUATION AT 1 APRIL 2012 RESTATED</b>	<b>18,896</b>	<b>125,230</b>	<b>870</b>	<b>508</b>	<b>23,946</b>	<b>44</b>	<b>9,394</b>	<b>1,760</b>	<b>180,648</b>
Additions - purchased	0	725	0	226	1,034	0	466	8	2,459
Assitions - leased	0	0	0	0	0	0	0	0	0
Additions - donations	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassification	0	205	0	(448)	8	0	235	0	0
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
<b>COST OR VALUATION AT 31 MARCH 2013</b>	<b>18,896</b>	<b>126,160</b>	<b>870</b>	<b>286</b>	<b>24,988</b>	<b>44</b>	<b>10,095</b>	<b>1,768</b>	<b>183,107</b>
<b>ACCUMULATED DEPRECIATION AT 1 APRIL 2012 AS PREVIOUSLY STATED</b>	<b>0</b>	<b>13,358</b>	<b>81</b>	<b>0</b>	<b>17,769</b>	<b>34</b>	<b>8,640</b>	<b>1,097</b>	<b>40,979</b>
Prior Period Adjustment	0	(651)	(46)	0	(1)	0	0	0	(698)
<b>ACCUMULATED DEPRECIATION AT 1 APRIL 2012 RESTATED</b>	<b>0</b>	<b>12,707</b>	<b>35</b>	<b>0</b>	<b>17,768</b>	<b>34</b>	<b>8,640</b>	<b>1,097</b>	<b>40,281</b>
Provided during the year	0	3,312	23	0	1,521	4	361	86	5,307
Impairments	0	0	0	4	0	0	0	0	4
Reclassification	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0	0	0
<b>ACCUMULATED DEPRECIATION AT 31 MARCH 2013</b>	<b>0</b>	<b>16,019</b>	<b>58</b>	<b>4</b>	<b>19,289</b>	<b>38</b>	<b>9,001</b>	<b>1,183</b>	<b>45,592</b>
<b>NET BOOK VALUE AS AT MARCH 2013</b>									
NBV - Owned at 31 March 2013	18,896	91,229	204	282	4,775	6	875	59	116,326
NBV - Finance lease at 31 March 2013	0	4,350	608	0	599	0	219	526	6,302
NBV - Government Granted at 31 March 2013	0	11,515	0	0	255	0	0	0	11,770
NBV - Donated at 31 March 2013	0	3,047	0	0	70	0	0	0	3,117
<b>NBV TOTAL AT 31 MARCH 2013</b>	<b>18,896</b>	<b>110,141</b>	<b>812</b>	<b>282</b>	<b>5,699</b>	<b>6</b>	<b>1,094</b>	<b>585</b>	<b>137,515</b>
<b>NET BOOK VALUE AS AT MARCH 2012 RESTATED</b>									
NBV - Owned at 31 March 2012	18,896	93,150	210	508	5,041	10	443	79	118,336
NBV - Finance lease at 31 March 2012	0	4,474	625	0	817	0	312	584	6,812
NBV - Government Granted at 31 March 2012	0	11,732	0	0	315	0	0	0	12,047
NBV - Donated at 31 March 2012	0	3,167	0	0	5	0	0	0	3,172
<b>NBV TOTAL AT 1 APRIL 2012</b>	<b>18,896</b>	<b>112,523</b>	<b>835</b>	<b>508</b>	<b>6,178</b>	<b>10</b>	<b>754</b>	<b>663</b>	<b>140,367</b>

The prior period adjustment is amending the prior year's Gross Cost and accumulated depreciation as this was incorrectly stated in the prior year's figures. In addition there was an incorrect classification between the NBV of Plant and machinery and IT relating to the prior year which has been reflected in these figures.

	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>COST OR VALUATION AT 1 APRIL 2011</b>	<b>18,896</b>	<b>121,932</b>	<b>917</b>	<b>2,290</b>	<b>22,273</b>	<b>44</b>	<b>9,189</b>	<b>1,760</b>	<b>177,301</b>
Additions - purchased	0	1,438	0	508	2,113	0	178	0	4,237
Additions - donations	0	0	0	0	0	0	0	0	0
Impairments charged to revaluation reserve	0	0	0	0	0	0	0	0	0
Reclassification	0	2,510	0	(2,290)	0	0	0	0	220
Revaluations	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(439)	0	0	0	(439)
<b>COST OR VALUATION AT 31 MARCH 2012</b>	<b>18,896</b>	<b>125,880</b>	<b>917</b>	<b>508</b>	<b>23,947</b>	<b>44</b>	<b>9,367</b>	<b>1,760</b>	<b>181,319</b>
<b>ACCUMULATED DEPRECIATION AT 1 APRIL 2011</b>	<b>0</b>	<b>10,231</b>	<b>59</b>	<b>0</b>	<b>16,810</b>	<b>30</b>	<b>7,471</b>	<b>1,004</b>	<b>35,605</b>
Provided during the year	0	3,127	22	0	1,382	4	1,169	93	5,797
Impairments	0	0	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(423)	0	0	0	(423)
<b>ACCUMULATED DEPRECIATION AT 31 MARCH 2012</b>	<b>0</b>	<b>13,358</b>	<b>81</b>	<b>0</b>	<b>17,769</b>	<b>34</b>	<b>8,640</b>	<b>1,097</b>	<b>40,979</b>
NBV - Owned at 31 March 2012	18,896	93,150	210	508	5,041	10	442	79	118,336
NBV - Finance lease at 31 March 2012	0	4,474	625	0	817	0	312	584	6,812
NBV - Government Granted at 31 March 2012	0	11,732	0	0	315	0	0	0	12,047
NBV - Donated at 31 March 2012	0	3,167	0	0	5	0	0	0	3,172
<b>NBV TOTAL AT 31 MARCH 2012</b>	<b>18,896</b>	<b>112,523</b>	<b>835</b>	<b>508</b>	<b>6,178</b>	<b>10</b>	<b>754</b>	<b>663</b>	<b>140,367</b>
<b>NET BOOK VALUE</b>									
NBV - Owned at 1 April 2011	18,783	93,930	215	75	5,455	14	1,313	756	120,541
NBV - Finance lease at 1 April 2011	113	4,599	643	0	0	0	405	0	5,760
NBV - Government Granted at 1 April 2011	0	12,379	0	2,193	0	0	0	0	14,572
NBV - Donated at 1 April 2011	0	793	0	22	8	0	0	0	823
<b>NBV TOTAL AT 1 APRIL 2011</b>	<b>18,896</b>	<b>111,701</b>	<b>858</b>	<b>2,290</b>	<b>5,463</b>	<b>14</b>	<b>1,718</b>	<b>756</b>	<b>141,696</b>

## 8.2 Analysis of Plant, Property and Equipment

Of land and buildings assets, £129m were recorded as protected, which are protected from closure without prior agreement from commissioning bodies and £19.7m are unprotected, which includes the Multi-Storey car park.

	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
NBV - Protected assets at 31 March 2013	18,896	110,141	812	0	0	0	0	0	129,849
NBV - Unprotected assets at 31 March 2013	0	0	0	282	5,699	6	1,094	585	7,666
<b>TOTAL AT 31 MARCH 2013</b>	<b>18,896</b>	<b>110,141</b>	<b>812</b>	<b>282</b>	<b>5,699</b>	<b>6</b>	<b>1,094</b>	<b>585</b>	<b>137,515</b>
NBV - Protected assets at 31 March 2012	18,896	100,967	836	0	0	0	0	0	120,699
NBV - Unprotected assets at 31 March 2012	0	11,555	0	508	6,178	10	754	663	19,668
<b>TOTAL AT 31 MARCH 2012</b>	<b>18,896</b>	<b>112,522</b>	<b>836</b>	<b>508</b>	<b>6,178</b>	<b>10</b>	<b>754</b>	<b>663</b>	<b>140,367</b>

At 31 March 2013, the Trust had no land and buildings valued at open market value.

## 8.3 Economic Life of Plant, Property and Equipment

	Min Life Years	Max Life Years
Buildings excluding dwellings	8	90
Dwellings	40	40
Plant & Machinery	5	20
Transport Equipment	7	7
Information Technology	2	8
Furniture & Fittings	5	10

## 8.4 Capital commitments

There were no commitments under capital expenditure contracts at the Statement of Financial Position date were:

## 8.5 Net Book Value of Property, Plant and Equipment in the Revaluation Reserve

	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
AS AT 1 APRIL 2012	11,486	42,844	227	0	470	0	149	38	55,214
Movement in year	0	0	0	0	0	0	0	0	0
<b>NBV TOTAL AT 31 MARCH 2013</b>	<b>11,486</b>	<b>42,844</b>	<b>227</b>	<b>0</b>	<b>470</b>	<b>0</b>	<b>149</b>	<b>38</b>	<b>55,214</b>
AS AT 1 APRIL 2011	11,486	42,844	227	0	476	0	149	38	55,220
Movement in year	0	0	0	0	(6)	0	0	0	(6)
<b>NBV TOTAL AT 31 MARCH 2012</b>	<b>11,486</b>	<b>42,844</b>	<b>227</b>	<b>0</b>	<b>470</b>	<b>0</b>	<b>149</b>	<b>38</b>	<b>55,214</b>

## 9. 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 Ltd, 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 to be immaterial. In the event of any impact becoming material, the Trust will review the position and reflect this as appropriate.

## 10. Inventories

	Drugs	Consumables	Energy	Total
	£000	£000	£000	£000
AS AT 1 APRIL 2012	445	1,231	12	1,688
AS AT 31 MARCH 2013	590	1,577	62	2,229
AS AT 1 APRIL 2011	677	1,231	12	1,920
AS AT 31 MARCH 2012	445	1,231	12	1,688

The movement in inventories is a partly due to a new stock take relating to drugs held on the wards which in previous years had not been counted.

## 11. Trade and Other Receivables

	31 March 2013	31 March 2012
	£000	£000
<b>CURRENT</b>		
NHS receivables (revenue)	5,088	4,529
Provision for impaired receivables	(615)	(525)
Prepayments (non PFI)	984	483
Accrued income	1,075	1,345
PDC Dividend	26	0
VAT receivable	120	0
Other receivables (revenue)	844	1,072
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>7,522</b>	<b>6,904</b>
<b>NON-CURRENT</b>		
Provision for impaired receivables	(77)	(80)
Other receivables (revenue)	891	889
<b>TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>814</b>	<b>809</b>
	<b>8,336</b>	<b>7,713</b>

NHS receivables are considered recoverable because the majority of trade is with Primary Care trusts, as commissioners for NHS patient care services. Primary Care Trusts are funded by the Government to purchase NHS patient care services, therefore no credit scoring of them is considered to be necessary. Similarly other receivables with related parties are with other Government bodies, so no credit scoring is considered necessary.

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.

### 11.1 Provision For Impairment of receivables

	31 March 2013	31 March 2012
	£000	£000
<b>AT 1 APRIL</b>	<b>605</b>	<b>518</b>
Increase in provision	74	91
Amounts Utilised	13	0
Unused amounts reversed	0	(4)
<b>AT 31 MARCH</b>	<b>692</b>	<b>605</b>

## 11.2 Analysis For Impairment of receivables

	31 March 2013	31 March 2012
	£000	£000
<b>AGEING OF IMPAIRED RECEIVABLES</b>		
0 - 30 days	0	0
30 - 60 days	0	0
60 - 90 days	0	0
90-180 days	105	17
over 180 days	2,005	1,862
<b>TOTAL</b>	<b>2,110</b>	<b>1,879</b>

Impaired receivables, 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 12.5% to as notified by the Department of Health for debts arising in 2012/13, 105% in 2011/12 and 7.8% for each year arising from 1999/00 to 2010/11.

	31 March 2013	31 March 2012
	£000	£000
<b>AGEING OF NON-IMPAIRED RECEIVABLES PAST THEIR DUE DATE</b>		
0 - 30 days	1,931	1,281
30 - 60 days	313	695
60 - 90 days	65	166
90-180 days	40	76
over 180 days	14	8
<b>TOTAL</b>	<b>2,363</b>	<b>2,226</b>

## 12. Trade and other payables

	31 March 2013	31 March 2012
	£000	£000
<b>CURRENT</b>		
NHS payables	1,802	3,473
Trade payables - capital	1,053	1,752
Other trade payables	2,874	3,146
Other payables	5,188	2,445
Accruals	1,020	1,122
PDC payable	0	106
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>11,937</b>	<b>12,044</b>
Tax and Social Security	2,422	25
<b>TOTAL TRADE AND OTHER PAYABLES INC TAX</b>	<b>14,359</b>	<b>12,069</b>

### 12.1 Tax Payable

	31 March 2013	31 March 2012
	£000	£000
Income Tax	1,260	18
National Insurance	1,162	7
<b>TOTAL TAX PAYABLE</b>	<b>2,422</b>	<b>25</b>

The Trust made a conscious decision to pay the majority of its Tax liability early, in March 2012, rather than in April 2012 where as in the current year the Trust will be paying this liability in April as is the normal payment date.

### 12.2 Other Liabilities

	31 March 2013	31 March 2012
	£000	£000
<b>CURRENT</b>		
Deferred Income	619	258
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>619</b>	<b>258</b>
<b>NON-CURRENT</b>		
Deferred Government Grant	0	0
<b>TOTAL OTHER NON-CURRENT LIABILITIES</b>	<b>0</b>	<b>0</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>619</b>	<b>258</b>

The Trust has not received any government grant income in year.

## 13. Borrowings

	31 March 2013	31 March 2012
	£000	£000
<b>CURRENT</b>		
Loan from Foundation Trust Financing Facility	445	445
Obligations under finance leases	337	325
<b>TOTAL CURRENT BORROWINGS</b>	<b>782</b>	<b>770</b>
<b>NON-CURRENT</b>		
Loan from Foundation Trust Financing Facility	2,666	3,110
Obligations under finance leases	6,664	7,002
<b>TOTAL NON-CURRENT BORROWINGS</b>	<b>9,330</b>	<b>10,112</b>
<b>TOTAL BORROWINGS</b>	<b>10,112</b>	<b>10,882</b>

The trust has a £4m loan from the Foundation Trust Financing Facility which is an unsecured loan which it fully drew down during 2010/11. The loan is to be repaid over a 10 year period at an interest rate of 3%. The first repayment of interest occurred in Dec 2010, with a further interest payment paid in June 11. Principal and interest repayments have occurred thereafter in August and February, with the final payment being due in February 2020.

## 14. Prudential Borrowing Limit

	31 March 2013	31 March 2012
	£000	£000
Total long term borrowing limit set by Monitor	29,400	29,200
Working capital facility limit agreed by Monitor	10,000	10,000
<b>TOTAL PRUDENTIAL BORROWING LIMIT</b>	<b>39,400</b>	<b>39,200</b>
Long term borrowing at 1 April 2012	10,882	10,816
Net actual borrowing / (repayment) in year -long term	(770)	66
<b>LONG TERM BORROWING AT 31 MARCH 2013</b>	<b>10,112</b>	<b>10,882</b>

The Trust is required to comply and remain within a prudential borrowing limit set by Monitor. The prudential borrowing limit to 31 March 2012 is £29.4m, of which the Trust has utilised £10.1m. The PBL is made up of two elements:

- 1) the maximum cumulative amount of long term borrowing. This is set by reference to four ratio tests set out in Monitor's Borrowing Code; and
- 2) the amount of any working capital facility approved by Monitor.

	Actual Ratios 2012/13	Approved PBL Ratios 2012/13	Actual Ratios 2011/12	Approved PBL Ratios 2011/12
Minimum dividend cover	0.35	> 1	1.54	> 1
Minimum interest cover	4.27	> 3	11.82	> 3
Minimum debt service cover	2.20	> 2	11.43	> 2
Minimum debt service to revenue	0.57%	< 2.5%	0.35%	< 2.5%

Due to the trusts in year deficit position, the trust has failed to meet the minimum dividend cover ratio.

## 15. Finance Lease obligations

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
<b>GROSS LEASE LIABILITIES</b>	<b>13,243</b>	<b>13,989</b>	<b>6,985</b>	<b>7,317</b>
of which liabilities are due				
- not later than one year;	738	748	337	316
- later than one year and not later than five years;	2,138	2,873	720	1,106
- later than five years.	10,367	10,368	5,928	5,895
Finance charges allocated to future periods	(6,242)	(6,662)	(6,242)	(6,662)
<b>NET LEASE LIABILITIES</b>	<b>7,001</b>	<b>7,327</b>	<b>742</b>	<b>654</b>
- not later than one year;	337	325	(63)	(115)
- later than one year and not later than five years;	769	1,106	(650)	(652)
- later than five years.	5,895	5,896	1,455	1,422

## 16. Provisions for liabilities and charges

	31 March 2013 £000	31 March 2012 £000
<b>CURRENT</b>		
Pensions relating to staff	6	9
Other legal claims	96	159
Other	39	26
<b>TOTAL CURRENT PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	<b>141</b>	<b>194</b>
<b>NON-CURRENT</b>		
Pensions relating to staff	37	39
Other	724	313
<b>TOTAL NON-CURRENT PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	<b>761</b>	<b>352</b>
<b>TOTAL PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	<b>902</b>	<b>546</b>

Other includes a new in year injury benefit provision of £0.5m

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 1.15 the full amount of such liabilities is charged to the income and expenditure account at the time the Trust commits itself to the retirement.

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 2.9% 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 £17.9 (year ended 31 March 2012 £13.5). No contingencies or provisions are in the accounts at 31 March 2013 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.

## 17. Revaluation Reserve

	Property, Plant & Equipment £000	Total £000
REVALUATION RESERVE AT 1 APRIL 2012	55,214	55,214
Other reserve movements	0	0
<b>REVALUATION RESERVE AT 31 March 2013</b>	<b>55,214</b>	<b>55,214</b>

	Property, Plant & Equipment £000	Total £000
REVALUATION RESERVE AT 1 APRIL 2011	55,220	55,220
Other reserve movements	(6)	(6)
<b>REVALUATION RESERVE AT 31 March 2012</b>	<b>55,214</b>	<b>55,214</b>

## 18. Cash and cash Equivalents

	31 March 2013 £000	31 March 2012 £000
<b>AT 1 APRIL</b>	1,583	9,033
Net change in year	(943)	(7,450)
<b>AT 31 MARCH</b>	<b>640</b>	<b>1,583</b>
Broken down into :		
Cash and commercial banks and in hand	62	38
Cash with the Government Banking Service	578	1,545
<b>CASH AND CASH EQUIVALENTS AS IN SOFP</b>	<b>640</b>	<b>1,583</b>
<b>CASH AND CASH EQUIVALENTS AS IN SOCF</b>	<b>640</b>	<b>1,583</b>

## 19. Liquidity Risk

The Trust's net operating income is mainly incurred under legally binding contracts with the local PCTs, 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 has been agreed for 2012/13 with NHS MK at PbR rates. However the Trust is looking for further support to its working capital during 2013/14.

The Trust finance's its capital programme through internally generated resources and external borrowing within the limits set by Monitor in the Trust's Prudential Borrowing Limit.

## 20. Post Balance Sheet events

There are no post balance sheet events having a material effect of the accounts

## 21. Contingent Liabilities

The Trust has reviewed its liabilities it does not consider that it has any material contingent liabilities for the forthcoming financial period. 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 2013 in respect of clinical negligence liabilities of the NHS Foundation trust.

## 22. 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 NHSMK which is the Trusts local commissioner of NHS services. There is an additional related parties of, Monitor, Milton Keynes NHS Foundation Trust Charitable Funds and the Urgent Care Centre, with which there have been no significant transactions in year.

	2012 / 13				2011 / 12			
	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
<b>DEPARTMENT OF HEALTH</b>	42	0	0	26	0	0	106	0
NHS Bodies	2,822	5,270	744	631	2,224	1,277	1,476	1,120
Milton Keynes PCT	576	122,348	408	2,559	81	123,805	496	2,851
Bedfordshire PCT	0	10,843	1	890	0	10,031	715	42
Hampshire PCT	0	137	0	9	0	2,866	0	57
Buckinghamshire PCT	0	7,664	0	400	0	7,001	0	264
Northamptonshire PCT	19	2,861	58	186	0	2,818	58	142
Bedford Hospital NHS Trust	0	1,943	71	146	907	2,391	232	177
Northampton Hospital NHS Trust	410	68	163	0	0	0	0	0
Oxford University Hospital NHS Trust	300	1,353	359	268	0	0	0	0
NHS Litigation Authority	5,000	0	1	0	5,175	0	0	0
NHS Business Services Authority	0	0	0	0	4,396	0	484	0
South Central SHA	0	2,573	2	0	62	3,274	0	0
<b>OTHER</b>								
Other	616	183	0	0	170	313	12	0
HMRC	0	0	2,422	120	0	0	0	0
<b>TOTAL</b>	<b>9,785</b>	<b>155,243</b>	<b>4,229</b>	<b>5,235</b>	<b>13,015</b>	<b>153,776</b>	<b>3,579</b>	<b>4,653</b>

During the year none of the Board members or members of key management staff or parties related to them have undertaken any material transactions with the Trust.

## 23. Financial Instruments

	31 March 2013	31 March 2012
	£000	£000
Cash	640	(1,583)
Capital	640	(1,583)
Total Equity	640	(1,583)
Borrowings	10,112	10,882
<b>OVERALL FINANCING</b>	<b>10,752</b>	<b>9,299</b>
<b>CAPITAL TO OVERALL FINANCING RATIO</b>	<b>6%</b>	<b>(17%)</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's goal in capital management is to maintain financial performance within the Trust's Prudential Borrowing Limit and financial ratios. This is in line with the Trust's financial ratio targets as agreed with Monitor. Performance against these targets is disclosed in Note 15.

The Trust sets the amount of capital in proportion to its overall financing structure, ie 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.

## 23.1 Financial assets by category

	31 March 2013 Receivables	31 March 2012 Receivables
	£000	£000
NHS Trade and other receivables excluding non financial assets	5,089	4,529
Non NHS Trade and other receivables excluding non financial assets	3,247	3,184
Cash and cash equivalents (at bank and in hand)	640	1,583
<b>TOTAL AT 31 MARCH</b>	<b>8,976</b>	<b>9,296</b>

## 23.2 Financial liabilities by category

	31 March 2013 Other financial liabilities	31 March 2012 Other financial liabilities
	£000	£000
Borrowings excluding finance leases	3,111	3,555
Obligations under finance leases	7,001	7,327
NHS Trade and other payables excluding non financial assets	1,802	3,473
Non NHS Trade and other payables excluding non financial assets	12,557	8,596
Provisions	902	546
<b>TOTAL AT 31 MARCH</b>	<b>25,373</b>	<b>23,497</b>

### 23.3 Fair values of financial assets

	Book Value £000	Fair Value £000
Current Financial Assets *	8,162	8,162
Non current trade and other receivables excluding non financial assets	814	814
Other	0	0
<b>TOTAL</b>	<b>8,976</b>	<b>8,976</b>

### 23.4 Fair values of financial liabilities

	Book Value £000	Fair Value £000
Current Financial Liabilities *	15,282	15,282
Provisions under contract	761	761
Loans	2,666	2,666
Other	6,664	6,664
<b>TOTAL</b>	<b>25,373</b>	<b>25,373</b>

\*For Current Financial Assets and Liabilities Book and Fair values are assumed to be the same values.

## 24. Third Party assets

The Trust held £3,000 cash at bank and in hand at 31 March 2013 (£105 at 31 March 2012) which relates to monies held by the Trust on behalf of patients. This has been excluded from the cash at bank and in hand figures reported in the accounts.

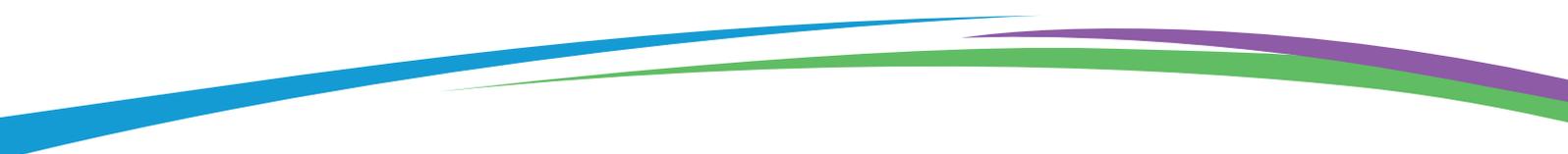
## 25. Losses and special payments

There were 166 cases at 31 March 2013 of losses and special payments totalling £123,000 approved during the year ended to 31 March 2012 (121 cases 31 March 2012 totalling £30,000) These payments are the cash payments made in the year and are not calculated on an accruals basis.

There were no compensation payments recovered during the year.



**We CARE**



# Appendix 1

## Quality Accounts

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

# Part 1

## The Quality Account

### 1.1 Statement on quality from the Chief Executive

**Providing safe, quality care is the top priority for Milton Keynes Hospital NHS Foundation Trust.**

**During the last year our hospital:**

**cared for 53,697 in-patients**  
**cared for 258,690 outpatients**  
**attended to 72,556 people in A&E**  
**delivered 3,840 babies**  
**carried out more than 60,000 scans**  
**received more than 860,000 requests for tests**  
**were paid £163 million for our services**

This number is increasing every year, in line with the growth of the borough. Our aim is to treat each patient as an individual; to understand what they are going through and to fulfil their expectations of expert and compassionate care in a clean, safe, comfortable and friendly hospital. Central to this has to be our staff. It is their skill, dedication and hard work which puts the patient at the centre of everything we do. We want our patients to feel valued and cared for as individuals; understood, informed and involved; and safe, while they are in our care. These values define the way we work and behave in a service which seeks to deliver first-class patient care.

In response to a recent CQC inspection, we have already been working on specific areas highlighted as needing improvement. Two-hourly nurse ward rounds have been introduced to help ensure all patients' needs are met during their stay with us.

In autumn 2012, the Trust launched a programme called We Care. As part of this programme, staff listened to more than 100 patients' views of being treated in this hospital, including what already works well and what needs to be improved. We have used this feedback to create new values and standards for all members of staff to follow. These standards include respect, courtesy and kindness; timely care and attention; listening, informing and explaining; working together; being professional and providing a clean and comfortable environment.

During my regular visits to wards and clinics I see first-hand the strong commitment and desire from staff to provide the very best care for our patients. I know the We Care values and standards will help ensure our patients receive quality care from every clinician, every day.

A cause for concern this year has been the increase in patients' length of stay. On average, our non-elective patients stay for a day longer than they should. The extra day is not good for the patients, is detrimental to our care. We have had to cancel some routine elective patients which is not fair to them and too many of our patients have been waiting more than four hours in A&E.

We have been reviewing the reasons for the length of stay, including working with our colleagues both in commissioning and in the community so we ensure patients are seen in the right place, at the right time and by the right clinician. Our clinicians are fully engaged with this agenda.

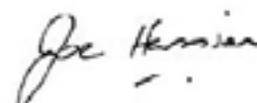
Quality is central to patient care here at Milton Keynes Hospital and we will continue to focus on reducing healthcare associated infections, patient falls, pressure ulcers, and to further improve the experience of our patients.

This year the Trust has had to publish patient safety information and more detail is given in the report.

#### Statement of Assurance

This report has been reviewed by the Board of Milton Keynes Hospital NHS Foundation Trust. The Chief Executive is the responsible officer and I sign to state that, to the best of my knowledge, the information contained in this report is accurate.

#### Signature



CHIEF EXECUTIVE  
29TH MAY 2013

## 1.2 Introduction

This report gives an overview of performance across our key priorities, which illustrates our commitment to providing a quality service for patients. The report also outlines our measures for assuring and sustaining performance for the future, recognising that there are areas requiring improvement.

Milton Keynes Hospital is a district general hospital providing a broad range of general medical and surgical services, including A&E. We continue to develop our facilities to meet the needs of a growing population. The hospital provides services for all medical, surgical and child health emergency admissions.

In addition to providing general acute services Milton Keynes Hospital increasingly provides more specialist services, including cancer, cardiology and oral surgery and has the responsibility for treating premature babies born locally and in the surrounding areas.

Our aim is to provide quality care and the right treatment, in the right place, at the right time. Our vision is to be the healthcare provider of choice for the people of Milton Keynes and the surrounding area.

Supporting 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 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 LINK meetings and other community forums.

During the year, we have continued to be actively engaged with the Milton Keynes overview and scrutiny committee, and its meetings on subjects of importance to the community.

This report gives an overview of performance across our key priorities, which illustrates our commitment to providing a quality service for patients. The report also outlines our measures for assuring and sustaining performance for the future, recognising that there are areas requiring improvement.

# Part 2

## 2.1 Priorities for Improvement Statement

Each year we set three quality improvement priorities that are monitored by the trust board. One focuses on patient experience, one on clinical effectiveness and one on patient safety.

In order to set out three quality improvement objectives for 2013/14, we sought the views of our patients, staff and local community. We invited representatives from our commissioners; local involvement networks (LINK:MK) and local councils to events where we were able to discuss quality priorities. We asked for input from our clinical teams, our governors and our Quality Committee.

### Our 3 Priorities are:

#### Priority 1:

Elimination of Grade 3 and 4 avoidable pressure ulcers

#### Priority 2:

95% compliance with the WHO checklist for safer surgery

#### Priority 3:

5% reduction in falls and a 5% reduction in falls resulting in serious harm

(This will be a year on year target reduction of 5%)

## Priority 1 Elimination of Grade 3 and 4 avoidable pressure ulcers

### Our Goal

To eliminate all Grade 3 and 4 avoidable pressure ulcers

### Why we have chosen this as a priority?

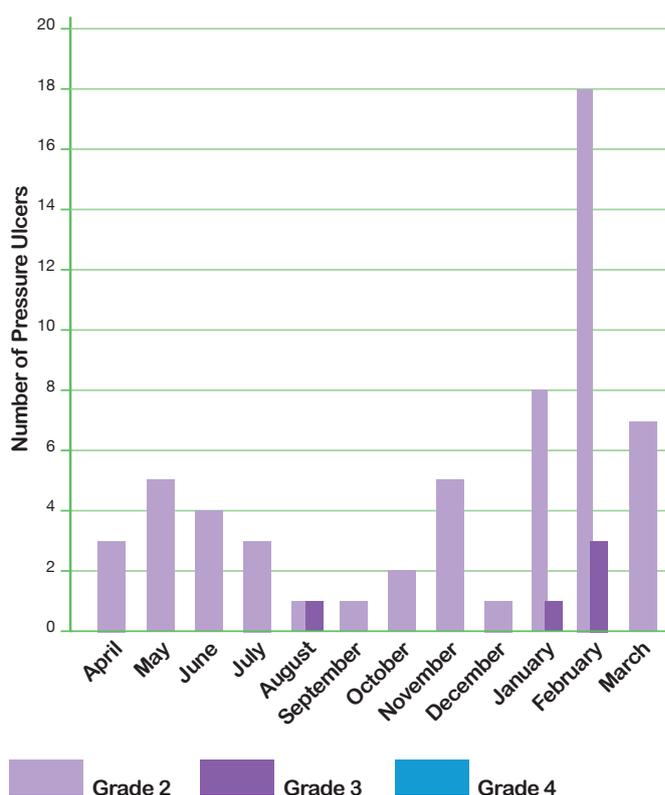
The East of England SHA has had a zero tolerance approach to avoidable hospital acquired pressure ulcers for the past year. We fully subscribe to this ambition. Across the region it has proved difficult to eliminate pressure ulcers completely and so this year we continue to sign up to this and drive down our pressure ulcer numbers even further.

We benchmark well against other organisations on the National Safety Thermometer, but this is a key indicator of care and patient experience which is why this has been chosen as one of our quality priorities for the year.

### How we did last year 2012/13

Pressure ulcers are graded from 1 to 4 with 4 being the most severe grade of ulcer. It is our aim to eliminate all avoidable grade 3 and 4 pressure ulcers this year. Last year we had ~ 6 grade 3 pressure ulcers and 0 grade 4 pressure ulcers. Below is a chart of all of the pressure ulcers reported in the organisation.

Chart 1. Number of Hospital Acquired Pressure Ulcers MKHFT 2012/13



## Comparison with other Acute Hospitals

As an organisation we participate in the National Patient Safety Thermometer, a tool that measures patient safety and provides information that we can use to see how well we compare with other hospitals.

The funnel chart below shows that we benchmark well against other acute hospital in the number of hospital acquired pressure ulcers. (The lower we appear in the chart, the better.)

### Acute organisations : Pressure ulcers - new

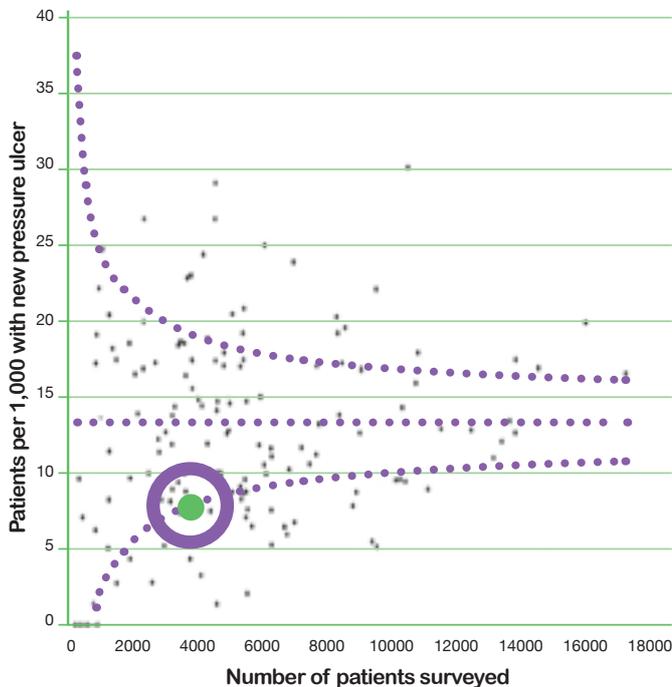


Chart 2 National comparison

## The actions we are taking to eliminate pressure ulcers:

- We will assess each patient on admission for risk of developing pressure ulcers using a formal risk assessment tool called the Waterlow score and draw up prevention plans for all patients at risk
- We have redesigned this assessment tool to make it more accurate and easier to use
- Our staff are receiving additional training on pressure ulcer prevention assessment and identification
- We are measuring each ward to ensure that they identify patients at risk and give care to prevent pressure ulcers
- We are working with specific areas such as operating theatres and the emergency department to be proactive in preventing pressure ulcers.
- We provide specialist mattresses and other equipment to those at risk
- We will ensure that all patients have plenty to eat and drink whilst they are in hospital as this is known to reduce the risk of developing pressure ulcers
- Patients admitted with pressure ulcers will have a care plan for ongoing management and prevention of further pressure damage.

## How progress to achieve the priority will be measured

All pressure ulcers are reported on our real time internal incident reporting system (Datix). This identifies the severity of all occurrences and allows both immediate action to be taken as well as providing data for longer term review and action planning. These action plans are then owned by the clinical teams to ensure that they are being implemented.

## Priority 2

### 95% Compliance with World Health Organisation (WHO) checklist

#### Why we have chosen this as a priority?

The WHO surgical safety checklist was introduced nationally in 2009 as part of the Second Global Patient Safety Challenge. The goal of the Safe Surgery Saves Lives Challenge is to improve the safety of surgical care around the world by ensuring adherence to proven standards of care in all countries. The WHO Surgical Safety Checklist has improved compliance with standards and decreased complications from surgery in eight pilot hospitals where it was evaluated. This is why we have chosen this as one of our quality priorities for the year.

In addition our commissioners have requested that we achieve 95% compliance in our audits against the use of the safer surgical checklist and we fully sign up to this measure.

#### How we did last year 2012/13

In 2012/13 the Trust reported two never events involving surgical procedures, these were a “retained foreign object post-operation” and “wrong site surgery” as described by the Department of Health.

Root cause analysis investigation of these events identified that if the WHO surgical safety checklist had been completed fully, these never events may have been prevented.

We found that although the checklist was being used, this was not in place for all areas, and we are dedicated to improving our compliance this year by undertaking the following:

#### What are we doing to achieve this?

- We have implemented a ‘traffic light’ system of red and green lights which tells the staff that they have completed the checklist so that they can proceed to operate.
- The WHO surgical checklist has been revised to reflect the Trust’s local processes whilst meeting the requirements as set out in the guidance
- We have nominated an anaesthetic lead consultant to act as the clinical and specialist lead for this
- The IT theatre system is being adapted to capture data more robustly
- We have undertaken a special review of our maternity theatre processes
- We are reviewing all areas in the Trust undertaking procedures on patients
- Staff have had specialist training in ‘Human Factors’ to help them understand why incidents occur
- Each operating theatre has a ‘checklist champion’ who is responsible for ensuring that all aspects of the checklist are completed.

## Priority 3 Reduction in hospital based falls by 5% and a reduction of falls with severe harm by 5%

### Our Goal

No patient will have a preventable fall

### Why we have chosen this as a priority

Many of our inpatients are unsteady on their feet; this might be to do with their fragility, their age, their particular health problem or the medication they are taking. Whatever the reason, we have a duty to our patients to keep them safe and do all we can to ensure that their risk of falling is kept to a minimum. Nationally there is an increase in patient falls and the Trust is seeking to reduce falls year on year by 5%.

### How we did last year 2012/13

The Hospital recorded 669 falls within 2012/13.

Six of these patients suffered severe harm as a result of their fall.

### Comparison with other Acute Hospitals

Whilst the Trust is not an outlier compared to other Acute trusts there is room for improvement as identified in the chart below.

#### Acute organisations : Falls with harm

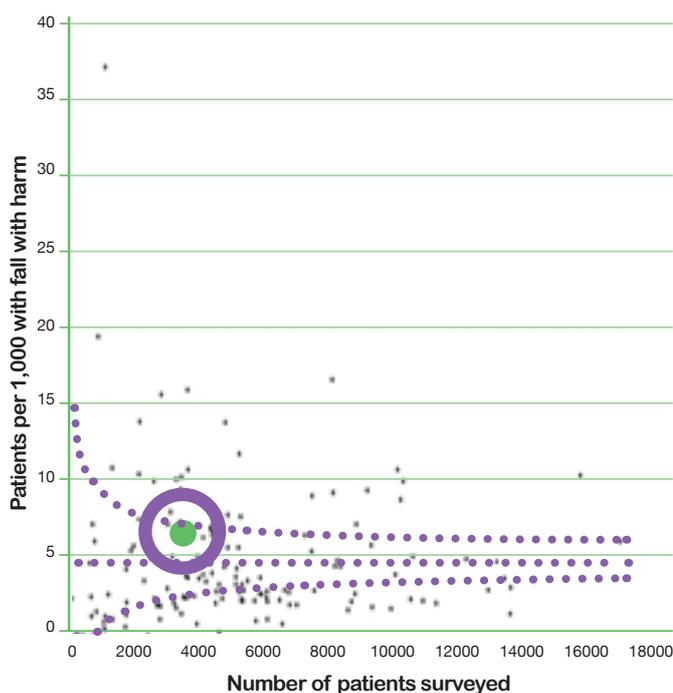


Chart 3: National patient Safety thermometer falls with harm comparison

### Our aims for this year

We aim to reduce the number of inpatient falls by at least 5% in 2013/14. This is our minimum target and is set against a history of rising falls year on year.

This means our target for 2013/2014 will be 635 falls with a reduction in falls that cause serious harm to exceed 5.

### What we are doing

- We are funding for a falls prevention co-ordinator, who will lead our falls prevention strategy
- They will implement a Trust wide education programme on falls prevention
- They will act as a specialist resource to assess and treat complex patients and identify care plans for them
- They will complete environment assessments across the Trust that will reduce hazards that can cause falls
- They will work with our community colleagues to improve referrals to the falls service in the community to promote seamless transfer, and help us assess patient safety at discharge
- We will assess each patient on admission for risk of falls using a formal risk assessment tool and draw up prevention plans for all patients at risk
- Many of the patients who have falls have dementia and we are sending 50 health care assistants on a training course about specialist care for dementia patients
- We are also employing a dementia training nurse to improve our care of dementia patients.
- We have purchased electronic falls alarms that will alert our staff if a patient is at risk of falling

# Statement of Assurance from the Board of directors

## 2.2 Review of Services

During 2012/13 Milton Keynes Hospital NHS Foundation Trust provided and/or sub-contracted 36 relevant health services.

Milton Keynes Hospital NHS Foundation Trust has reviewed all the data available to them on the quality of care in 36 of these relevant health services.

The income generated by the relevant health services reviewed in 2012/13 represents 100 per cent of the total income generated from the provision of relevant health services by the Milton Keynes Hospital NHS Foundation Trust for 2012/13.

## 2.3 Participation in Clinical Audit

Milton Keynes Hospital NHS Foundation Trust was invited to participate in 55 national clinical audits and 4 National Confidential Enquiries during 2012/13 due to the types of health services provided by the Trust. Of these, the Trust participated in 58% of national clinical audits and 100% of National Confidential Enquiries.

The national clinical audits and national confidential enquiries that Milton Keynes Hospital NHS Foundation Trust was eligible to participate in during 2012/13 are as follows:

### National Clinical Audits

Name of audit	Eligible to Participate
<b>PERI-AND NEO-NATAL</b>	
Perinatal mortality (MBRRACE-UK)	Yes
Neonatal intensive and special care (NNAP)	Yes
<b>CHILDREN</b>	
Paediatric pneumonia (British Thoracic Society)	Yes
Paediatric asthma (British Thoracic Society)	Yes
Pain management (College of Emergency Medicine)	Yes
Childhood epilepsy (RCPH National Childhood Epilepsy Audit)	Yes
Fever in Children (College of Emergency Medicine)	Yes
Diabetes (RCPH National Paediatric Diabetes Audit)	Yes
<b>ACUTE CARE</b>	
Emergency use of oxygen (British Thoracic Society)	Yes
Adult community acquired pneumonia (British Thoracic Society)	Yes
Non invasive ventilation - adults (British Thoracic Society)	Yes
Pleural procedures (British Thoracic Society)	Yes
Renal Colic (College of Emergency Medicine)	Yes
Fractured Neck of Femur (College of Emergency Medicine)	Yes
Consultant Sign off (College of Emergency Medicine)	Yes
Neutropenic Sepsis – Door to needle time	Yes
Adult critical care (ICNARC CMPD)	Yes
Potential donor audit (NHS Blood & Transplant)	Yes
Seizure management (National Audit of Seizure Management)	Yes

Name of audit	Eligible to Participate
<b>LONG TERM CONDITIONS</b>	
Diabetes (National Adult Diabetes Audit)	Yes
Chronic pain (National Pain Audit)	Yes
Ulcerative colitis & Crohn's disease (UK IBD Audit)	Yes
Parkinson's disease (National Parkinson's Audit)	Yes
Adult asthma (British Thoracic Society)	Yes
Bronchiectasis (British Thoracic Society)	Yes
<b>ELECTIVE PROCEDURES</b>	
Hip, knee and ankle replacements (National Joint Registry)	Yes
Elective surgery (National PROMs Programme)	Yes
Peripheral vascular surgery (VSGBI Vascular Surgery Database)	Yes
Carotid interventions (Carotid Intervention Audit)	Yes
<b>CARDIOVASCULAR DISEASE</b>	
Acute Myocardial Infarction & other ACS (MINAP)	Yes
Heart failure (Heart Failure Audit)	Yes
Acute stroke (SINAP)	Yes
Cardiac arrhythmia (Cardiac Rhythm Management Audit)	Yes
<b>CANCER</b>	
Lung cancer (National Lung Cancer Audit)	Yes
Bowel cancer (National Bowel Cancer Audit Programme)	Yes
Head & neck cancer (DAHNO)	Yes
Oesophago-gastric cancer (National O-G Cancer Audit)	Yes
<b>TRAUMA</b>	
Hip fracture (National Hip Fracture Database)	Yes
Severe trauma (Trauma Audit & Research Network)	Yes
<b>BLOOD TRANSFUSION</b>	
Bedside transfusion (National Comparative Audit of Blood Transfusion)	Yes
Medical use of blood (National Comparative Audit of Blood Transfusion)	Yes
Care of dying in hospital (NCDAH)	Yes

### National confidential enquiries

Name of audit	Eligible to Participate	Participated
Alcohol Related Liver Disease NCEPOD study	Yes	Yes
Cardiac Arrest Procedures Time to Intervene NCEPOD Study	Yes	Yes
Subarachnoid Haemorrhage NCEPOD Study	Yes	Yes
Tracheostomy NCEPOD Study	Yes	Yes

The national clinical audits that Milton Keynes Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2012/13, are listed below alongside the number of cases submitted to each audit as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Name of audit	Eligible to Participate	Participated	% Cases Submitted / Comments
<b>PERI-AND NEO-NATAL</b>			
Perinatal mortality (MBRRACE-UK)	Yes	Yes	100%
Neonatal intensive and special care (NNAP)	Yes	Yes	100%
<b>CHILDREN</b>			
Paediatric pneumonia (British Thoracic Society)	Yes	Yes	100%
Paediatric asthma (British Thoracic Society)	Yes	Yes	100%
Pain management (College of Emergency Medicine)	Yes	Yes	100%
Childhood epilepsy (RCPH National Childhood Epilepsy Audit)	Yes	Yes	Participation as per requirements - Round 2 April 2013
Diabetes (RCPH National Paediatric Diabetes Audit)	Yes	Yes	Participation as per requirements - Round 2 April 2013
<b>ACUTE CARE</b>			
Non invasive ventilation - adults (British Thoracic Society)	Yes	Yes	Participation as per requirements - Ends May 2013
Renal Colic (College of Emergency Medicine)	Yes	Yes	Participation as per requirements
Fractured Neck of Femur (College of Emergency Medicine)	Yes	Yes	Participation as per requirements
Consultant Sign off (College of Emergency Medicine)	Yes	Yes	Participation as per requirements
Neutropenic Sepsis – Door to needle time	Yes	Yes	Participation as per requirements
<b>LONG TERM CONDITIONS</b>			
Diabetes (National Adult Diabetes Audit)	Yes	Yes	Participation as per requirements
Ulcerative colitis & Crohn's disease (UK IBD Audit)	Yes	Yes	Participation as per requirements - Awaiting confirmation of start date
Adult asthma (British Thoracic Society)	Yes	Yes	Participation as per requirements
Bronchiectasis (British Thoracic Society)	Yes	Yes	Participation as per requirements
<b>ELECTIVE PROCEDURES</b>			
Hip, knee and ankle replacements (National Joint Registry)	Yes	Yes	Participation as per requirements
Elective surgery (National PROMs Programme)	Yes	Yes	Participation as per requirements
Carotid interventions (Carotid Intervention Audit)	Yes	Yes	Participation as per requirements
<b>CARDIOVASCULAR DISEASE</b>			
Acute Myocardial Infarction & other ACS (MINAP)	Yes	Yes	Participation as per requirements - Most patients now transferred to Oxford
Heart failure (Heart Failure Audit)	Yes	Yes	NICE priority audit
Acute stroke (SINAP)	Yes	Yes	Participation as per requirements
Cardiac arrhythmia (Cardiac Rhythm Management Audit)	Yes	Yes	Participation as per requirements
<b>CANCER</b>			
Lung cancer (National Lung Cancer Audit)	Yes	Yes	100%
Bowel cancer (National Bowel Cancer Audit Programme)	Yes	Yes	100%
Head & neck cancer (DAHNO)	Yes	Yes	100%
Oesophago-gastric cancer (National O-G Cancer Audit)	Yes	Yes	100%
<b>TRAUMA</b>			
Hip fracture (National Hip Fracture Database)	Yes	Yes	Participation as per requirements
Severe trauma (Trauma Audit & Research Network)	Yes	Yes	Participation as per requirements
<b>BLOOD TRANSFUSION</b>			
Bedside transfusion (National Comparative Audit of Blood Transfusion)	Yes	Yes	Participation as per requirements
Medical use of blood (National Comparative Audit of Blood Transfusion)	Yes	Yes	Participation as per requirements
<b>END OF LIFE</b>			
Care of dying in hospital (NCDAH)	Yes	Yes	Participation as per requirements

The reports from the national clinical audits were reviewed by the Trust and the actions to improve the quality of healthcare provided have been put in place. For example:

### 1. National Epilepsy 12 Audit (Paediatrics)

Actions:

- Adopt the proforma for assessing a child with first paroxysmal events from PET2 course in our clinic consultation and on the ward for on-calls. This will ensure that all areas are covered and documentations are completed accurately.
- Review documentation and assessments in notes and re-audit.
- Through educational leads allocate dedicated teaching sessions on epilepsies as well as at bedsides and in clinics.
- The General Paediatricians with expertise in Epilepsy will keep up to date with Epilepsy courses.

### 2. National Asthma Audit (Paediatrics)

Actions:

- More appropriate use of nebulisers
- Improved overall documentation
- Improved discharge
- Tackling the above with the introduction of a care pathway

### 3. National Alcohol related mortality audit (Medicine)

Actions:

- Ward to ward hand-over
- Better communication between staff on the plan of care
- Weekend reviews
- Board rounds
- Hand over to hospital at night meeting
- Computerised weekend registrar hand-over
- Friday verbal handover to weekend registrar on call if possible

### 2.4 Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Milton Keynes Hospital NHS Foundation Trust in 2012/13 that were recruited during that period to participate in research approved by a research ethics committee was 402 to the end of Feb.

20 studies in total have contributed to this recruitment figure. This year we have given NHS permission for a further 15 portfolio studies along with a number of student projects.

The R and D department currently pays into 32 posts across the Trust and has Research staff in the following departments: Macmillan, A and E, Radiology, Pathology, Pharmacy, Sexual Health, Critical Care, Physiotherapy, Dermatology, Dementia and Respiratory. Our aim is to provide patients with the latest medical treatments and devices and offer them an additional choice where their treatment is concerned. These are just a few examples of the studies that we have approved this year:

#### Mustardd-PD

We wish to test the effectiveness of a drug called donepezil hydrochloride in people with dementia associated with Parkinson's disease in a study called MUSTARDD-PD. It is important to learn whether donepezil hydrochloride in PD produces benefits that are meaningful to patients and their families, whilst also being good value for money. The study is a randomised double blind controlled design. This is a rigorous way of checking whether a particular drug may have an effect. Two large groups will receive either donepezil hydrochloride or a placebo for up to 2 years.

#### REMAIC

A clinical trial of patients aged over 45 years recovering after intensive care. The aim of this study is to assess whether patients recover quicker if they receive an essential amino acid drink (GEAA) twice daily and/or a Program of Enhanced Physiotherapy and Structured Exercise (PEPSE).

#### Bridging the age gap

The Age Gap study will use state of the art statistical and modelling techniques to determine the age, comorbidity, frailty and disease characteristics of women over 70 with early breast cancer to provide guidance on 2 primary questions:

1. What are the personal and cancer characteristics of women who can be safely advised that surgery is unlikely to confer any advantage for them?
2. What are the personal and cancer characteristics of women who should be advised to have adjuvant chemotherapy after surgery?

We participated in International Clinical Trials day back in May 2012 to promote research within the Trust and advertise to staff that they can take part in portfolio research. We have run a number of National Institute of Health Research promotion campaigns on the T.V screens throughout the hospital to inform patients about Research and that it takes place within our Trust. The Research and Development web pages on the Trusts website have been updated to be more informative and interactive.

## 2.5 Goals agreed with Commissioners CQUIN

A proportion of Milton Keynes Hospital NHS Foundation Trust income in 2012/13 was conditional upon achieving quality improvement and innovation goals agreed between Milton Keynes 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 2012/13 and for the following 12 month period are available online at: [http://www.monitor-nhsft.gov.uk/sites/all/modules/fckeditor/plugins/ktbrowser/\\_openTKFile.php?id=3275](http://www.monitor-nhsft.gov.uk/sites/all/modules/fckeditor/plugins/ktbrowser/_openTKFile.php?id=3275)

The CQUIN (Commissioning for Quality and Innovation) framework is a national framework for nationally and locally agreed quality improvement schemes. A proportion (£3.262m) of MKHFTs income in 2012/13 was conditional upon achieving quality improvement and innovation goals agreed between NHS Northampton and Milton Keynes (Commissioning Care Group) and MKHFT for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. This compares to a figure of £2.03m (1.5%) in 2011/12

Nine CQUINs were agreed with our commissioners as outlined below

Quality Domain (Safety, Effectiveness, Patient Experience or Innovation)	Goal Name	Description of Goal
Patient Safety	Venous Thrombo-Embolism	To reduce avoidable death, disability and chronic ill health from Venous-thromboembolism (VTE)
Patient Experience	Patient Experience	Improve responsiveness to personal needs of patients
Safety, effectiveness and patient experience	Dementia	Improve awareness and diagnosis of dementia, using risk assessment, in an acute hospital setting
Patient Safety	NHS Safety Thermometer	Improve collection of data in relation to pressure ulcers, falls, urinary tract infection in those with a catheter, and VTE
Patient Experience	Patient Experience	Net promoter question - Friends and family Test "Would recommend service to others"
Innovation	High Impact Innovations - Acute	During 2012/13 providers should have developed and agreed with commissioners a plan for the implementation of the High impact Innovations (HI) as set out in Innovation, Health and Wealth
Clinical Effectiveness	Right Care, Right Place (unplanned care)	Reduce clinically unnecessary non-elective or emergency admissions, and manage length of stay, to ensure that patients are receiving the right care, in the right place at the right time
Clinical Effectiveness	Right Care, Right Place (unplanned care)	To improve the care, safety and experience of patients with COPD
Clinical Effectiveness, patient safety	Medicines Management (Antibiotic Stewardship)	This is an important contributor to the reduction of health care associated infections. Improvement in self-assessment audit score for antimicrobials using the University of Hospitals of South Manchester hospital antimicrobial self assessment tool

CQUIN	Threshold	YTD	Apr12	May12	Jun12	Jul12	Aug12	Sep12	Oct12	Nov12	Dec12	Jan13	Feb13	Mar13	
<b>NATIONAL</b>															
VTE - adult inpatients risk assessed on admission	90%	94.2%	93.1%	92.5%	96.1%	92.3%	97.1%	96.7%	96.6%	94.9%	96.3%	96.6%	95.8%	97.1%	
VTE - high risk patients receive appropriate treatment [Q1 25%, Q2 50%, Q3 75%, Q4 95%]	25%		98.9%			100.0%			Q3 report agreed at CQRM 20/02/13 99.71%			Submitted awaiting agreement at CQRM Final Achievement 99.66%			
Patient Experience - Improve responsiveness to personal needs of patients			Annual report based on episodes between July and August Received 2 out of the 5 indicators showed improvements therefore 25% achieved awaiting agreement at CQRM												
Dementia - case finding question	90%	30%	1.0%	2.4%	3.5%	13.1%	29.3%	30.3%	38.3%	33.8%	45.4%	55.8%	54.4%	50.8%	
Dementia - assessment	90%	39%	100.0%	100.0%	100.0%	3.5%	7.1%	0.0%	39.5%	0.0%	12.5%	5.7%	5.1%	100.0%	
Dementia - referral	90%	47%	100.0%	100.0%	40.0%	0.0%	0.0%	0.0%	100.0%	0.0%	25.0%	50.0%	50.0%	100.0%	
NHS Safety Thermometer	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	Reported	
<b>REGIONAL</b>															
Patient Experience - Net promoter score	47.7%	58.8%	46.9%	48.2%	45.7%	60.4%	67.2%	68.5%	65.2%	67.1%	62.6%	56.4%	63.7%	54.8%	
<b>LOCAL</b>															
High Impact Innovation			Q1 report agreed at CQRM 5/10/12			Q2 report agreed at CQRM 7/12/12 Compliance 14%			Q1 Report agreed at CQRM 20/2/13 Compliance 37.5%			Quarterly report submitted Awaiting agreement at CQRM Final compliance 41%			
Unplanned Care	Baseline 11% To reduce by 50%		Q1 Audit plan submitted Agreed at CQRM 5/10/12						Q2 Audit submitted	Q3 Audit and trajectory agreed at CQRM 20/2/13			Quarterly report submitted Awaiting agreement at CQRM Final compliance 41%		
COPD			Quarterly report (care bundle and training plan) Agreed at CQRM 5/10/10 Data report submitted agreed 5/10/12			Q2 audit report submitted agreed 7/12/12			Quarterly (achieve trajectory) agreed at CQRM 20/2/13			Quarterly report submitted Awaiting agreement at CQRM Final compliance 90%			
Medication Management			Baseline and action plan due Sept 12 Agreed at CQRM 5/10/12						Action plan and evidence agreed at CQRM 20/2/13 100% of value of indicator achieved						

## 2.6 Care Quality Commission (CQC) registration and compliance

Milton Keynes 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 –

- Maternity and Midwifery Services
- Diagnostic and screening procedures
- Family planning
- Termination of Pregnancies
- Surgical procedures and treatment of disease, disorder or injury

Milton Keynes Hospital NHS Foundation Trust has no conditions on its registration.

### Review of Compliance of Essential Standards of Quality and Safety

In August 2012 Milton Keynes Hospital NHS Foundation Trust had a review of compliance against following Essential Standards of Quality and Safety;

- Outcome 1** People should be treated with respect, involved in discussions about their care and treatment and able to influence how the service is run
- Outcome 5** Food and drink should meet people's individual dietary needs
- Outcome 7** People should be protected from abuse and staff should respect their human rights
- Outcome 13** There should be enough members of staff to keep people safe and meet their health and welfare needs
- Outcome 21** People's personal records, including medical records, should be accurate and kept safe and confidential

The CQC found that there were minor impacts on the quality and safety of care provided at Milton Keynes Hospital NHS Foundation Trust in relation to Outcome 21 and moderate impact upon the other outcomes assessed. The Trust has a robust action plan in place to address all concerns raised by the inspectors at that time.

## 2.7 Data Quality

Milton Keynes Hospital NHS Foundation Trust submitted records during 2012/13 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:  
99.6% for admitted patient care;  
99.5% for outpatient care; and  
98.2% for accident and emergency care.

- which included the patient's valid General Practitioner Registration Code was:  
100.0% for admitted patient care;  
100.0% for outpatient care; and  
100.0% for accident and emergency care.  
Data is based on M10 Data quality report from the information centre

Milton Keynes Hospital NHS Foundation Trust Information Governance Assessment Report overall score for 2012/13 was 85% and was graded Green.

Milton Keynes Hospital NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnosis and treatment coding (clinical coding) were 43.1%.

The audit focused exclusively on Accident and Emergency attendances and the results should not be extrapolated further than the actual sample audited.

### Audit approach

1. Accident and emergency (A&E) data from quarter 1 2012/13 was audited. The sample covered all HRGs in A&E at the Trust.
2. The audit covered the Trust's coding of investigation and treatment codes, the two data items that affect the price commissioners pay for an A&E attendance.

### Audit findings

In the sample audited, the Trust had 43.1 per cent of attendances (53 attendances) with a coding error affecting the HRG. These errors resulted in the PCT being charged the incorrect price for that attendance. The commissioner was undercharged by £2,611 for the errors in the audit sample.

Milton Keynes Hospital NHS Foundation Trust will be taking the following actions to improve data quality

- Full implementation of the Amalga system in the A&E department
- A restructuring of existing data quality arrangements to provide a better fit to the Organisation's Health Informatics agenda.
- Strengthen the relationship between clinicians and data quality through the Chief Clinical Information Officer.
- Implement new lines of responsibility to clinical service units, putting the emphasis and ownership of data and its quality with both managerial and operational staff.
- Embed the above through an effective Data Quality Strategy.

Milton Keynes NHS Foundation Trust now uses Key Performance Indicators (KPIs) to better assess the quality of its data.

# Part 3

## Review of Quality 2012/13

In selecting our quality metrics for the quality overview we have chosen measures from the Trust Quality and Safety scorecard which forms part of our continuous Trust review and reporting. These measures cover patient safety, experience and clinical outcomes and 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 historical performance and where available we have included national benchmarks. Some of the measures have changed over time and as such information regarding these changes are included.

Indicator	Measurement used	Performance			
		2009-10	2010-11	2011-12	2012-13
<b>PATIENT SAFETY</b>					
Hand hygiene compliance	Internal target – percentage compliance as measured by Hand Hygiene measured by exception to compliance	89.9%	95.20%	97.00%	89.5%
Hospital-acquired pressure ulcers (grades 3 and 4)	Internal target – total number measured by weekly Incidence reporting log	6	9 (grade 3 only)	4 (grade 3 only)	6 (grade 3 only)
Patient falls	Internal target – total number of reported incidents.	664	669	588	669
Medication incidents	Internal target – total number of reported incidents.	369	554	474	386
Serious incidents	Internal target – total number of reported incidents.	35	44	53	101
“Never” events	This is based on a nationally accepted list of events published by the National Patient Safety Agency.	0	0	0	2
<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	83.4	92.9	84	106.6
Perinatal death rate	This data is provided by the Confidential Enquiry into Maternity and Child Health (CMACH), which is a national body	Perinatal 7.1 per 1,000 – Stillbirth 4.3 per 1,000 as of 31.12.09	Perinatal 6.1 per 1,000 Stillbirth 4.3 per 1,000	Perinatal rate 5.4 per 1,000 Stillbirth 5.1 per 1,000	Perinatal rate 6.5 per 1,000 Stillbirth 5.7 per 1,000
Readmissions under 30 days (elective)	Emergency admissions within 30 days of elective discharge, including day cases. Internally set target	NA	NA	NA	12.4
Readmissions under 30 days (non-elective)	Emergency admissions within 30 days of non-elective discharge, including day cases. Internally set target	NA	NA	NA	2.6
<b>PATIENT EXPERIENCE</b>					
Informal complaints from patients	The number of informal complaints from patients received by the Trust	136	343	475	443
Formal complaints	The number of formal (written) complaints from patients received by the Trust	354	300	246	295
Midwife : birth ratio	Birth Rate Plus Midwifery Workforce planning tool	1 to 30	1 to 30	1 to 30	1 to 30
<b>WORKFORCE</b>					
Staffing level incidents	Internal target – total number of reported incidents	199	193	199	174
Incidents of violence towards staff	Internal target – total number of reported incidents	82	79	46	29

Indicator	Target and source (internal / regulatory / other)	2009-10	2010-11	2011-12	2012-13
<b>PERFORMANCE AGAINST KEY NATIONAL PRIORITIES AND REGULATORY REQUIREMENTS</b>					
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	>96% set by Monitor	Achieved 98%	Achieved 99.7%	Achieved 99%	Achieved 97.8%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	>85% set by Monitor	Achieved 98%	Achieved 92.3%	Achieved 88.56%	Achieved 87.84%
Maximum wait of 2 weeks from GP referral to date first seen for all cancers	>93% set by Monitor	Achieved 97%	Achieved 97.5%	Achieved 98.8%	Achieved 96.8%
Maximum waiting time of 31 days for subsequent cancer treatments: drug treatments	>98% set by Monitor	Achieved 100%	Achieved 100%	Achieved 100%	Achieved 100%
Maximum waiting time of 31 days for subsequent cancer treatments: surgery	>94% set by Monitor	Achieved 94%	Achieved 100%	Achieved 100%	Achieved 98.6%
Maximum of 2 weeks wait from referral to being seen: symptomatic breast cancer patients	>93%	Missed 92%	Achieved 96.30%	Achieved 98.80%	Achieved 95.9%
<b>REFERRAL TO TREATMENT WITHIN 18 WEEKS:</b>					
Admitted	Admitted: >90%	Achieved 92%	Achieved 91.7% Specialty: achieved 16/18	Achieved 91.1% Specialty: achieved 9/19 (only 13 relevant)	Achieved 91% 15 out of 19 specialties are above 90% or have no patients recorded
Non-Admitted	Non-admitted: >95%	Achieved 95%	Achieved 99% Specialty: achieved 17/18	Achieved 99.0% Specialty: achieved 19/19 (only 15 relevant)	Achieved 98.9% 19 out of 19 specialties are 95% above or have no patients recorded
Specialty	Specialty: set by Monitor and Care Quality Commission; cannot under-achieve >3/18	Specialty: 2/18 underachieved	As above	As above	As above
Patient on incomplete pathway	Patient on an incomplete pathway: 92%	95.2%	93.9%	93.6%	95.4%
A&E treatment within 4 hours (including Walk-In Centre)	>95% Set by Monitor and Care Quality Commission	Achieved 98.2%	Achieved 96.4%	Achieved 96.3%	Not Achieved 91.7%
Rapid Access Chest Pain Clinic % seen within 2 weeks	100% Set by Care Quality Commission	Achieved 100%	Achieved 100%	Achieved 100%	Achieved 100%
Cancelled operations: %age readmitted within 28 days	>95%	Achieved 100%	Achieved 99%	Achieved 96%	Not Achieved 95%
Clostridium Difficile infections in the Trust	Set by DH /SHA	Achieved 31 against 81	Achieved 33 against 56	Achieved 16 against 32	Achieved 19 Against 14
MRSA bacteraemia (in Trust)	7 set by the DH/SHA	Achieved 1 against 6	Achieved 1 against 4	Achieved 2 against 2	0
MRSA bacteraemia (across Milton Keynes total health economy)	10 agreed locally	3	6	Achieved 5 against 4	0
<b>MEASURES NO LONGER IN PLACE AS SERVICE NO LONGER PROVIDED BY MKHFT OR NO LONGER APPLICABLE</b>					
Thrombolysis – call to needle within 60 minutes	>68%	Trust number of cases (19) below de minimis level	Majority of patients transferred directly to Tertiary Centre for (PCI)	Not applicable Service not provided.	Not applicable Service not provided.
Genito-urinary medicine clinics: % appointments available within 48 hours	100% set by Care Quality Commission	Achieved (100%)	Achieved (100%)	Achieved (100%)	Not applicable Service not provided.
Readmissions under 14 days (elective)	Emergency admissions within 14 days of elective discharge, including day cases. Internally set target	5%	2.30%	2.30%	Measure now set at 30 day
Readmissions under 14 days (non-elective)	Emergency admissions within 14 days of non-elective discharge, including day cases. Internally set target	10.60%	10.00%	10.20%	Measure now set at 30 day

## Statements relating to quality

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

- the national average for the same; and
- 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	2010/11	2011/12	2012/13
<b>DOMAIN 1 PREVENTING PEOPLE FROM DYING PREMATURELY</b>				
	MKHFT	1.0039 band 2	0.9929 band 2	1.0043 Band 2
Summary Hospital-Level Mortality Indicator (SHMI) value and banding	National	1.00	1.00	1.00
	High /Low	0.67-1.21	0.71-1.25	0.68-1.21
	MKHFT	0.8%	0.6%	1.06%
% of admitted patients whose treatment included palliative care	National	0.9%	1%	Not yet available
	High /Low	0%-2.9%	0%-3.3%	Not yet available
	MKHFT	17%	13%	Not yet available
% of admitted patients whose deaths were included in the SHMI and whose treatment included palliative care	National	17%	18%	Not yet available
	High /Low	0.1-38.9%	0-44.2%	Not yet available
<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 12/13 is not yet available			
	MKHFT		0.08	Not yet available
Groin hernia surgery	National		0.09	0.09
	High /Low		0.03-0.14	0.017-0.158
	MKHFT		N/A	Not yet available
Varicose veins surgery	National		0.09	0.09
	High /Low		0.05-0.17	0.024-0.138
	MKHFT		0.42	0.46
Hip replacement surgery	National		0.42	0.44
	High /Low		0.306-0.532	0.333-0.502
	MKHFT		0.29	Not yet available
Knee replacement surgery	National		0.30	0.31
	High /Low		0.18-0.385	0.244-0.387
	MKHFT	11.27		7.6%
Emergency Readmissions to hospital within 30 days standardised percent	National (Small Acute)	10.89		Not yet available
	High /Low	0-12.7		Not yet available

Domains of Quality	Level	2010/11	2011/12	2012/13
<b>DOMAIN 4 ENSURING PEOPLE HAVE A POSITIVE EXPERIENCE OF CARE</b>				
Responsiveness to inpatients personal needs	MKHFT	62.7	65.0	*63.7
	National	67.3	67.40	Not yet available
	High /Low	56.7-82.6	56.5-85.0	Not yet available
% of staff who would recommend the provider to friends or family needing care	MKHFT	54.00	46%	50%
	National	66.00	65%	65%
	High /Low	38-88	33-96%	35-94%
<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	62.70	65.00	96.00
	National	71.50	67.40	94.10
	High / Low	11-100 q4	56.5-85	10 - 84.6
Rate of C difficile per 100,000 bed days	MKHFT	20.40	11.30	13.36
	National	29.60	21.80	Not yet available
	High / Low	0-71.8	0-51.6%	Not yet available
Total patient safety incidents	MKHFT	3519	3307	2850
Rate of patient safety incidents per 100 admissions	MKHFT	5.48	4.78	4.55
	National (Small Acute)	6.29	6.95	6.79
	High / Low	2.24-10.58	2.13-14.37	*3.48-17.64
Total patient safety incidents resulting in severe harm or death	Total Number MKHFT	40	22	19
% patient safety incidents resulting in severe harm or death	% MKHFT	0.90%	0.40%	*0.67%
	National (Acute)	1.15%	1.20%	0.90%
	High / Low	0 - 9.1%	0 - 7.0%	0.1 - 2.4%

This year is the first time that this indicator has been required to be included within the Quality Report alongside comparative data provided, where possible, from the Health and Social Care Information Centre. The National Reporting and Learning Service (NRLS) was established in 2003. The system enables patient safety incident reports to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS trusts in England to report all serious patient safety incidents to the Care Quality Commission as part of the Care Quality Commission registration process. To avoid duplication of reporting, all incidents resulting in death or severe harm should be reported to the NRLS who then report them to the Care Quality Commission. Although it is not mandatory, it is common practice for NHS Trusts to report patient safety incidents under the NRLS's voluntary arrangements.

As there is not a nationally established and regulated approach to reporting and categorising patient safety incidents, different trusts may choose to apply different approaches and guidance to reporting, categorisation and validation of patient safety incidents. The approach taken to determine the classification of each incident, such as those 'resulting in severe harm or death', will often rely on clinical judgement. This judgement may, acceptably, differ between professionals. In addition, the classification of the impact of an incident may be subject to a potentially lengthy investigation which may result in the classification being changed. This change may not be reported externally and the data held by a trust may not be the same as that held by the NRLS. Therefore, it may be difficult to explain the differences between the data reported by the Trusts as this may not be comparable.

External audit have identified some issues regarding categorisation of severe harm (1 case where categorisation was incorrect and 3 cases where insufficient information was available). The Trust will be working to improve the categorisation process during 2013/14.

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

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

Milton Keynes Hospital NHS Foundation Trust intends to take 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. We have undertaken a substantial case note review and have identified two areas for action. These are: out of hours care for patients and the critical care pathway for deteriorating patients.

**Indicator 2:  
% of admitted patients whose treatment included  
palliative care**

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

Milton Keynes Hospital NHS Foundation Trust intends to take 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 3:  
% of admitted patients whose deaths were included  
in the SHMI and whose treatment included palliative  
care**

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

Milton Keynes Hospital NHS Foundation Trust intends to take 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:  
PROM scores groin hernia surgery;**

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

Milton Keynes Hospital NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by awaiting the availability of a second data set on which actions may be taken if required.

**Indicator 5:  
PROM scores varicose veins surgery;**

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

Milton Keynes Hospital NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by awaiting the availability of a second data set on which actions may be taken if required.

**Indicator 6:  
PROM scores hip replacement surgery;**

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

Milton Keynes Hospital NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by continuing to monitor the MKHFT's performance against the national values.

**Indicator 7:  
PROM scores knee replacement surgery**

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

Milton Keynes Hospital NHS Foundation Trust intends to take the following actions to improve this rate, and so the quality of its services, by awaiting the availability of a second data set on which actions may be taken if required.

**Indicator 8:  
Emergency Readmissions to hospital within 30 days**

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

Milton Keynes Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by a range of actions including audit of the patients notes who have been readmitted, working collaboratively with our external partners within the community health services and local social care teams in establishing more robust discharge plans.

**Indicator 9:  
Responsiveness to inpatient personal needs**

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

Milton Keynes Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by introducing a programme of staff engagement to create shared values based upon feedback received through a range of methods about working for the organisation. This programme is called 'We Care'. We have worked with over 100 of our patients who have told us what they think of the care in our hospital and how they would like it improved.

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

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

Milton Keynes Hospital NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by introducing a programme of staff engagement to create shared values based upon feedback received through a range of methods about working for the organisation. This programme is called 'We Care'

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

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

Milton Keynes Hospital NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by continuing to refine and review the assessment process to improve compliance.

**Indicator 12:  
Rate of C difficile**

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

Milton Keynes Hospital NHS Foundation Trust intends to take the following actions to improve this score, and so the quality of its services, by improving antimicrobial prescribing to reduce the risk of CDiff.

**Indicator 13:  
Rate of patient safety incidents and % resulting in severe harm or death**

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

Milton Keynes Hospital NHS Foundation Trust intends to take 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 as we are below the national average for this indicator.

# Annex 1

## Statements from NHS: Milton Keynes, Milton Keynes LINK and Milton Keynes Council's Health and Adult Social Care Select Committee

### Statement From LINK:MK dated 30 April 2013

- Due to the limited time given for review, we have been unable to obtain comments from our Management Group or other members. Therefore, had more time been available, we may have had additional comments.
- The Quality Accounts appear to be generally comprehensive and the aspirations for improvements are commendable.
- No comment on clinical content are included as we do not have suitable expertise.
- Comments on performance are limited as there is no up to date data on many items.
- There appears to be a general deterioration in patient safety from 2011-12. Whilst there has been a reduction in Medication Incidents, an average occurrence of more than one per day is of concern (page 23).
- It is noted with some reassurance that waiting time targets for cancer treatments have been achieved (pages 24/25).
- The target of a reduction in the number of falls of only 34 from 669 to 635 is of concern, particularly as there will be funding for a falls prevention co-ordinator, who will lead the falls prevention strategy (page 11).
- It is noted with concern that the A&E treatment within 4 hours (including Walk-In Centre) target has been missed, 91.7% against 95%. It should also be noted that the 8.3% of the 72,556 attendees (part 1.1) not treated within 4 hours is actually 6022 people.
- It is noted that the Independent Auditor's Report - Annex 3 is a standard form that is still to be completed and signed.
- A Glossary would be helpful.

### Draft Statement from Milton Keynes Council Health and Adult Social Care Select Committee dated 17 May 2013

The meeting was attended, on behalf of the hospital, by Lisa Knight, Chief Nurse, who was able to clarify or comment upon some of the issues raised by the Panel.

The Panel felt that this year's Quality Account from Milton Keynes Hospital NHS Foundation Trust was a big improvement on last year, was generally comprehensive and that the aspirations for improvement were commendable. The layout was much improved and the Panel felt the Account started off well and was initially accessible. However it got denser as it progressed with far too much data to be of interest to the general reader.

As part of its scrutiny of the Quality Account, the Panel then highlighted the following points for particular comment:

- The Panel welcomed the statement of momentum for improvements to the hospital's services in the Chief Executive's opening remarks;
- Panel members were concerned at what appeared to be a general deterioration in patient safety in 2012-13;
- The Panel was pleased to note the reduction in the amount of medication being dispensed;
- The hospital was to be commended on meeting the waiting time targets for seeing cancer patients;
- Although the aim of reducing the number of falls in the elderly population was commendable, the panel felt that the figure set by the hospital was not particularly challenging. Ms Knight commented that the hospital had sustained a continuous reduction in falls over a number of years and agreed to make this clearer in the final report. The falls priority was linked to the Milton Keynes Health and Wellbeing Strategy;
- 66% of in-patients had some form of impairment which made them vulnerable to falls and the factors which affected them were rising;
- The Panel would have liked to have seen more use of actual figures e.g. for waiting times in A&E, rather than just listing percentages. The Panel felt that the use of percentages could be seen as an attempt to hide figures which may be perceived as being less good. However, this tendency was by no means confined to the Quality Account submitted by the hospital and the Panel had also commented on this in relation to other Quality Accounts;

## Statement from Milton Keynes Clinical Commissioning Group dated 17 May 2013

- A lot of the data looked as if it had been cut and pasted in by several different people; it needed a final edit by one person to give it cohesion.
- The Panel felt that the information on the 9 agreed CQUINS on page 20 could be clearer in order to make sense to the general reader.
- Chart 1 on page 7 was excellent but the Panel thought that Chart 2 on page 8 was not clear. However, the Panel did comment that it might make more sense when viewed in colour. The Panel would have been interested to know which other hospitals were included in the data presented in Chart 2 as it felt that any benchmarking needed to be between comparable areas. Ms Knight explained that Milton Keynes Hospital participated in the National Patient Safety Thermometer which is used to compare performance between hospitals. However, each hospital is only told where they appear on the scale and do not have access to information as to where other hospitals might appear on the scale.
- Ms Knight advised the Panel that guidance from Monitor had recently changed, including prescribed language to be used in the production of Quality Accounts. Ms Knight agreed that the hospital also did not think this was user friendly as it had produced a data rich document which moved away from a document which was being produced for the general reader. Ms Knight agreed to give the Quality Accounts Panel's feedback to Monitor. However auditors would be checking the Quality Account for compliance against Monitor's prescribed wording and format.
- Page 33 – the Council's health scrutiny committee was now known as the 'Health and Adult Social Care Select Committee'.
- The Panel felt that the account should be telling more stories about people and their experiences at the hospital and that it should be proud of its successes and make more of them.

The review of quality improvements 2012/13 demonstrates considerable improvement for which the team should be commended. The hard work and commitment that this achievement represents should not be overlooked.

The CCG can confirm that the information in the Quality Account is accurate and fairly interpreted and that the range of services described and priorities for improvement is representative. The information provides both positive areas and areas for improvement. The trust may wish to consider providing more detail in relation to improvement actions as a result of underperformance for example Monitor and CQC concerns, and A&E and C Difficile performance, to provide a higher level of assurance to stakeholders, particularly patients and the local community.

The CCG is pleased to see that there are three priorities for improvement going forward this year: pressure ulcers, falls, and implementation of the WHO checklist. All priorities support treating and caring for people in a safe environment and protecting them from avoidable harm, and are aligned with CCG priorities. The Trust may wish to include in future quality accounts priorities which impact on other dimensions of quality e.g. ensuring that patients have a positive experience of care and clinical effectiveness.

Details in relation to eliminating grade 3 and 4 pressure ulcers is comprehensive and includes robust actions and processes for measuring the impact of improvements to achieve the overall objective. Similar detail relating to compliance with the WHO checklist and reductions in hospital based falls, outlining how the impact of improvements will be measured, would further strengthen this element of the document.

The CCG acknowledges the trust is aspiring to achieve an incremental reduction in falls in order to embed sustainable improvements. Although the CCG would have liked to see a more ambitious improvement trajectory we are willing to support this approach.

Looking forward and following the Francis enquiry, the CCG welcomes the opportunity to work collaboratively with the trust and further strengthen the relationship to support continuous improvement in quality of care provided to patients. We hope that you find the above comments useful and look forward to seeing the publication of the account.



# 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 foundation trust boards should put in place to support the data quality for the preparation of the quality report.

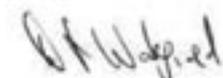
In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

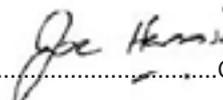
- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012/13;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
- Board minutes and papers for the period April 2012 to May 2013
- Papers relating to Quality reported to the Board over the period April 2012 to May 2013
- Feedback from the commissioners dated 17/05/13
- Feedback from governors on quality priorities dated 01/03/2013
- Feedback from Local Healthwatch organisations dated 30/04/2013
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, will be reported to Quality Committee on 19 June 2013
- The national patient survey February 2013
- The national staff survey 2012
- The Head of Internal Audit's annual opinion over the trust's control environment dated 10/04/2013

- CQC quality and risk profiles dated 31/04/2013
- 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; and 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

29th May 2013.....Date..........Chairman

29th May 2013.....Date..........Chief Executive

# Annex 3

## Independent Auditor's report

### Independent Auditor's Report to the Council of Governors of Milton Keynes Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Milton Keynes Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Milton Keynes Hospital NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (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 Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Milton Keynes 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 2013, 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 Hospital NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

### Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Clostridium Difficile;
- Maximum 62 day waiting time from urgent GP referral to treatment for all cancers.

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 the guidance; 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 the documents specified within the detailed guidance. 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.
- 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 impact 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 thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Milton Keynes Hospital NHS Foundation Trust.

## Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

- 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 Monitor’s 2012/13 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  
29 MAY 2013



# Annex 4

## Feedback on the Quality Account

If you would like further information contained within this report, please write to

**Michelle Evans-Riches**  
**TRUST SECRETARY**

Milton Keynes Hospital NHS Foundation Trust,  
Eaglestone, Standing Way Milton Keynes MK6 5LD

Or email her at: [michelle.evans-riches@mkhospital.nhs.uk](mailto:michelle.evans-riches@mkhospital.nhs.uk)



# Appendix 2

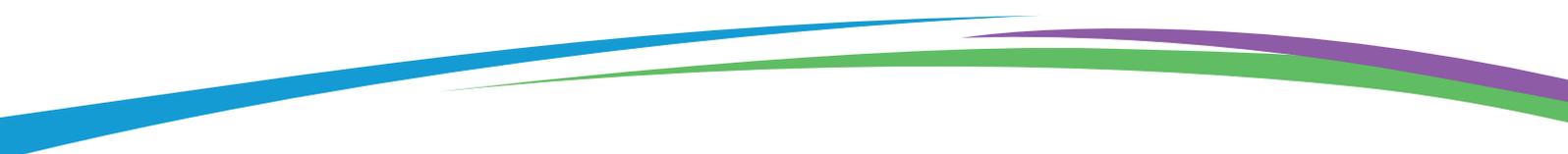
## Constituencies & Governors

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

			Term of Office			
Constituency	No	Governors	From	To		
PUBLIC CONSTITUENCY (15)	A	Bletchley & Fenny Stratford, Denbigh, Eaton Manor & Whaddon	2	Vacant	1 Feb 2012	14 May 2012
				Dr Arun Nathan	14 May 2012	14 May 2015
				John Needham	21 Mar 2012	21 Jan 2013
				Vacant	21 Jan 2013	
	B	Emerson Valley, Furzton, Loughton Park	2	Brian Hobbs	17 Aug 2010	16 Aug 2013
				Peter Ballantyne	1 Oct 2007	10 April 2013
	C	Linford South, Bradwell, Campbell Park	2	Robert Collard	1 Oct 2007	16 Aug 2013
				Chris Phillips	18 Mar 2011	17 Mar 2014
	D	Hanslope Park, Olney, Sherington, Newport Pagnell	2	Liz Wogan	12 May 2009	11 May 2015
				Roger Hornblow	13 May 2010	12 May 2013
	E	Walton Park, Danesborough, Middleton, Woughton	2	Lesley Bell	1 Oct 2007	16 Aug 2013
				Joanne Surley	18 Mar 2011	7 Aug 2012
				Vacant	7 Aug 2012	
	F	Stantonbury, Stony Stratford, Wolverton	2	Paul Bartlett	1 Oct 2007	17 Jun 2012
				Ann Thomas	11 Oct 2012	10 Oct 2015
Michael Moutrie				10 Feb 2012	9 Feb 2015	
G	Outer catchment area	2	Barbara Senior	7 Apr 2010	6 Apr 2013	
			Jean Button	21 Mar 2012	20 Mar 2015	
H	Extended area	1	Vacant	25 Nov 2011		
STAFF CONSTITUENCY (7)	I	Doctors and Dentists	1	Dawar Abbas	17 Aug 2010	16 Aug 2013
	J	Nurses and Midwives	2	Kim Weston	1 Oct 2007	16 Aug 2013
				Julie Orr	17 Aug 2010	16 Aug 2013
	K	Scientists, technicians and allied health professionals	1	Keith Marfleet	11 Oct 2012	10 Oct 2015
	L	Non-clinical staff groups e.g. admin & clerical, estates, finance, HR, management	3	Lisa Beaumont	1 Jun 2009	31 May 2012
				Alan Brookes	1 Jun 2009	31 May 2012
				Lesley Dillon	11 Oct 2012	10 Oct 2015
				Paul Williams	11 Oct 2012	10 Oct 2015
	N	Milton Keynes Business Leaders	1	Vacant	1 Oct 2010	Not applicable
				Youth participation representative	Vacant	26 Mar 2010
	O	Local Involvement Network (LINK:MK)	1	Alan Hastings	25 Oct 2011	Not applicable
	P	Milton Keynes Council for Voluntary Organisations	1	Clare Hill	1 Oct 2007	Not applicable
Local Authority – Milton Keynes Council				Cllr Debbie Brock	1 Jul 2011	Not applicable
Clinical Commissioning Group				Jeannie Ablett	19 Feb 2013	Not applicable



**We CARE**



# Appendix 3

## Board & Governor Attendance

Milton Keynes NHS Foundation Trust  
Annual Report & Accounts 2012 / 13

	Board of Directors	Audit Committee	Charitable funds	Finance & Investment	Quality Committee	Remuneration	Press for Change Programme Board
Graham Anderson	6/6			10/13	7/7		
Frank Burdett	6/6	3/6	4/4	11/13			
Penny Emerson	5/6	3/6			6/7		
Robert Green	2/2	1/1	1/1				
Tony Halton	2/2				3/3		4/5
Joe Harrison	1/1			1/2			2/2
Lisa Knight	2/3				3/3		3/4
Darren Leech	6/6		3/4				8/11
Ian Mackie	3/4	5/5					
Mark Millar	5/5			8/11	1/7 (ex-officio)	1/1	6/9
David Moore	6/6			13/13		2/2	9/11
Gillian Prager	1/1				1/1		1/2
Kathy Renacre	4/6		2/2		3/7	2/2	9/11
Kate Robinson	6/6	4/6			7/7	2/2	
Duncan Smith	4/6			9/13			7/11
Robert Toole	2/2			2/3			3/3
David Wakefield	6/6			5/13 (ex-officio)	6/7 (ex-officio)	2/2	
Louise Watson	4/4						7/8
Martin Wetherill	6/6			1/13	4/7		5/11
Maria Wogan	4/4		4/4				5/7

	3 April 2012	15 May 2012	26 June 2012	7 August 2012	18 Sept 2012	30 Oct 2012	21 Nov 2012	11 Dec 2012	15 Jan 20123	19 Feb 2013	All meetings	Nominations Committee	
Abbas, Dr Dawar	X	X	X	X	X	✓	✓	X	✓	✓	4/10	0/0	
Ballantyne, Peter	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	0/0	
Beaumont, Lisa	✓	✓									2/2	0/0	
Bell, Lesley	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	1/1	
Brock, Cllr Debbie	✓	X	X	✓	✓	✓	✓	✓	✓	✓	8/10	0/0	
Brookes, Alan	X	X									0/2	0/0	
Button, Jean	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	0/0	
Collard, Robert	✓	X	✓	✓	✓	✓	✓	✓	X	✓	8/10	0/1	
Dillon, Lesley						✓	✓	✓	✓	✓	5/5	0/0	
Hastings, Alan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	0/0	
Hill, Clare	✓	X	X	X	✓	X	X	✓	✓	✓	5/10	0/0	
Hobbs, Brian	✓	✓	✓	✓	X	✓	✓	✓	✓	X	8/10	0/0	
Hornblow, Roger	X	✓	✓	✓	X	✓	✓	X	✓	X	6/10	0/0	
Marfleet, Keith	✓	✓				✓	X	✓	✓	✓	6/7	0/0	
Moutrie, Michael	✓	✓	✓	X	✓	✓	✓	✓	X	✓	8/10	0/0	
Needham, John	✓	✓	X	X	✓	✓	X	X			4/8	0/0	
Orr, Julie	X	✓	✓	X	✓	X	✓	✓	✓	X	6/10	0/0	
Phillips, Chris	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	0/0	
Rollins, Martyn	X	✓	✓	✓	✓	X	✓	X	✓	✓	7/10	0/0	
Senior, Barbara	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	9/10	0/0	
Surley, Joanne	X	X	X	X								0/4	0/0
Thomas, Ann								✓	✓	✓	3/3	0/0	
Vaidyanathan, Dr Arun				✓	✓	X	X	✓	X	✓	4/7	0/0	
Wakefield, David	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10/10	0/0	
Weston, Kim	✓	✓	X	✓	✓	X	✓	✓	X	✓	7/10	0/0	
Williams, Paul						✓	X	✓	X	✓	3/5	0/0	
Wogan, Liz	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	9/10	1/1	





Milton Keynes Hospital   
NHS Foundation Trust

**We CARE**

Standing Way, Eaglestone  
Milton Keynes, MK6 5LD

01908 660033  
[www.mkhospital.nhs.uk](http://www.mkhospital.nhs.uk)