

ANNUAL REPORT & ACCOUNTS

2009/2010

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**Kettering General Hospital NHS Foundation Trust
Annual Report and Accounts 2009/2010**

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1. DIRECTORS' REPORT

1.1 CHAIRMAN & CHIEF EXECUTIVE'S STATEMENT

This has been a year of real progress for the Trust. We continued to comply with all the obligations of good financial governance and control, and we continued to meet the national targets. But we also took the opportunity, as a Foundation Trust, to seize the initiative and to focus on the things that matter most to our patients and our members.

And so we placed patient experience and patient safety at the heart of our activity, and we have made huge strides forward. Some of our achievements over the year include:

- Making further reductions in our MRSA and C difficile rates, well ahead of target.
- Launching our unique and innovative Improving Healthcare Together programme, based on local people's views, which is already improving the experience of patients.
- Complying fully with the stringent new 'Same Sex Accommodation' requirements. This involved a significant upgrade to our busy Medical Assessment Unit as well as improving our literature and signage for patients.
- Our Paediatric staff won a Charter Mark Bronze Award from Northamptonshire County Council for involving children and young people in decisions about their care.
- Our ward refurbishment programme has continued with Harrowden A now completed to an extremely high quality standard.
- Our Housekeeping staff have excelled themselves and we now receive many plaudits for the clean state of the hospital.
- Implementing the Patient Safety First Campaign, which includes safety 'walkarounds' by Directors, using the World Health Organisation Safer Surgery Checklist, and measures to improve the care of the acutely ill patient.

We recognise that all of these achievements stem from our excellent staff, and we continue to strive to be a good employer, building on our recognition by the Nursing Times/Health Service Journal as one of the UK's top 100 best health employers.

Our biggest challenge this year has undoubtedly been the enormous increase in demand for emergency care, which was only partly due to the severe weather and the swine flu outbreak. The pressure on our hospital has been huge as community care systems have reached capacity, and has led to review of the whole system of care in the county. The patients affected are amongst our most vulnerable, and we are determined to work with our health and social care partners to strengthen the system before next winter is upon us.

Of course, the real strength of a Foundation Trust is its Membership. Our Council of Members is now fully established and is contributing very significantly towards our strategic direction, and determining our priorities. We will build on this strong base in 2010/11, so that we become more responsive, and accountable, to the local people that we serve.

Finally, we know the public sector faces difficult challenges in the years ahead. We are not prepared to see our service quality compromised, so we must work closely with our membership and our staff to keep improving our efficiency. We are determined to do this in 2010/11 and beyond, so that we make the best possible use of the resource we have. Our achievements last year leave us well placed to tackle this challenge with confidence.



STEVE HONE
CHAIRMAN



MARK NEWBOLD
CHIEF EXECUTIVE

1.2 OUR PERFORMANCE

EXCELLENT AND GOOD RATINGS IN THE CARE QUALITY COMMISSION'S ANNUAL HEALTH CHECK 2009

Kettering General Hospital NHS Foundation Trust achieved an Excellent rating for use of resources and a Good rating for quality of services in the Care Quality Commission's (CQC) 2009 Annual Health Check published on 15th October 2009.

This is an improvement from good to excellent for the hospital's use of resources compared to 2008 but a reduction in rating from excellent to good for quality of service. This reduction relates to a single part of the health check, as explained below, and does not reflect on the many improvements that are currently underway.

The results show that the Trust has maintained its excellent record of financial control. It is the fifth year in succession that the Trust reported a surplus, a significant achievement considering the pressure on NHS finances.

The financial stability has enabled the hospital to invest in improvements over the past five years which have included developing a £18m Treatment Centre (opened April, 2007), £4.7m Cardiac Centre (opened July 2007), £1.5m new short-stay medical ward, Clifford Ward (opened October 2008) and the first stage of the Harrowden ward refurbishment programme in 2009/10.

In April 2009, the Trust had a condition attached to its initial registration with the Care Quality Commission because visits by their inspectors had found an issue with how it documented cleaning routines in the hospital. The Trust immediately addressed the issue raised and in May 2009, the CQC lifted the condition.

The Trust also received an unannounced visit by the commission in August 2009, and passed all 16 measures assessed relating to hygiene.

CARE QUALITY COMMISSION INPATIENT SURVEY 2009

92% of Kettering General Hospital patients rated the overall care they received highly in the 2009 national Care Quality Commission Inpatient Survey.

The survey in May 2009 found that:

- 43% of patients rated overall care at KGH as excellent
- 38% as very good
- 11% as good.

4% rated the overall care they received as fair and 3% as poor. The 92% rating puts Kettering General Hospital very close to the top 20% best performing Trusts in England on this survey question.

The Trust was in the top 20% of English Trusts in the questions:

- Having confidence and trust in the nurses treating you
- Were you offered a choice of food
- Overall how long did you wait to be admitted
- How do you feel about the length of time you were on the waiting list
- Being offered a choice of hospital

Overall 455 Kettering General Hospital patients over the age of 16 answered a questionnaire which asked them about the care they received while staying as an inpatient at the hospital (for at least one night) during 2008.

INFECTION CONTROL UPDATE

The Trust has continued to improve its infection control performance during 2009-2010.

C difficile - The Trust has achieved a 2011 target of reducing Trust attributed C difficile by 30% two years early. This equated to having no more than 129 cases by 2011. The Trust had 95 cases in 2008-2009 and 70 in 2009-2010.

MRSA - The Trust aimed to maintain its low level of MRSA cases at no more than 10 cases of bloodstream infections for the year 2009-2010. At year end (March 31, 2010) the Trust had 6 cases for 2009-2010, four of the six reported cases are classified as pre 48 hours and not the result of the care that they received while in Kettering General Hospital.

IMPACT OF THE WINTER

The worst weather for 30 years to hit Northamptonshire had a significant impact on Kettering General Hospital. The county was coated in ice and snow for more than a month between December 8 and January 7 and night time temperatures plunged as low as -7C.

Staff rose to the challenges the weather brought and even in the worst conditions – where snow lay several inches deep – they made extra efforts to get into work, often early in the morning on treacherous roads. Once in work many front line staff faced long hard and busy days coping with very large numbers of patients suffering from distressing illness and injury.

Good planning and the hard work of staff meant the Trust was able to keep services running virtually as normal throughout the period – although the weather did put significant pressure on beds and waiting times.

One of the consequences of the bad weather was large numbers of people of all ages falling over and injuring themselves and between December 18 and January 7 the hospital dealt with 169 fractures - many more than normal. While this impacted on emergency care a lot of the extra pressure also came from normal medical emergencies such as people with long-term health conditions which had worsened.

The Trust was actively involved in a Northamptonshire campaign (Northants Choose Well) to encourage people to seek the right kind of NHS treatment during this busy period.

NATIONAL PATIENT SAFETY AGENCY - PATIENT ENVIRONMENT ACTION TEAM REPORT 2009

The Trust scored excellent for food, good for privacy and dignity and acceptable for its patient environment in the National Patient Safety Agency (NPSA) 2009 Patient Environment Action Team (PEAT) assessment results (www.npsa.nhs.uk/peat).

PEAT teams – made up of patient representatives and hospital staff – inspect standards across a range of patient services including food, cleanliness, infection control, and patient environment (bathroom areas, décor, lighting, floors and patient access) and score them against nationally set criteria.

The assessments are conducted annually and NHS trusts are given a rating of ‘excellent’ (5), ‘good’ (4), ‘acceptable’ (3), ‘poor’ (2) or ‘unacceptable’ (1).

AREA	PEAT SCORES		
	2007	2008	2009
Environment	3	3	3
Food	4	4	5
Privacy and Dignity	Not applicable – new rating	4	4

There was increased demand for Trust services in 2009/10:

AREA	2007/08	2008/09	2009/10
INPATIENTS	43,350	42,624	41,674
OUTPATIENTS	204,738	211,779	217,363
DAYCASES	23,134	24,803	25,910
ACCIDENT & EMERGENCY	71,828	76,113	80,546
TOTAL	343,050	355,319	365,493

1.3 SERVICE IMPROVEMENTS 2009/2010

During 2009/2010 the Trust carried out a wide variety of initiatives and service improvements designed to improve the overall patient and visitor experience at Kettering General Hospital. It is also working through plans to further improve the quality of patient care in 2010-2011.

Patient surveys and research – Improving Healthcare Together

The Trust has launched a major initiative to improve care for its patients and visitors by regularly asking them what can be done to make their hospital experience better. This began in 2008-2009 when the Trust carried out extensive market research into what its patients and key stakeholders most wanted from the hospital.

The result of this work was a new programme called “Improving Healthcare Together” which was co-created with patients, staff, GPs, and a cross section of the general public.

The programme was piloted in the hospital throughout 2009 and it was publicly launched at the Trust’s Annual General Meeting in September, 2009.

Improving Healthcare Together (IHT) is an ambitious and all encompassing programme of work to improve patients, staff and GPs’ experience of Kettering General Hospital.

Working groups have been developed to examine the key issues raised by the research and find ways to address them. The research showed that some of the most important things to patients were:

- Tell me what is going to happen to me before I arrive in hospital, give me good directions, remind me to come for my appointment, help me to know more about my treatment
- Greet me positively when I arrive, help me get where I need to go, be happy and cheerful, don’t make me wait unnecessarily

- Keep me informed, listen to me, look me in the eye, give me privacy, make sure I understand
 - Admit me quickly, I want everything to be clean, pay attention to my needs, treat my family well and keep them informed, don't rush me
 - Value my views on my experience, help me manage my condition after I leave hospital, make sure I know what happens next, help me to understand the signs if things are going wrong again, tell my GP what has happened to me.
- The Trust has condensed some of the work down to a simple patient promise which is:

“We will always treat you as a person, always working together, always there for you, always caring for you and always improving”

The Trust found out what patients wanted done to improve their experience via regular questionnaires.

The results from these for the four months from July to October 2009 show the IHT programme is having an impact on patient experience. Overall patients thought care had improved by up to 24% in key categories such as “were you treated well, with kindness and respect”. The improved scores since July were:

- Were you treated well, with kindness and respect up by 24% to 93%
- Have you been involved enough in decisions about your care and treatment – up 14% to 84%
- Do you understand your condition and treatment – up 16% to 85%
- Did nurses and doctors manage to make enough time for you – up 10% to 84%
- Were you cared for in a same sex environment – up 12% to 84%

Examples of practical improvements made during 2009-2010 as a result of the IHT programme include:

- **Ashton ward** – Changing shift patterns to ensure that patients get an early morning cup of tea at 6.30am, magnetic signs on the beds of patients who have received anaesthetic nerve blocks (which make it harder to move around) to remind staff and relatives that the patient may need assistance in and out of bed, notice board on the ward so patient comments are visible to all
- **Lamport and Twywell** – Establishing protected meal times for patients; relatives being able to book appointments with senior doctor and nurses to discuss case histories of their loved ones; new and improved patient information leaflets, and ward rounds by the ward Sister at visiting time to see every relative and address any issues they may raise
- **Naseby wards** – Improved ward information booklets tailored to the needs of patients and carers, an appointment system with doctors and nurses to explain the plan of care to relatives, staff talking to all relatives at the end of visiting hours to address any issues raised
- **Althorp ward** – A wireless telephone bought for the ward so that patients who do not have their own mobile phones can receive calls direct to their bedside, fully protected mealtimes an answering machine to act as a suggestion box for patients and carers who want to phone to leave feedback, renewed ward information taking into account comments made by patients and carers.

- **Barnwell B** – Noticeboards for patients with details of staff contacts and what each uniform represents, additional patient information in the KGH internet site, redesigning storage areas to create more space for patients
- **Harrowden A** - Introducing one hour consultation clinics which enable carers to ask doctors and nurses detailed questions about the treatment of a loved one and improving staff handover procedures so care is more seamless.
- **Deene A** - Boards in each bay so patients can see the names of who is treating them; better patient information leaflets; coat hooks next to beds, and triangular signs which stand out from the wall to show people where the toilets are more easily

Other improvements have included improving inductions for staff, redesigning wards so staff are closer to patients, better signs, improving the shift handover process when doctors and nurses change over, and offering patients a choice of how many clinicians attend on a ward round.

IMPROVEMENTS TO SAME SEX ACCOMMODATION

The Trust made significant progress during 2009-2010 to improve same sex accommodation.

In May 2009 it was awarded £710,000 from the Government's Privacy and Dignity Fund to improve accommodation in its medical assessment unit (MAU) and make improvements to information, signs, and modesty arrangements around the Trust. The unit was remodelled in September 2009 to create much smaller same sex bays and rooms with additional toilets and walk-in single sex shower rooms. Between October 2009 and January 2010 a further six wards are also reconfigured to improve arrangements for same sex accommodation.

Surgical wards Deene B and Deene C were changed from mixed wards with same sex bays into a totally female ward (Deene B) and a totally male ward (Deene C). This was also done in the Naseby medical wards with Naseby A (becoming male only) and B (becoming female with a mixed high dependency unit).

Barnwell B (male) and Barnwell C (female) (orthopaedic wards) followed in January 2010.

Other work the Trust has done to improve privacy and dignity has included improved signs for bathrooms and toilets and for same sex areas. It has also added modesty curtains in toilets and washrooms and 'Do not Disturb' signs for bedside curtains in the ward areas.

REVAMPED HARROWDEN A WARD AS PART OF ITS FIVE YEAR WARD REFURBISHMENT PROGRAMME

- In January 2008 the Trust launched a five year multi-million pound ward refurbishment programme. The aim is to progressively upgrade the hospital's wards – many of which are more than 30 years old – to high modern standards
- Two wards have been refurbished during the programme so far. The £1.5m Clifford Ward (opened October 2008) and Harrowden A ward (opened September 7, 2009)
- The Harrowden refurbishment will cost £4.7m in total and is designed to turn the whole of the Harrowden floor (formerly Harrowden A, B and C wards) into two L-shaped wards
- The second phase of the revamp (Harrowden B area) began in October 2009 and was completed in February 2010, in essence as an extension to Harrowden A. The final phase of the revamp, involving Harrowden C, was started in February 2010 and is due for completion by mid summer 2010

- The refurbishments on the Harrowden wards has involved the elimination of traditional six bed bays replacing them with three-bedded bays with en-suite toilets and showers. In addition the Trust is doubling the number of single rooms available to patients in this area.
- The final result will be wards with much better same sex facilities and an overall much improved patient environment.

IMPROVING SERVICES FOR PATIENTS WITH LEARNING DISABILITIES

At Kettering General Hospital we strive to ensure that all patients have equitable access to our services.

A Learning Disability forum has been established as part of the ongoing work to promote privacy and dignity for all patients across the trust. This forum will drive forward best practice when caring for a patient with Learning Disabilities. The Learning Disabilities Forum, reporting directly to the Trust Dignity Steering group will ensure that processes are in place to promote access for all to our services.

The achievements of the Forum achievements so far include:

- Securing funding to employ 2 people (with Learning Disabilities) and their carers for 5 hrs a week each for a year to assist the trust to develop resource packs that will support and provide guidance for staff when they are caring for a patient with LD. As well as becoming members of KGH Foundation Trust these 2 individuals will also work alongside the LD liaison nurse to deliver training to targeted areas such as Accident and Emergency and outpatients to enable them to fully appreciate the distinct needs of people with learning disabilities
- Learning Disabilities information for the staff website has been developed. The site contains all information required by staff to care for a patient with Learning Disabilities i.e. relevant policies, pathways and contact numbers etc and will also contain a copy of the resource pack once it has been finalised
- A patient identification flagging system for patients with learning disabilities has been established on patient administration system. This can be used when a patient with learning disabilities accesses Trust services, alerting staff to the patient having learning disabilities and enabling staff to cater for their individual needs.
- Several important Trust policies have been/are being amended to ensure reasonable adjustment have been made to meet the needs of patients with learning disabilities, ie. the patient outlying policy, visiting policy, carer's policy.

WORK STARTS ON EAST NORTHAMPTONSHIRE OUTPATIENTS CENTRE

Part of KGH's strategy is, where possible, to bring services traditionally held at the hospital closer to local communities

The Trust received planning permission for a major new outpatient development in East Northamptonshire in July 2009. The centre will increase the number of KGH outpatient appointments held within the district each year from 8,000 to 40,000.

This is a major service improvement and will mean that many local people will no longer need to travel into Kettering for their outpatient appointment, or for some other services such as x-ray and ultrasound. The centre will also perform other procedures such as blood tests which will be a further timesaver for local people.

Preparatory work on the project began in November 2009 and a turf-cutting ceremony was held at the site - which is off Marsh Lane next to the Rushden & Diamonds Football Ground in Irthlingborough in November 2009. Building work itself began in early February 2010 and the centre should be open for business by the end of 2010.

£1.3M UPGRADE OF THE HOSPITAL'S INSTRUMENT DECONTAMINATION UNIT (STERILE SERVICES DEPARTMENT)

The upgrade was essential to meet new European and national standards for surgical instrument decontamination. The Trust is investing £1.3m in refurbishing its existing sterile services department from January 2009. The project involved a major building refurbishment and alterations which included an improved instrument reception and processing areas, new ventilation systems and new decontamination equipment.

£3.4M PATHOLOGY REFURBISHMENT CONTINUES

In 2008 the hospital developed ambitious plans to improve and extend the hospital's diagnostic and testing services which perform more than 1.2 million requests - which equate to about 8 million blood, urine and other diagnostic tests for GPs and hospital staff each year. In October 2008 the Trust completed the first phase of a £3.4m revamp of its pathology service by opening a newly built £2m cellular pathology department. The second phase of the development - to improve and expand the remaining departments in pathology (haematology, immunology, biochemistry, microbiology and the blood bank) - began in October 2009 and is due to be completed by September 2010. The developments will help the laboratories to maintain their speedy reporting of patient test results to hospital staff and GPs at a time of population growth

IMPROVEMENTS TO THE BREAST SERVICE

2009 was the first full year of the Trust's new surgical breast reconstruction service for patients being treated for breast cancer. The new service reduces the need for women to travel to specialist centres such as Leicester Royal Infirmary or Nottingham City Hospital to have reconstructive surgery following treatment to remove cancer. It is estimated that each year about 240 patients will be seen regarding breast problems of whom 30% may undergo breast reconstruction surgery at Kettering.

The breast service at KGH was further improved in 2009 with two major donations from the Crazy Hats Appeal - a local charity spearheaded by a former KGH breast cancer patient, Glennis Hooper.

In September 2009 the Appeal donated £65,500 worth of specialised biopsy equipment to the Trust which has reduced the need for patients to travel to hospitals in Nottingham and London for certain types of specialised biopsies.

In December 2009 the charity gave the Trust £14,000 worth of equipment to help improve plastic surgery for people with cancers and lumps which have to be removed. The equipment enables the gaps left by surgical incisions to be filled using the patient's own body fat and is a major improvement to the hospital's plastic surgery capability.

Overall the Crazy Hats Appeal has raised about £400,000 for the hospital since it was founded eight years ago.

NATIONAL HEALTH SERVICE LITIGATION AUTHORITY LEVEL 2 STATUS ACHIEVED

The Trust's maternity department has been one of the first in the country to be assessed against new safety standards and has passed achieving the difficult level 2 status.

In October 2009 the NHS Litigation Authority carried out a two day review of the Trust's maternity department in line with the requirements of the Clinical Negligence Scheme for Trusts (CNST). The assessment involved a full review of the Trust's systems, procedures and processes within maternity services. The review not only looked at the policies and guidelines in maternity but also looked at these in practice. Over 300 sets of case notes were reviewed.

The NHSLA found that KGH had achieved more than required to attain its level 2 status. This means that the Trust has demonstrated safe systems and processes in place for patients.

It also means that the insurance payments the Trust makes as part of the Clinical Negligence Scheme for Trusts do not increase.

UNICEF BABY FRIENDLY INITIATIVE

The Trust made a commitment in 2009 to become a UNICEF "baby friendly" accredited hospital. This means that the hospital will, over the next five years, carry out a significant amount of additional work to encourage more local mothers to take up and sustain breast feeding. The international Unicef Baby Friendly Initiative accreditation system has been set up to increase breast feeding rates and to improve care for all mothers and babies both in the UK and across the world.

Mums using KGH benefit from:

- Support in learning how to breast feed effectively
- Learning about the positive health benefits of breast feeding
- Consistent knowledgeable staff support on breast feeding issues

CARDIAC APPEAL HITS £100,000 TARGET TO IMPROVE SERVICES

In January 2009 the Trust's Charity Fund launched a public Cardiac Care Appeal aiming to raise £100,000 for a Relatives Room, Rehabilitation Room, Information Support Portals and state-of-the-art Monitoring Equipment at Kettering General Hospital. The Appeal was launched in partnership with the local daily newspaper – the Northamptonshire Evening Telegraph - and with help from its readers, the local community, businesses, and grants from other organisations, the appeal had raised an incredible £102,000 by February 2010. The areas will be delivered in phases starting with the monitoring equipment and then the rehabilitation room.

Part of the appeal involved a number of businesses, organisations and individuals setting themselves the task of raising £1,000 each. A plaque will recognise the efforts of many of these donors whose dedication meant that the appeal reached its target at a time when the economy was in recession.

1.4 SERVICE IMPROVEMENT PLANS FOR 2010-2011

£25 MILLION EXTENSION TO MAIN HOSPITAL BLOCK BY 2012

The Trust is planning to create a £25m new three-storey extension to its main ward block by 2012. The clinical services planned include:

- **Ground floor:** Paediatric Outpatients with 6 consulting rooms, and Althorp Acute Medical Ward, up to 28 beds;
- **First floor:** Intensive Care Unit, 16 beds, including 2 isolation rooms with direct access to hospital main theatres;
- **Second floor:** Integrated Paediatric Unit with a total of 32 beds, including Surgical and Medical Wards, a Paediatric Assessment Unit, High Dependency and Isolation facilities. Adolescent patients will have a dedicated area within the unit.
- Ward administration offices, support accommodation and staff facilities will be available on each floor.

Patient waiting areas with play areas for children will be provided. There will be a lower ground floor, mainly for the estates services for the building. The building will meet the latest statutory and best practice guidance and provide patients with well-designed, comfortable but functional facilities, which promote healing and facilitate high quality care from our dedicated staff.

The building should be completed in spring 2012 and will come into service shortly after.

1.5 AWARDS

During 2009-2010 the Trust won various awards and accreditations for developing outstanding innovations and improvements to the way it works and for supporting its local community.

REGIONAL AWARD FOR TRUST'S PIONEERING INFECTION CONTROL PROCEDURES

The Trust's infection control team won a regional award for one of its patient safety initiatives. It won the patient safety category of the regional final of the Health and Social Care Awards 2009 held in Leicester in May. The award was received for the implementation of an innovative Kettering Infection Predictor (KIP) system that helps to reduce the risk of patients getting infections.

The Kettering Infection Predictor (KIP) system is a method used to assess patients, on admission and during their stay, for their potential risk of developing an infection such as MRSA or C difficile. The Trust was also short-listed for a second award for this project by the Nursing Times.

HELPING PATIENTS WITH CHRONIC OBSTRUCTIVE PULMONARY DISORDER

The Trust's respiratory outreach (ROCKET) team also won an award in May 2009. The team won a section of the East Midland Strategic Health Authority's "Outstanding Healthcare Award" award after being nominated by patients for its work with people with pulmonary disorders. The team won the award after receiving nominations from patients which demonstrated how the team had successfully developed a highly personalised and high quality service.

PROVIDING CONSULTANT LED CLINICS FOR HARD-TO-REACH MUMS IN THE COMMUNITY

A unique KGH consultant-led clinic for mothers-to-be was highly commended in an annual award organised by the All-Party Parliamentary Group on Maternity Services. The KGH clinic – which is held at the Montagu Street Family Centre in Kettering – won the accolade because of the work that it is doing with traditionally hard-to-reach local mums.

Consultant obstetrician, Mr Robert Haughney, specialist midwife, Kathy Patrick, midwifery health care assistant, Shell Barnett, and clinical midwifery manager, Nancy Benzie, all travelled to the House of Commons in July to be presented with their award. The aim of the clinic has been to provide services for local mums within their community which were previously only available in a hospital environment.

It helps mothers-to-be to prepare for parenthood with the specialist support of a midwife, consultant obstetrician and a team of health and community workers – all at a comfortable ‘non-medical’ venue close to their homes. The service enables mothers, who might be reluctant to go to hospital, to receive the specialist care they require.

In its first two years the service saw some 200 mums and has achieved a better than average normal delivery rate (83% compared 66%) - while supporting many mothers who are vulnerable and historically have not accessed appropriate health services.

APPRENTICE WORK WINS SPECIAL MERIT AWARD

The Trust won a special merit award at this year’s East Midlands Apprenticeship Awards for its commitment to developing its workforce through apprenticeship schemes.

In the last year the hospital has taken on 10 apprentices in areas such as estates, administration, and information technology through its links with Kettering Borough training and Tresham Institute. The apprenticeships have been very successful venture and the candidates have improved their own qualifications and had valuable real life work experience.

The Trust has also worked hard to give local students traditional work experience and on June 8, 2009, five students from Tresham were invited to do a week’s experience as part of their BTEC health diploma course.

PAEDIATRICS INVOLVE CHILDREN IN CARE

The Trust’s Paediatric Department has won a Charter Mark Bronze Award from Northamptonshire County Council for the way in which it involves children and young people in their hospital care.

To win the award the hospital had to demonstrate that it actively involved children and young people in decisions about their care through things like comment cards, treatment plans, talking patients through their care and involving them in departmental improvement plans for the future.

TRUST WINS GOLDEN HEARTBEAT AWARD FOR ITS FOOD

In July 2009 the Trust received the Northamptonshire Heartbeat Gold Award from Kettering Borough Council for its staff restaurant, kitchens and café and coffee shops. The award means that the hospital has good standards of hygiene and provides healthy food choices to patients, visitors and staff.

Each day the Trust produces 1,500 meals and snacks for our patients, visitors and staff and provides up to 20 different meals each day. The Northamptonshire Heartbeat Award is a

Countywide scheme promoted and managed by Local Authority Environmental Health Departments in partnership with Northamptonshire County Council and NHS Northamptonshire. The scheme is a two tier award whereby any caterer who can demonstrate and document high standards of hygiene and a menu which provides healthy options can apply for the 'standard' award or the 'gold' award.

CELEBRATING STAFF

In October 2009 the Trust held a long service and employee excellence awards evening which was an evening to celebrate the staff at KGH. The evening was to recognise the huge commitments and loyalty of many of our colleagues who had given 25 years loyal service to the NHS and to celebrate those who had gone the extra mile to provide first class care to our patients.

1.6 CONSULTATION, ENGAGEMENT AND PARTNERSHIP WORK

The Trust is committed to developing meaningful engagement with its stakeholders and work during the year has included:

Consulting with the Membership

As part of its ongoing commitment to involve its Membership in shaping the strategic direction of the organisation Kettering General Hospital has this year undertaken an engagement exercise seeking Members views on last years objectives and comments upon suggested areas for 2010/2011.

It was clear from the common themes detailed against each question area that there were a number of key areas that our members look to see addressed.

Cleanliness and Infection Control was highlighted as the most important element in providing safer care and in the hospital establishing itself as hospital choice. This supported the Trust wanting to establish the patient safety project as a key priority during 2010/.

The provision of **good and timely information** and improved communication to patients was also identified as important to the delivery of safer care and delivery of a high quality patient experience.

The importance of staff attitude and approach to patients was highlighted across the response areas – key to ensuring the hospital became a hospital of choice and to ensure a quality patient experience. This appears to support the organisational development programme currently underway through the Improving Healthcare Together initiative.

Waiting times, improved care processes and timeliness were also identified across the range of questions as areas of importance.

Car parking was also identified with the majority of comments referring to a need for more or better car parking rather than free car parking.

Environment and Infrastructure improvements were identified as another area that the Trust should focus upon in the forthcoming year

This engagement exercise with the membership was the first of its kind undertaken by the Trust in terms of seeking the input of it's Members into the annual planning process and will be undertaken again during 2010/2011.

In addition to working with the Membership, the Trust has also:

- Responded to improvements suggested by our Patient Experience Group
- Engaging with local faith communities – via the Trust’s Chaplaincy department
- Responding to patients and visitors via the Patient Advisory Service and Complaints Service
- Responding to survey work, for example the Inpatient Survey
- Working with local voluntary, charity and support groups. The Trust is actively supported by the WRVA which provide cafes and other catering facilities on site.

The Trust has developed a Patient & Public Involvement Strategy seeking advice from the Council of Members Patient & Public Involvement Topic Group.

Other key partners the Trust regularly engages with are:

- Northamptonshire Local Involvement Network
- Northamptonshire Health and Social Services Scrutiny Committee
- NHS Northamptonshire
- Nene Commissioning

1.7 SUSTAINABILITY

The Climate Change Act 2008 targets a 26% reduction in the UK carbon footprint by 2020 with an 80% reduction by 2050 (against 1990 levels of net UK emissions). The Operating Framework 2008/09 states:

“The NHS can make significant contributions to reducing its carbon impact. Every NHS organisation should ensure that it measures and progressively reduces its own carbon footprint. This will save resources now, improve health today and set an important example to deliver high quality and sustainable services for the future.”

The Trust recognises that its activities have the potential for both positive and negative impacts upon the environment at local, national and global levels. The Trust acknowledges its responsibility for environmental protection and also aims to contribute to the national commitment to sustainable development. It will seek to achieve continual improvement in how it measures and responds to its environmental impacts and will formulate a strategy and action plan with targets to structure this response.

- Communicate its environmental policy and activities to staff, partners, patients and other stakeholders (including suppliers) and to raise awareness amongst these groups of their own environmental responsibilities and requirement to commit to this policy;
- Comply fully and where possible exceed standards set in relevant UK, EU and international regulatory requirements and agreements;
- Reduce its carbon footprint through prudent use of fossil fuels (through energy conservation) and to switch to green fuel alternatives where viable;
- Manage and reduce water consumption by the adoption of appropriate technology and systems;
- Develop the green travel policy and implement measures to encourage walking, cycling and the use of public transport as principal means of commuting where possible to the Trust for work, patient appointments, visits by relatives and for travel by staff on Trust Business;
- Reduce waste created and where possible to reuse and recycle before responsible disposal of surplus materials; to use recycled and recyclable materials;

- Protect natural habitats and encourage local wildlife and biological diversity of the Trust's estate including the local pocket park and other managed land;
- Integrate principles of environmental sustainability within all relevant Trust policies and practices, specifically to those relating to procurement of goods and services;
- Refurbish and develop the Trust estate in a manner that minimises negative environmental impacts and enhances the local environment;
- Avoid or limit wherever practical the use of environmentally damaging substances, materials and processes;
- Work with local, regional or national partners to realise environmental projects;
- Include the development of formalised Environmental Management Systems as a long term strategic goal and undertake periodic Environmental assessment reviews based on NEAT or other approved systems.

Progress on implementing all areas of this policy is reviewed annually and reported to the Hospital Management Board through a NEAT review. Action plans to target incremental performance improvement will be developed by the Estates and facilities Directorate. The policy itself is also subject to annual review.

SUMMARY OF PERFORMANCE – FINANCIAL AND NON-FINANCIAL:

Area		Non – financial data (Applicable metric)	Non-financial data (applicable metric)	Area	Financial data (£k)	Financial data (£k)
		2008/09	2009/10		2008/09	2009/10
Waste minimisation and management	- Absolute values for total amount of waste produced by the trust.	894.4 tonnes	895 tonnes	Expenditure on waste disposal	£322.8	£335
	- Methods of disposal	Incineration Land fill	Incineration Land fill			
Finite Resources	- Water	90,833 m ³	96,543 m ³	- Water	£135.9	£148.8
	- Electricity	32,066 GJ	33,264 GJ	- Electricity	£951.3	£714.8
	- Gas	74,682 GJ	74,361 GJ	- Gas	£206.1	£198.5
	- Other energy consumption	nil	nil	- Other energy consumption	nil	nil

FUTURE PRIORITIES AND TARGETS:

The Trust is committed to achieving the range of national sustainability targets and recognises the following as part of a comprehensive strategic approach:

- A multi-faceted approach is necessary to achieve the diverse range of targets;
- The current NEAT assessment process will contribute to assessing the current performance of the Trust and prioritising the next steps of action;

- The Trust has established a carbon reduction group to supplement progress already being made on energy reduction and improvement to the Trusts carbon footprint;
- The Trust has also considered applications for national grants in respect of carbon reduction schemes. The Trust is not however eligible due to its relatively small size;
- The Trust has developed and secured Board level approval for a procurement strategy which includes placing obligations on suppliers and contractors to operate best practice in respect of their sustainability policies;
- The Trust has implemented the national guidelines for sustainable waste management in line with HTM 07, Environment and Sustainability;
- A full assessment of the existing estate against Building Research Establishment Environmental Assessment Method (BREEAM) criteria will be carried out in 2010/11.
- New buildings developed by the Trust will be expected to meet the BREEAM 'Excellent' rating in line with DH policy. Plans for the Project 55 ward extension will achieve this by utilising a number of new technologies to reduce energy load, provide a more controlled environment and move away from traditional sources of heat source. In particular, innovative technologies such as ground source heat pumps and a biomass boiler will produce sufficient energy for the projects heating and hot water needs.
- The Trust has demonstrated that the development of its new Outpatient Clinic at Irthlingborough will save a significant number of patient journey miles each year as a result of providing services closer to people's homes, avoiding the need to travel further to the Kettering General Hospital main site.

The baseline environmental assessment, carried out in 2008, established a number of environmental matters as being significant on the Kettering General Hospital site and the mitigation / management measures proposed are summarised as follows:

- The Trust will seek to develop proactive solutions to reduce the access and transport issues by strict management and partnership working with the local authority, staff and public;
- More generally, the new building developments will utilise emerging technologies and procedures to enhance sustainability, including areas such as flexible building design, drainage systems, lighting, waste management and energy conservation. Environmental management systems will be employed;
- The presence of land contamination will require thorough appraisal and remediation as redevelopment proposals evolve;
- Asbestos insulation in the ductwork and plant rooms is known to exist and is being managed appropriately.
- New developments will need to take into account the local ecological significance and sensitivity. It is likely that a more compact building form will be appropriate to allow ecological interests to be respected at the peripheral of the site;
- Landscape strategies will link to the various proposed development zones, contributing towards habitat support and providing a visual landscape structural setting for the new developments;
- The massing of new buildings will need to respect nearby buildings, surrounding topography and key landscape elements;
- The local authority had indicated that certain buildings or structures will need to be retained and incorporated in the redevelopment;
- The Trust has been successful in securing national funding for two major energy conservation projects which were executed in 2008/2009. A further bid was submitted to focus on reduction of electrical energy demands.
- The Trust consumes large volumes of energy and raw materials. As part of the Trust environmental and energy policy, proactive approaches will be maintained to minimise consumption of energy. The Trust seeks to maintain their accreditation, in addition wherever possible environmentally friendly resources will be procured consistent with best practice.

1.8 EQUALITY & DIVERSITY

The Trust takes its obligations under Equality Legislation very seriously and aims to provide fair and equitable services to its patients, carers and staff. This is so regardless of their race, gender, age, disability, religion or religious beliefs or sexual orientation. The Trust's Equality and Diversity Steering Group takes the lead in delivering the equality and diversity work streams and a number of operational groups take forward work for specific areas. For example, Dignity in Care Working Party, Learning Disabilities Forum, Disabilities and Sensory Impairment Group, Single Sex Accommodation and the Maternity Services Liaison Committee. The Trust's work includes:

1. Employment of a number of equality, diversity and human rights specialists (Equality and Diversity Lead, Disability Nurse Specialist, Learning Disability Nurse Specialist, Multi-faith Chaplains, etc.) in order to ensure that staff in charge of services are enabled to achieve high standards of provision for members of diverse communities.
2. Development and introduction within the Trust of an impact assessment tool, to enable all staff to ensure that policies, procedures and functions of the Trust take into account equality, diversity and human rights.
3. Involving local community in the Trust's business, this includes visiting local towns and villages to seek their views and comments.
4. Reviewing comments it receives via the Complaints and PALS services, NHS Choices and suggestion box comments.
5. Introduction of an Improving Healthcare Together programme (collection of views from patients from diverse backgrounds), which has highlighted themes the Trust has successfully actioned.
6. Actively encouraging all staff to individualise patient care, in order to meet the needs of diverse community members. This is reflected in the Trust's patient care plan.
7. Increasing the influence of equality, diversity and human rights issues on the planning and delivery of services, through our rolling programmes of impact assessments. Specific areas of our impact assessments include:
 - Thirty nine named wards which are delivering clinical services in such areas as cardiology, cancer, stroke, maternity and haematology
 - Host of support services such as Complaints, PALS Interpreting and translation, Patient Information, Religious Practice, Culturally Appropriate Food, Consent, Bereavement and Infection Control and Communication
 - Key Trust policies relating to Patients, Carers and Workforce

The Trust is undertaking the following work to strengthen the above achievements:

- Produce a Single Equality Scheme (currently under consultation and due for approval in May 2010)
- Strengthen the collection and usage of diverse background information about patients, carers and staff;
- Undertake greater scrutiny and analysis of workforce data with the goal of making access to jobs within the Trust, maximal career development for staff and positive experience for staff more equitable
- Compilation of a comprehensive database of individuals and community and voluntary organisations who represent named diverse groups in our catchments area

- Using the above database to involve members of diverse communities and their representative in planning and improving services
- Audit of good equality, diversity and human rights beacon practice across other public sector organisations in the country and incorporation of this within the Trust

Group	Staff 2008/2009	%	Staff 2009/2010	%
Age				
0-16	0	0.00%	2	0.06%
17-21	105	2.98%	91	2.59%
22+	3425	97.02%	3425	97.35%
Not given	-	-	-	-
Ethnicity				
White	2954	83.71%	2925	83.14%
Mixed	17	0.48%	20	0.57%
Asian or Asian British	271	7.68%	294	8.36%
Black or Black British	108	3.06%	101	2.87%
Other	180	5.07%	178	5.06%
Gender				
Male	674	19.09%	673	19.13%
Female	2856	80.91%	2845	80.87%
Not given	-	-	-	-
Recorded Disability	26	0.74%	25	0.71%
Group	Members 2008/2009	%	Members 2009/2010	%
Age				
0-16	0	0	0	0
16-44	1456	40.8%	1353	37.8%
45-64	1150	32.1%	1214	33.91%
65+	887	24.8%	928	25.92%
Unknown	84	2.4%	85	2.37%
Total	3578	100%	3580	100%
Ethnicity				
White	3249	90.80%	3253	90.87%
Mixed	36	1.01%	34	0.95%
Asian or Asian British	143	3.97%	140	3.91%
Black or Black British	63	1.76%	65	1.81%
Chinese	20	0.56%	19	0.53%
Other	67	1.87%	69	1.93%
Gender				
Male	1420	39.68%	1416	39.55%
Female	2156	60.26%	2162	60.40%
Not given	2	0.06%	2	0.05%
Recorded Disability	Not recorded	Not recorded	Not recorded	Not recorded

% = representing % of current membership

1.9 STAFF ENGAGEMENT

The Trust is committed to the ongoing development of its employees and has a number of training and development programmes in place to ensure that employees have the right skills and knowledge to deliver a high quality service to patients.

The Trust believes that partnership working and engagement with staff and their representatives is essential to ensure that staff are properly involved in the delivery and development of patient care. The Trust has in place well established employee and management mechanisms for engagement, consultation and negotiation with staff and their representatives (Joint Staff Consultation and Negotiating Committee, Clinical Advisory Board, Local Negotiating Committee). These forums will continue to provide invaluable feedback to Trust management on employee issues so appropriate and timely actions can be taken.

In 2009, the Trust was named as one of the UK's top 100 healthcare employers following results of a staff survey conducted by the Nursing Times and Health Service Journal. As part of the survey, employees had to independently rate the Trust in the areas of work life balance, relationships at work, engagement, having a healthy workplace and promoting diversity. Following the survey, the Trust has developed a comprehensive human resources strategy to demonstrate how it will meet its expectations as a model employer which aims not just to embody but to lead the development of best practice in human resources.

The Trust maintains a number of communication channels with its employees and has close working arrangements with staff side representatives. Communication channels at the Trust include the following:

- Staff/Membership newsletter (KGH Together)
- Bi-monthly meetings with staff side representatives
- Monthly corporate Trust induction programme
- Regular e-newsletter (Newsflash)
- Report of the Board of Directors meeting (Foundation Trust Board Brief)
- Regular face-to-face meet the Chief Executive sessions
- Monthly Chief Executive briefings to staff
- Monthly HR Director's report to the Trust Board
- Improving Healthcare Together programme

There are plans to further extend the communication channels at the Trust by developing a Chief Executive's podcast and blog. The Trust also intends to use quarterly staff surveys to obtain views and feedback from staff in a timelier manner. These measures ensure that the Trust has in place appropriate channels of communications to monitor and learn from staff feedback on an ongoing basis.

SUMMARY OF PERFORMANCE – RESULTS FROM THE NHS STAFF SURVEY

The NHS staff survey consists of a nationally determined set of questions sent to a sample of 850 staff in October each year. There is a strict set of rules about how the sample is selected, the questionnaires distributed and returned and responses encouraged. The Trust only receives aggregate responses and has no access to what an individual's response is. Staff were encouraged to participate in completing the survey through a poster campaign, regular emails and briefings about what had been done in response to the 2008 survey and a prize draw for those that returned their survey. The final response rate was 51%.

STAFF SURVEY RESULTS					
	2008/2009		2009/10		Trust Improvement/ Deterioration
Response Rate	Trust	National Average	Trust	National Average	
	55%	Under 55%	51%	average	-4% (improvement)

	2008/9		2009/10		Trust Improvement/ Deterioration
Top 4 ranking scores each year	Trust	National Average	Trust	National Average	

2008/2009 ONLY					
Availability of hand washing materials	4.80	4.69	Not asked in 2009/10		N/A
Percentage using flexible working options	75%	71%	70%	70%	-5% (deterioration)

2008/2009 AND 2009/2010					
Percentage of staff experiencing harassment, bullying or abuse from patients / relatives in the last 12 months	19%	22%	18%	21%	-1% (improvement)
Work pressure felt by staff	3.02	3.14	3.01	3.11	- 0.01 (improvement)

2009/2010 ONLY					
Percentage of staff experiencing physical violence from patients / relatives in the last 12 months	13%	12%	9%	11%	-4% (improvement)
Percentage of staff saying hand washing materials are always available	Not asked in 2008/2009		74%	69%	N/A
	2008/2009		2009/10		Trust Improvement/ Deterioration

Bottom 4 Ranking Scores each year	Trust	National Average	Trust	National Average	
2008/2009 ONLY					
Percentage of staff reporting errors, near misses or incidents witnessed in the last month	92%	95%	96%	95%	+4% (improvement)
Quality of job design (clear job content, feedback and staff involvement)	3.31	3.36	3.32	3.38	+0.01 (improvement)
Percentage of staff experiencing physical violence from patients / relatives in the last 12 months	13%	12%	9%	11%	-4% (improvement)
Percentage of staff feeling valued by their work colleagues	73%	N/A	73%	77%	No change
2009/10 ONLY					
Percentage of staff suffering work-related injury in the last 12 months	18%	17%	21%	17%	+3% (deterioration)
Percentage of staff reporting good communication between senior management and staff	21%	25%	19%	26%	-2% (deterioration)
Staff motivation at work	Not asked in 2008/9		3.75	3.84	N/A
Percentage of staff working in a well structured team environment	37%	37%	33%	38%	-4% (deterioration)

The Trust Board take seriously the outcome of the NHS Staff Survey and following the results of the previous (2008) annual survey, a comprehensive action plan was put in place to address the areas of concern. For the 2009 survey a robust action plan will be developed to address the specific areas of concern and clinical management teams across the Trust will be required to report their progress on these areas to the Hospital Management Board on a regular basis. The Trust Board will also maintain a strategic overview of progress with the 2010/11 staff survey action plan for the Trust.

Sickness Absence

There is a policy agreed by the Trust with union representatives that sets out how short term and long term absence is managed. Management units are provided with summaries of sickness levels on a weekly basis that includes monitoring the frequency of return to work interviews undertaken. Line managers and Human Resources ensure that action plans are in place for all

staff where their sickness levels are a cause of concern. On a monthly basis the Trust Board receives sickness absence reports as part of the Workforce Dashboard of key metrics.

An average of 10.3 days was lost per employee in the financial year 2009-2010. There has been a target to reduce sickness absence across the Trust to 4.00% however this has not been reached with levels varying in the range of 0.11% to 1.36%.”

1.10 MONITOR’S REGULATORY RATINGS

As part of the Trust’s Terms of Authorisation, the Trust must be:

- Well governed
- Legally constituted
- Financially viable

<u>Governance Key</u>		Governance arrangements comply with authorisation
		Concerns about one or more aspects of governance
		Concern that issue(s) significantly breaches authorisation

<u>Finance Key</u>		Lowest risk – no regulatory concerns
		No regulatory concerns
		Regulatory concerns in one or more components. Significant breach unlikely
		Risk of significant breach in medium term e.g. 12 – 18 months, in absence of remedial action
		Highest risk – high probability of significant breach of authorisation in short term e.g. <12 months, unless remedial action is taken

ANNUAL PLAN 2008/09

Area	Annual Plan 2008/09	Q3 2008/09	Q4 2008/09
Financial risk rating	4	4	4
Governance risk rating	Green	Amber	Amber
Mandatory services	Green	Green	Green

QUARTER 3 2008/09: the Trust had breached the MRSA trajectory having 10 cases against a target of 8 with the annual target being 11 cases. The Trust had to provide Monitor with monthly updates on progress. The Trust breached the Accident & Emergency target in Quarter 3 achieving 97.6% against a target of 98%. Monitor reported no immediate liquidity concerns and that at Quarter 3 the Trust had a year to date surplus of £4.6m and was £2m ahead of plan.

QUARTER 4 2008/09: the Trust breached the annual MRSA target with 12 cases against a target of 11. No regulatory action was taken but the Trust was required to submit monthly MRSA returns to Monitor. The Trust breached the 98% target in Quarter 4 achieving 97.4% against a target of 98%. As at the 31st March 2009 the Care Quality Commission attached conditions to the trust’s registration such that the Trust was required by 30th April 2009 to review arrangements for monitoring and assuring the Board that we were maintaining appropriate standards of cleanliness. The Trust declared a breach of core standard C21 in Q4 relating to clean and well designed environments. Following quarter-end the Trust petitioned the Care Quality Commission for the conditions to be listed and was successful, as confirmed by the Care Quality Commission on 11th

May 2009. At Quarter 4 Monitor reported no immediate liquidity concerns and that the full year surplus of £3.6m was £1.6m ahead of plan. Clinical income was £5.7m above plan due to activity over-performance against the contract.

ANNUAL PLAN 2009/10

Area	Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Green	Green	Amber	Amber
Mandatory services	Green	Green	Green	Green	Green

QUARTER 1 2009/10: the Trust was subject to Monitor's escalation procedure. Compliance with targets and national core standards is a requirement in the terms of authorisation for all NHS Foundation Trusts. As a consequence of the Trust's failure to achieve the Accident & Emergency target in Quarter 4 of 2008/09 the Trust was required to provide an action plan to rectify the underlying issues on a sustainable basis. The Trust was informed that if the Trust failed to achieve the target in any quarter in the twelve months from 31st March 2009 then the Trust would be required to attend a regulatory meeting at Monitor. The Accident & Emergency target for Quarter 1 was achieved but the Trust had to report monthly progress against the A&E action plan. The annual target for MRSA was 10 cases and in Quarter 1 the Trust had 1 pre-48 hour cases against a target of 2. The Trust continued discussions with the Primary Care Trust to ensure full co-operation was received towards achieving the MRSA target. There was a surplus of £1.8m which was £0.4m ahead of plan. Clinical income had over performed against contracted levels by £1.4m in the quarter.

QUARTER 2 2009/10: the Trust was subject to the A&E escalation procedure. The Accident & Emergency target in Quarter 2 was achieved. With regards to MRSA the Trust had 1 pre-48 hour case against a target of 3. As the Trust had achieved two consecutive quarters of in-quarter trajectory performance for MRSA the Trust was taken off monthly MRSA reporting from November 2009. The Trust continued to provide monthly updates against the Accident & Emergency Action plan. The year to date income was £2.9m above plan which was largely driven by over-performance on non-elective and outpatient activity

QUARTER 3 2009/10: the Trust breached the Accident & Emergency target achieving 97.6% against a target of 98% which was the third breach in the last five quarters (Quarter 4 and Quarter 3 2008/09 breached). The Trust was requested to continue to report monthly progress against the Accident & Emergency Action Plan. The Trust met with Monitor on 15th February 2010 in a formal escalation meeting to assist Monitor in determining whether the Trust was in significant breach of its Authorisation. The Board of Monitor confirmed on the 29th March 2010 that the trust was not in significant breach of its Authorisation. Monitor reported no immediate liquidity concerns. The year to date income was £4.5m above plan largely driven by over-performance on non-elective and outpatient activity.

QUARTER 4 2009/10: the Trust breached the Accident & Emergency target achieving 96.1% but achieved the yearly target of 98.2%. The Trust has put in place a range of measures to address the issue and the Trust is currently subject to monthly reporting with Monitor, Independent Regulator.

The cancer "screening" target for Quarter 4 come under pressure because of a number of shared breaches with University Hospitals Leicester (UHL). After detailed analysis, which showed the breaches to have occurred within the UHL part of the pathway, the Chief Executives have agreed that the breaches will be allocated in entirety to UHL. This means that the Trust achieved the target for Q4.

1.11 THE TRUST'S VISION

Over the next three years the Trust's vision is to consolidate and develop our position as the secondary care provider of choice for the people of North Northamptonshire and the surrounding area. We know the public sector faces difficult challenges in the years ahead and are not prepared to see our service quality compromised and so we will work closely with our membership and our staff to keep improving our efficiency so that we make the best possible use of the resources we have. Our Quality Account details how we will strive to deliver our patient promise, continually improve care standards and deliver quality priorities whilst working in partnership with others across the whole health economy and recognise that this will become increasingly important against a background of economic uncertainty.

Our financial plan describes the range of cost improvements, productivity gains and financial efficiencies needed to ensure the continued delivery of our vision with negative growth for the next three years.

The key priorities for the Trust include the:

- Patient Safety Programme
- Implementation of a single site county wide service
- Locality Outpatient Department
- Ward Refurbishment Programme
- Project 55 – a development in response to the need for improved intensive care facilities and an integrated approach to Paediatric service delivery
- Making greater use of our membership to build confidence
- Deliver a financial risk rating level 3 quarter on quarter – which is to maximise efficiency to ensure best value from our investment and resources
- Implement and embed revised management arrangements which have been strengthened to ensure clarity of responsibility
- Implement the Human Resources Strategy

There are a number of risks that will have an impact on the delivery of our vision:

- Service reconfiguration within the East Midlands could affect services delivered at the Trust
- Transforming Community Services could result in a loss of capacity impacting on the Trust's ability to deliver performance and quality requirements
- Acute Services Strategy Review – there is a recognition that to ensure high quality service provision within acceptable costs and a decreasing income the Trust must review how it continues to provide current services
- Health and Social Care economy wide delivery programme for Urgent Care review fails to deliver additional capacity in the community to facilitate safe and timely discharge of patients with ongoing health and social needs before 1st October 2010.
- Quality, Innovation, Productivity, Prevention and Savings (QIPPS) result in loss of income for the Trust without opportunity to reduce expenditure

2. FINANCIAL REVIEW

SUMMARY FINANCIAL PERFORMANCE

The Trust successfully delivered an improved financial performance over and above that planned for the year. The key achievements in 2009/10 were as follows

KEY FINANCIAL ACHIEVEMENTS

	Annual Plan	Actual 2009/10	Variance
	£m	£m	£m
Total Income	167.9	175.4	7.5
Operating Expenses	(161.7)	(168.7)	(7.0)
Finance Costs	(2.7)	(2.5)	0.2
Retained Surplus*	3.5	4.2	0.7
Cash Balance	9.0	9.5	0.5
Capital programme	10.6	10.3	(0.3)
Savings achieved	4.7	4.9	0.2

*This is pre-impairment as the Trust had a small deficit in 2009/10. The reported position includes the impairment of £4.9million, which is a non-cash, non-operational charge relating to the downward valuation of the Trust's building assets. The part relating to the Trust's assets was £4.2million with £0.7million relating to donated assets. If this was excluded then the reported financial position of the Trust would be an annual surplus of £4.2million.

TRUST INCOME

The majority of the Trust's income (£157.1million or 90% of total income) was earned by providing clinical services to NHS patients, under Service Level Agreements (SLA) with Commissioners, principally Primary Care Trusts (PCTs).

The Trust has seen strong growth compared with 2008/09 against all points of delivery. The elective and day case growth is due to the continued investment in the Cardiac Centre, whereas the non elective and A&E growth is due to the population increases within the Kettering General catchment area. Outpatient growth also relates to the population increase, but partly correlates to the lower waiting times than other local hospitals.

The Trust also earned a total of £7.8million from the Strategic Health Authority for providing teaching for undergraduate medical students and to provide further training for post-graduate doctors as well as training for other clinical staff.

TRUST EXPENDITURE

The Trust incurs costs that are predominantly associated with the provision of clinical activity. The largest category of expenditure is pay which accounts for 70% of the total. Contracted pay expenditure was under plan for the year, despite the additional activity and investment in services, which relates to the difficulties to recruit in some areas particularly junior doctors. This has impacted upon the agency costs which were significantly above the plan due to the additional activity.

This has meant the financial contribution to the Trust for doing the additional activity has been much smaller than expected. This issue is a concern for the Trust and during the year international recruitment along with other measures have been put in place to try and address the shortages.

Drug expenditure is the single main non pay item and the Trust had an increase in these costs against the plan too, which predominantly relates to the activity changes, although there was an

increase in the high cost drugs, not all of which were funded. Likewise, with clinical supplies due to the activity increase this exceeded the plan set out at the beginning of the year.

DELIVERING VALUE FOR MONEY

The national tariff had an implied efficiency of 3% and other contracts utilised this amount too. Therefore the Trust had a savings target of £4.7million to achieve in order to deliver the planned surplus for the year. Performance to deliver savings is closely monitored by the Trust and the key themes for the year were:

- Savings from efficiency and productivity reviews
- More effective procurement
- Increasing contribution from Trust developments

CASH FLOW AND CAPITAL

The Trust ended the year with a cash balance of £9.5million compared to a plan of £9.0million. The primary reasons for this change are linked to the increased surplus against the plan and an under spend against capital expenditure mainly due as a result of phasing changes.

The Trust continued to invest in its estate with the total refurbishment of a floor within the ward block creating more single en-suite rooms and three-bed bays with en-suites. In addition, the other main schemes were pathology refurbishment, sterile services refurbishment and a number of backlog maintenance and minor refurbishment schemes, as well as investment in equipment and IT. The capital programme was funded through internally generated resources apart from a successful bid to the Strategic Health Authority for same sex accommodation, the majority of which was used to upgrade the Medical Assessment Unit.

THE PRUDENTIAL BORROWING LIMIT

As an NHS foundation trust, greater freedoms have been earned to borrow money to finance capital investment. The limits on the amount the Trust can borrow and the conditions that it must meet to demonstrate that the levels of borrowing are affordable are set out in the Trust's Prudential Borrowing Limit (PBL), issued by Monitor, the Independent Regulator of Foundation Trusts.

The PBL sets out five minimum financial ratios that the Trust must meet. The Trust has a PBL of £31.2million, during 2009/10 the Trust did not have any borrowing and, as a result, does not have any actual data to report against four of the five PBL ratios, in line with the plan.

PRUDENTIAL BORROWING CODE RATIO PERFORMANCE

Debt Cover Ratios	Plan 2009/10	Actual 2009/10
Maximum Debt/ Assets Ratio	0	0
Minimum Dividend Cover	4.5	5.4
Minimum Interest Cover	0	0
Minimum Debt Service Cover	0	0
Maximum Debt Service to Revenue	0	0

PERFORMANCE AGAINST MONITOR'S COMPLIANCE FRAMEWORK

As a Foundation Trust, the Trust is required to demonstrate that it is operating within Monitor's Compliance Framework. The Framework sets out Monitor's approach to regulating Foundation Trusts using a risk based methodology.

A key element of the Framework sets out the approach by which the level of financial risk facing the Trust is assessed and the likelihood that the Terms of Authorisation will be breached.

A Foundation Trust that has a high risk of breaching the financial element of their Terms of Authorisation would achieve a financial risk rating of 1. A low risk would achieve a financial risk rating of 5.

Based on its financial performance for 2009/10, the Trust achieved a risk rating of 4. The table below shows the Trust's performance against the Compliance Framework metrics.

COMPLIANCE FRAMEWORK METRIC RATIOS

	2009/10	2009/10 Annual	
	Plan	Performance	FRR
EBITDA Margin	7.5%	7.9%	3
EBITDA % Achieved	100.0%	111.1%	5
ROA %	6.8%	8.7%	5
I&E Surplus Margin	2.1%	2.8%	4
Liquidity days	28.8 days	30.6 days	4
Overall FRR			4

MANAGEMENT COSTS

The management costs of the Trust are calculated in accordance with the Department of Health's definition.

	£000
Management costs (Excluding CEAC staff)	7,315
Income (Excluding CEAC income)	172,413
Management costs as a % of income	4.25%

ACCOUNTING POLICIES

The accounts have been prepared in accordance with guidance issued by Monitor, and in line with IFRS (International Financial Reporting Standards). These along with notes on pensions and other retirement benefits are set out in note 1 to the accounts and details of senior employees' remuneration can be found in note 35 of the accounts. The Trust achieved the targets on the Better Payments Practice Code, details of which are in note 7 to the accounts.

So far as the directors are aware, there is no relevant information of which the auditors are unaware.

In addition, the Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance

GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

EXTERNAL AUDITORS

The Council of Members has approved the continued appointment of the Audit Commission as the Trust's external auditors until 31 March 2011. The Audit Commission were paid £49,500 in respect of statutory audit fees for the year. The Trust did not commission any other work from the external auditors

3. THE BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

The Board has 6 Non-Executive Directors (including the Chairman) and 5 Executive Directors (including the Chief Executive) – the Director of Strategy & Partnerships, Director of Human Resource & Organisational Development and Trust Board Secretary also attend the Board of Director meetings.

The appointment of the Chairman and appointment/re-appointment of Non-Executive Directors is approved by the Council of Members. The appointment of the Chief Executive is by the Non-Executive Directors subject to approval by the Council of Members.

BOARD MEETINGS

The Board meets monthly and there were 11 meetings in 2009/10.

NAME	TITLE	ATTENDANCE AT MEETINGS
Steve Hone	Chairman	11/11 Meetings
Abhai Rajguru	Non Executive Director	10/11 Meetings
Ian Russell	Non Executive Director	9/11 Meetings
Chris Saunby	Non Executive Director	9/11 Meetings
John Tate	Senior Independent Director	9/11 Meetings
Frank Walsh	Non Executive Director	10/11 Meetings
Mark Newbold	Chief Executive	11/11 Meetings
Liz Libiszewski	Director of Nursing & Quality	10/11 Meetings
Brendan O'Malley	Medical Director	9/11 Meetings
Marcus Thorman	Finance Director	11/11 Meetings
Jayne Tunstall	Chief Operating Officer	10/11 Meetings

BOARD OF DIRECTORS: WHO'S WHO

NON EXECUTIVE DIRECTORS

Steve Hone, Chairman was appointed in December 2006 for a 4-year term. His work experience includes Managing Director, Steve Hone Consulting Ltd, Managing Director Spicers Ltd, Cambridge, Regional Director/ Acting General Manager – RS Components Ltd, Corby. Qualifications include BSc (Hons) Electrical/Electronic Engineering – Leeds University' Member Institute of Engineering & Technology' Member Institute of Directors, Advanced Management Studies, Insead, France

John Tate, Senior Independent Director was initially appointed in 2004 and reappointed by the Appointments Commission in 2008 until 2012. He has been a Northampton Probation Board Member, served on the Probation Service National Negotiating Committee, former Board Member, Peterborough Environment City Trust, Former Managing Director, Viscount Travel, former Managing Director, United Counties Omnibus Company, former Executive Director, London Crusader and has extensive experience with Industrial Society. Qualifications: M.A (Oxford) in Politics, Philosophy and Economics

Abhai Rajguru, Non Executive Director, was appointed November 2005 and was re-appointed by the Council of Members until November 2012. His work experience includes Non-Executive Director & Audit Committee Chair Simplyhealth Group (Health Insurance Company), Non-Executive Director, Bluecrest Capital Management (Venture Capital Firm), Governor, Northampton College, Formerly Director, Ernst & Young Financial Services Practice. Qualifications: BSc (Hons) Computer Science, MSc Financial Management Systems, ACMA.

Ian Russell, Non Executive Director, was appointed November 2005 and was re-appointed by the Council of Members until November 2012. Work experience includes Director of Finance, Waltham Forest Health Authority, Chief Social Services Officer at Calderdale Borough Council Board Member and Chair of the Audit Committee at Northamptonshire Probation Board, Mental Health Act Hospital Manager, Northamptonshire Healthcare NHS Trust. Qualifications: Associate Member Chartered Institute of Public Finance & Accountancy

Chris Saunby, Non Executive Director, was appointed November 2005 and was re-appointed by the Council of Members until November 2012. Work experience includes RAF Officer (Pilot), Senior Partner, Tollers Solicitors, Part-time Employment Tribunals Judge, Governor Northampton College. Qualifications: Solicitor, Fellow of Chartered Institute of Arbitrators

Frank Walsh, Non Executive Director, was appointed August 2007 for a 4 year term. His work experience includes Head of Logistics at the Foreign and Commonwealth Office, Operations Director on the Board of Baxter Healthcare U.K, National Distribution Manager for Baxter Healthcare U.K, Merchant Navy with experience of Accredited Quality Systems and NHS inventory controls. Qualifications: MBA 2002, Management Diploma 2000, Certificate in Management 1998

EXECUTIVE DIRECTORS

Dr Mark Newbold, Chief Executive, MD FRCpath DipBA. Appointed in September 2007. Qualified in medicine in Birmingham and practiced as a Consultant Histopathologist in the West Midlands for 16 years. He held a variety of medical leadership roles, and prior to coming to Kettering was Managing Director of St Cross Hospital Rugby. He is unusual in that he has moved from a medical career to a full time Chief Executive role and has particular interests in clinical leadership and in configuration of smaller acute hospitals.

Jayne Tunstall, Chief Operating Officer, was appointed in 2007 and prior to this appointment worked as Director of Operations, Rugby St Cross Hospital and University Hospitals Coventry and Warwickshire, Turnaround Director, Trauma and Orthopaedics, Deputy Director of Operations, Clinical Support, General Manager, Endoscopy, Haematology, Health Records, Outpatients and Clinical Governance, Senior Manager Local Taxation, Leicester City Council Court Officer, Debt Recovery, Coventry City Council.

Dr Brendan O'Malley, Medical Director was appointed in October 2004 and re-appointed to the position in January 2009. Dr O'Malley has worked in Clinical – General Medicine, Diabetes and Endocrinology from House Officer to Senior Registrar 1972 – 1989, Appointed as Consultant Physician, Kettering General Hospital in 1990, Managerial – Clinical Director in Medicine October 1996 to October 1997 and October 2002 to March 2003, Honorary Senior Lecturer

Marcus Thorman, Finance Director, appointed December 2008. His work experience includes Deputy Director of Finance – Kettering General Hospital, Associate Director of Finance Northamptonshire Healthcare Trust (NHT), Head of Financial Planning – NHT, Development Accountant – NHT, NHS Financial Management Trainee – NHS Graduate Scheme with Northamptonshire Health Authority, NHT and Northampton General Hospital

Liz Libiszewski, Director of Nursing & Quality was appointed September 2008. Work experience includes deputy Chief Nurse working on Workforce Development and Education at United Lincoln Hospital Trust (ULHT), Hospital Director of Nursing at Grantham Hospital, variety of General Management roles United Lincoln Hospital Trust, Divisional Nurse Manager for Surgery United Lincoln Hospital Trust, Senior Nurse for Critical Care United Lincoln Hospital Trust,

Nursing positions, started training in Nottingham and worked a number of critical care jobs in nursing.

NON VOTING DIRECTORS

Geoffrey Etule, Director of Human Resources & Organisational Development , was appointed November 2008, Previously he was Deputy Director of HR – Hull & East Yorkshire Hospital, HR Manager – University Hospitals Coventry & Warwickshire, HR Officer – City Hospital Birmingham, Personnel Officer – Bradgate Bakery Leicester

Mike Smeeton, Director of Strategy and Partnerships was appointed January 2001. Prior to his appointment he was Head of IM&T, Leicester General Hospital, Deputy Director of IM&T, Leicester General Hospital, Asst. Director of Contracts, Leicester General Hospital, Acute Unit Information Officer, Chase Farm Hospital, Information Officer, Basildon & Thurrock Health Authority

REMOVAL OF THE CHAIRMAN AND OTHER NON EXECUTIVE DIRECTORS

Removal of the Chairman or another Non Executive Director requires the approval of three-quarters of the Council of Members and must follow a process as detailed in Annex 6, Paragraph 7 of the Constitution.

BOARD PERFORMANCE

The Board of Directors manages performance in the Trust through the Performance Management framework. Performance is reported monthly to the Board of Directors through a three level dashboard covering performance related targets, finance and human resources.

The Board of Directors received regular reports that detail proposed strategic developments, risk, financial and performance issues, and where required, the action being taken to reduce identified risks.

The Trust has a Trust Board Secretary and the meetings of the Board of Directors are managed to ensure that actions are followed up and the Board reporting requirements adhered to.

The Board undertook a self assessment exercise in 2008 prior to becoming a Foundation Trust, reviewing the performance of both the Board and its Committees. The process will be repeated in 2010.

The Board confirms the following in relation to its roles, structure and capacity:

- The Board maintains its Register of Interests and can specifically confirm that there are no material conflicts of interest in the Board;
- The Board is satisfied that all Directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance and ensuring management capacity and capability;
- The selection process and training programmes in place ensure that the Non Executive Directors have appropriate experience and skills;
- The management team have the capability and experience necessary to deliver the annual plan objectives for the next three years; and
- The Board's Committee structure is appropriate.

The Board considers that it has an appropriate balance of expertise and experience and it has access to specialist advice as required.

BOARD COMMITTEES

AUDIT COMMITTEE

Membership and attendance

The Audit Committee is chaired by Ian Russell, a Non Executive Director and includes two other Non Executive Directors, John Tate and Abhai Rajguru. The Committee met 6 times in 2009/10.

How the Committee discharges its responsibilities

The Audit Committee assures the Board of Directors that probity and professional judgement are exercised in all financial matters.

It advises the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for control and securing economy, efficiency and effectiveness (value for money). The Committee prepares an annual report for the Board.

Statement of Directors' Responsibilities in respect of the Accounts

The Directors are required to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

The use of External Auditors for Non Audit Services

In accordance with Monitor's Foundation Trust Code of Governance, the Audit Committee has agreed a policy for approving the engagement of the external auditor for non-audit services. This policy will be recommended to the Council of Members to adopt at its meeting in June 2010.

Statement by the Auditors about their reporting responsibilities

The Auditors statement of responsibilities is contained in the Annual Accounts (Appendix 2, page viii).

NOMINATIONS & REMUNERATION COMMITTEE

The Remuneration & Appointments Committee of the Board of Directors comprises of permanent members who are the Chairman and Non Executive Directors. The Chief Executive attends (except for consideration of his/her own appointment) as well as the Director of Human Resources & Organisational Development (except for consideration of his/her own appointment).

The Committee is chaired by the Chairman of the Trust and has met once during 2009/10.

The role of the Committee is to:

Agree the remuneration arrangements for Executive Directors (Voting and Non Voting). The remuneration for Non Executives is set by Council of Members Nomination & Remuneration Sub Committee Remuneration.

Obtain legal, remuneration or other professional advice from both inside and outside the Trust as when required and to appoint and secure attendance of external remuneration and other consultants and advisers if it considers this beneficial.

The committee reviews and approves:-

- Additional non pay benefits
- Contracts of Employment
- Severance packages.(Severance packages must be calculated using standard guidelines any proposal to make payments outside of the current guidelines must be subject to the approval of the Treasury).

Receives reports from the Chief Executive with regard to performance of the Executive Directors.

Ensures that the Annual report includes a report on the remuneration arrangements for Executive Directors.

Receives reports relating to national and local market factors including benchmarking of Directors pay. The Committee may request reports relating to the senior management workforce to ensure the consistent application of the Trust's equality obligations.

Review the membership of the Board of Directors and advise the Appointments & Remuneration Sub Committee of the Council regarding the process for the appointment of Non Executive Directors.

COMMITTEE	AUDIT COMMITTEE						NOMINATION & REMUNERATION COMMITTEE
	24/4/09	3/6/09	21/8/09	2/10/09	4/12/09	5/2/10	
Steve Hone	-	-	-	-	-	-	√
John Tate**	√	√	√	√	√	√	√
Abhai Rajguru**	A	√	√	√	√	√	√
Ian Russell**	√	√	√	√	√	√	√
Chris Saunby	-	-	-	-	-	-	√
Frank Walsh	-	-	-	-	-	-	√

** Member of the Audit Committee

4. COUNCIL OF MEMBERS

HOW THE BOARD OF DIRECTORS AND COUNCIL OF MEMBERS OPERATE

The Council of Members represents the interests of the local community, public and staff who are Foundation Trust Members. The Council of Members is not responsible for the day-to-day management of the organisation which is the responsibility of the Board of Directors.

Key roles of the Council of Members are to:

- Appoint or remove the Chairman and other Non Executive Directors and approve the appointment (by Non Executive Directors) of the Chief Executive
- Decide on the remuneration, allowances and other terms and conditions of office of Non Executive Directors
- Appoint or remove the Foundation Trust's Financial Auditors
- Review the Trust's constitution and suggest changes
- Review and develop the Trust's Membership Strategy

During 2009-10, as part of their statutory responsibilities, the Council of Members has:

- Re-appointed three of the Non-Executive Directors
- Reviewed and approved the remuneration for the Non Executive Directors
- Agreed a process and undertook the appraisal of the Chairman
- Agreed a process for the appraisal of the Non Executive Directors
- Agreed the Membership Strategy & Action Plan

ELECTIONS

The election process is administered by the Association of Election Administrators. The next scheduled round of elections will take place in the autumn of 2010. The Trust will continue to work to promote its elections and to encourage greater interest and turnout. It will:

- Work with the Association of Election Administrators to adopt fair electoral procedures that encourage participation of all active members
- Maintain guidelines for running elections
- Work with local media and other organisations to feature the elections and the public Council role in newspaper, magazine and radio media
- Organise election briefing opportunities for members who are potential Council candidates
- Ensure all members are fully informed about elections and the opportunity to become a Council Member.

HOW THE BOARD HAVE ACTED TO UNDERSTAND THE VIEWS OF THE COUNCIL OF MEMBERS AND FOUNDATION TRUST MEMBERS

The Council is chaired by the Chairman of the Trust who acts as a link between the Council and Board of Directors. The Senior Independent Director, along with members of the Board of Directors regularly attend the meetings of the Council to gain an understanding of the views of the Council of Members and the membership constituencies they represent.

A joint away day for the Board and the Council was held in August 2009 to improve the knowledge and understanding for Council Members, help to develop a cohesive Council and improve the confidence of Council Members in their role.

The Strategy & Marketing Topic Group of the Council led on a consultation process with the membership to seek their views on the priorities of the Trust which were presented to the Board and incorporated into the Strategic Objectives for 2010.

Council Members and Foundation Trust Members were invited to attend the Annual meeting in September 2009 which was well attended.

SELF ASSESSMENT

A self assessment review of the Council's performance during the first year as a Foundation Trust was carried out in 2009 and the results reported to the Council in December 2009.

LEAD COUNCIL MEMBER

The Council has a Lead Council Member who facilitates direct communication between Monitor, the Independent Regulator and the Council of Members. The main circumstances where Monitor will contact the Lead Council Member are where Monitor has concerns as to board leadership provided to the Trust and those concerns may in time lead to the use, by Monitor's Board, of its formal powers to remove the Chairman and Non Executive Directors.

COMPOSITION OF THE COUNCIL OF MEMBERS

APPOINTED MEMBERS		
NAME	STAKEHOLDER	
Mr Chris Pallot	NHS Northamptonshire (until December 2009)	
Mr Richard Aveling	NHS Northamptonshire (from March 2010)	
Cllr Rosemary Bromwich	Northamptonshire County Council (until May 2009)	
Cllr Bob Civil	Northamptonshire County Council (from May 2009)	
Cllr Mark Pengelly	Corby Borough Council (until September 2009)	
Cllr Jimmy Noble	Corby Borough Council (from September 2009)	
Cllr Andy Mercer	East Northants District Council	
Cllr Maurice Bayes	Kettering Borough Council	
Cllr Alistair Swatridge	Harborough District Council (until December 2009)	
Cllr Dr Paul Bremner	Harborough District Council (from January 2010)	
Cllr Barbara Ainge	Wellingborough Borough Council	
Dr Sue Allen	University of Northampton	
Vacant	University of Leicester	
Sir Patrick Walker	North Northants Development Company	
Pat Jackson	Northamptonshire Local Involvement Network	
Rosemary Hadaway	Nene Valley Community Action (Voluntary Sector)	
Vacant	Corby Voluntary Community Services Ltd (Voluntary Sector)	
ELECTED STAFF MEMBERS		
NAME	CONSTITUENCY	TERM OF OFFICE
Dr Andrew Steel	Medical Practitioners & Dental Practitioners	3 years
Mrs Margaret Paragreen	Nursing, Midwifery & Other Clinical	3 years
Mrs Carolyn Ginns		2 years
Mr Jonathan West		3 years
Mr Paul Fantini	Non Clinical	3 years
Mr Geoffrey Sergison		2 years
PUBLIC ELECTED MEMBERS		
NAME	CONSTITUENCY	TERM OF OFFICE
Mr Frank Adams	Kettering	2 years
Elizabeth Cairney		3 years
Priscilla Davies		3 years
David Moody		2 years
Glenda Weston		3 years
Mrs Maria Shurville-Pym (until March 2010 - current vacancy)		2 years
Mr Gordon Reynolds		Corby
Mr Kenneth Elms	2 years	
Mr David Bradford (current vacancy)	Until Mach 2010	
Mr James McKechnie	2 years	
Mr James McKechnie	3 years	
Marian Holloman	East Northamptonshire	3 years
Eunice Jones		3 years
Jim Morrison		2 years
Sheila White		3 years
Emma Wilson (until October 2009)		-
Sylvia Hobbs (from November 2009)		2 years

PUBLIC ELECTED MEMBERS		
NAME	CONSTITUENCY	TERM OF OFFICE
Paul Bell Martin Adams Jennifer Dixon Katherine Forsdyke (<i>until October 2009</i>) Bryan Thomas (<i>from November 2009</i>)	Wellingborough	3 years 3 years 2 years - 2 years
Peter Radcliffe	Harborough	3 years
Ian Pridding (<i>until September 2009 - Current Vacancy</i>)	Daventry & Northampton	3 years

A copy of the Register of Interests declared by the Council of Members can be viewed on the Trust's website at www.kgh.nhs.uk or obtained from the Trust Board Secretary.

COUNCIL OF MEMBERS ATTENDANCE DURING APRIL 2009 – MARCH 2010.

Council Members	21 st May	17 th Sept	17 th Dec	18 th Mar	Total
Chris Pallot	√	√	√	-	3/3
Bob Civil	A	√	√	√	3/4
Mark Pengelly	A	-	-	-	0/4
Jimmy Noble	-	A	√	A	1/3
Andy Mercer	√	√	√	√	4/4
Maurice Bayes	√	√	√	√	4/4
Alistair Swatridge	√	√	A	-	2/3
Paul Bremner	-	-	-	A	0/1
Barbara Ainge	√	√	A	√	3/4
Sue Allen	A	√	√	√	3/4
Patrick Walker	√	A	√	A	2/4
Pat Jackson	√	√	√	√	4/4
Rosemary Haddaway	√	√	√	√	4/4
Andrew Steel	√	A	√	√	3/4
Margaret Paragreen	√	√	√	√	4/4
Jonathan West	√	√	√	√	4/4
Carolyn Ginns	√	√	A	√	3/4
Paul Fantini	A	√	√	√	3/4
Geoffrey Sergison	√	√	√	√	4/4
Frank Adams	A	A	A	√	1/4
Elizabeth Cairney	√	√	√	A	3/4
Priscilla Davies	√	√	√	√	4/4
Maria Shurville-Pym	-	A	√	-	1/2
David Moody	√	√	√	√	4/4
Glenda Weston	√	A	√	√	3/4
Gordon Reynolds	√	√	√	√	4/4
Kenneth Elms	A	A	√	A	1/4
David Bradford	√	√	A	-	2/3
James McKechnie	A	A	A	A	0/4
Marian Hollomon	√	A	√	√	3/4
Sylvia Hobbs	-	-	√	√	2/2
Eunice Jones	A	√	√	A	2/4
Jim Morrison	√	√	√	√	4/4
Sheila White	√	A	√	√	3/4
Emma Wilson	A	-	-	-	0/1
Paul Bell	√	√	A	A	2/4

Council Members	21 st May	17 th Sept	17 th Dec	18 th Mar	Total
Martin Adams	√	√	√	√	4/4
Jennifer Dixon	√	√	√	√	4/4
Katherine Forsdyke	A	-	-	-	0/1
Bryan Thomas	-	-	√	√	2/2
Peter Radcliffe	√	√	√	√	4/4
Ian Pridding	√	-	-	-	1/1

- √ - Attended
A - Apologies
- - No longer a Member

The figures reported above are out of a total number of meetings the Council of Member was eligible to attend.

The following table details Board of Directors attendance at Council of Members meetings during 2009-10:

NAME	TITLE	21 st May	17 th Sept	17 th Dec	18 th Mar
Steve Hone	Chairman	√	√	√	√
John Tate	SID	√	√	√	√
Mark Newbold	Chief Executive	√	√	√	√
Mike Smeeton	Director of Strategy & Partnerships	-	√	√	√
Jayne Tunstall	Chief Operating Officer	√	√	√	√
Marcus Thorman	Finance Director	-	√	-	-
Sharan Madeley	Trust Board Secretary	√	√	√	√

N.B. SID = Senior Independent Director

COUNCIL EXPENSES

Council Members are not remunerated but are entitled to claim expenses for costs incurred whilst undertaking duties for the Trust as a Council Member (i.e. travel expenses to attend the Council meeting.)

OTHER KEY COMMITTEES

The Committees and Topic Groups listed below also play a key role in the running of the Council of Members:

Appointments & Remuneration Sub Committee

The members of the Committee are Sir Patrick Walker (Chairman), Dr Andy Steel, Mr Gordon Reynolds, Mr Jonathan West, Dr Sue Allen and Cllr Bob Civil.

The Committee has the responsibility to lead the process for the appointment of the Chairman and Non Executive Directors, the re-appointment of the Chairman and Non Executive Directors, the performance assessment of the Chairman and Non Executive Directors and remuneration. All recommendations are endorsed by the full Council of Members.

The Sub Committee met on 4 occasions during 2009/10.

Membership Sub Committee

The Committee develops, implements and keeps under review a membership strategy for the Trust. It also considers any dispute which arises with regard to membership of a constituency of the Trust.

Audit & Finance Sub Committee

The Sub Committee advises the Council on the appointment of the Trust's Auditor, receives the annual accounts and any reports from the auditor before submission to the full Council

Patient Experience Topic Group

The Committee's role is to strengthen the Trust's patient and public involvement structures. To build a partnership between the Trust, patients and the public this is central to the modernisation of the health service. To monitor the Trust's performance in meeting patient and public involvement responsibilities and to make recommendations to the Council and the Governance Committee of the Board of Directors

Training & Development Topic Group

Implements a training and development programme for the Council and ensures induction materials are in place for new Council Members.

Strategy & Marketing Topic Group

To advise and be consulted by the Board on the strategic direction of the Trust, to input into the development of the annual plan ensuring the needs of patients are considered. To advise the Board on communication and marketing issues with the membership.

5. FOUNDATION TRUST MEMBERSHIP

FOUNDATION TRUST MEMBERSHIP

The Trust has two constituencies – staff and community. It does not host a patient constituency.

WHO CAN BE A MEMBER?

The Trust's available public constituency is defined as 'those people aged 16 and over living in specific wards of local authorities within the area'. It represents a catchment population of over 400,000 with more than 350,000 people eligible for Foundation Trust membership. Residents of Kettering, Corby, Market Harborough, Wellingborough, East Northants and Daventry & Northampton are eligible for membership of the NHS Foundation Trust.

HOW MANY PEOPLE ARE MEMBERS?

The eligible population information and community membership breakdown at 31st March 2010 is detailed below:

Constituency	Total Numbers of Members	Total Population of constituency	Number Eligible for Membership (aged 16 years & over)	Number of Members as a % of Eligible Population
Kettering	1158	81,844	65,033	1.8
Corby	549	53,174	41,151	1.3
Wellingborough	744	72,519	57,087	1.3
East Northants	856	76,550	60,344	1.4
Harborough	113	81,300	65,100	0.2
Daventry	73	71,838	56,419	0.1
Northampton	87	194,458	163,865	0.1
Total Members	3,580	631,683	508,999	6.2

HOW ARE WE DEVELOPING A REPRESENTATIVE MEMBERSHIP?

The Membership Sub Committee of the Council of Members has developed an action plan to deliver the Membership Strategy. The Trust wishes to encourage, develop and continue a strong sense of community involvement with and ownership of Kettering General Hospital. As such, during 2010 the Trust is committed to recruit new Members into all the Membership categories.

Within the Membership Strategy the Council of Members has agreed the following key objectives for Membership recruitment:

- To widen the membership year on year
- Add to Membership through a simple application process
- Maintain an accurate database of Members
- To strive for the composition of Membership to reflect the diversity of the local communities
- To encourage employees to maintain a strong and representative voice via an opt out basis
- Openly report to our Membership on an annual basis the composition of our Membership

PROMOTING MEMBERSHIP

In 2009/10 the Membership Sub Committee has been working, with the Membership Manager, to develop Initiatives to increase and maintain the Membership in 2009/10. This has included:

- Publishing the membership recruitment leaflet in the Trust magazine
- Publicising membership in local authority household magazines
- New publicity material produced including leaflet and posters
- Proactive distribution of recruitment material to GP surgeries, pharmacists and libraries across the county
- Membership strap line on patient correspondence
- Commencing raising awareness of the Trust with local schools
- Arranging for members to have access to NHS Discounts
- Staff Council Representatives regularly meeting to look at ways of engaging staff

GET IN TOUCH

Members who wish to communicate with their representative on the Council of Members or Executive Directors should contact:

Trust Board Secretary,
Kettering General Hospital NHS Foundation Trust
Rothwell Road,
Kettering,
NN16 8UZ
Tel: 01535 493761

6. PUBLIC INTEREST DISCLOSURES

NHS FOUNDATION TRUST CODE OF GOVERNANCE

Kettering General Hospital NHS Foundation Trust is committed to effective, representative and comprehensive governance which secures organisational capacity and the ability to deliver the mandatory goods and services. The Trust aims to comply with all Monitor guidance where possible. With the exception of provision C.2.1 in the Code of Governance (which relates to fixed term contracts for Executive Directors) the Trust confirms its compliance.

REGISTER OF INTERESTS

The Trust holds a register listing any interests declared by the Board of Directors and the Council Members. Members must disclose details of company directorships or other positions held, particularly if they involve companies or organisations likely to do business or possibly seeking to do business with the Foundation Trust. The public can access the register at www.kgh.nhs.uk or by making a request in writing to:

The Trust Board Secretary, Kettering General Hospital NHS Foundation Trust, Rothwell Road, Kettering, Northants, NN16 8UZ. Or by emailing: sharan.madeley@kgh.nhs.uk

COMPLAINTS

The Trust endeavours to achieve continual improvement by encouraging patients and relatives to express concerns if they are dissatisfied with the service they have received. We investigate complaints in an open and honest way and with a willingness to learn and make service improvements where indicated. A detailed break down of our complaints during 2009/10 is contained within our Quality Report in Section 7.

COUNTER FRAUD AND CORRUPTION

The Trust has well established policies and procedures in respect of countering fraud and corruption. The Trust has an accredited Counter Fraud Specialist appointed. The Counter Fraud Specialist is accountable to the Finance Director and reports regularly to the Audit Committee. The Trust regularly publicises the work of its Counter Fraud Specialist to its staff.

FREEDOM OF INFORMATION

The Freedom of Information Act 2000 (which came into force on 1st January 2005) requires public authorities to respond to written requests for information within 20 working days. The Trust keeps hard copy and electronic copies of all requests and replies and seeks to respond to them all within the time frame. Requests for information have increased year-on-year from 2005 (25); 2006 (59); 2007 (66); 2008 (200) and 2009 (240).

INFORMATION RISKS AND DATA LOSSES 2009-10

The Trust had two serious untoward incidents involving data loss or breach of confidentiality in 2009/10. The first involved data being sent to the Health Protection Agency via ordinary mail, the data was a list of patients name, address and date of birth. The second involved information being sent to a patient. The information was sent to the address the Trust had on record but it was incorrect. The information was subsequently read by a second party. Both incidents were reported to the Strategic Health Authority. The Senior Information Risk Owner at Board level is the Director of Strategy & Partnerships and the Caldicott Guardian is the Medical Director. All staff are signed up to the Staff Code of Confidentiality and receive mandatory training.

QUALITY ACCOUNT 2009/10

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SECTION 1: STATEMENT ON QUALITY FROM THE CHIEF EXECUTIVE

Welcome to Kettering General Hospital NHS Foundation Trust's 2009/10 Quality Account. The production of Quality Accounts is new process for Trusts, set out in the Department of Health policy document 'High Quality Care for All'.

High Quality Care for All (The Darzi Review) introduced Quality Accounts as a mechanism for public reporting on quality. These reports will be available to the public from June 2010 and provide information across all service provision; looking at safety, experience and outcomes.

The purpose of the Quality Account is:

- To enable the Trust Board to focus on quality improvement as a core function.
- To enable the public to hold NHS Trusts to account for the quality of healthcare
- To assist patients and their carers to make better informed health choices

The Trust has identified key areas for improvement and has in place plans to monitor and report on progress. The suggested priorities for the 2010/11 Quality Accounts focus on patient safety, patient experience and clinical effectiveness.

Quality Accounts also offer an opportunity to reflect on the quality of service provision for the identified areas of priority for the previous year.

Kettering General Hospital is committed to provide high quality, safe and cost effective care. We recognise that to achieve this our organisation must have strong executive and clinical leadership from the Boardroom to the Ward. To that end we have developed a leadership programme led by the Chief Executive. We have also developed our unique Improving Health Care Together programme which is based on what local people have told us and which enables our staff to put the patient at the centre of everything we do. Some of our achievements delivered through Improving Healthcare Together include:

- Wide engagement of users and population
- Improving the patient experience is a major Trust Board objective
- Trust wide patient experience training
- Improved relationships with GPs
- Real time patient experience survey with local responsive action plan in all areas
- Sisters ward rounds
- Ward comments books
- Our Patient Promise, signed up to by all staff as they start work at KGH

'we will always treat you as an individual, always working together, always there for you, always caring for you, and always improving'.

Every employee will strive to achieve our patient promise at all times because it encapsulates our values as a hospital and the care we aim to provide to our patients. We will strive as an organisation to develop staff so that they can meet our patient promise.

We aim to build on our progress this year and continue our focus on improving the patient experience.

We have also worked with our Council of Members Patient and Public Involvement Topic Group (PPITG) over the last year to discuss our priorities for quality improvement and they have identified a number of quality audit work streams to support us by providing feedback.

We look forward to this enhancing our understanding of the standard of our care we provide to our patients and we will be able to use this to guide us in setting our quality priorities in future years. We continue to have a healthy involvement with our Local Involvement Network (LINKs) who also provide audit and feedback to us.

The Trust has actively welcomed working with all partners in health and social care to put in place actions to protect the most vulnerable of our users. The Six Lives report highlighted deficits across the NHS in caring for patients with learning disabilities, and the actions we have put in place have been ratified by the Health Overview and Scrutiny Committee.

We value input from all users and have developed a patient experience and patient involvement strategy over the last year. In implementing these strategies we aim to improve our responsiveness as part of our objectives for this year.

We are proud of our achievements in reducing healthcare associated infections, particularly MRSA and Clostridium Difficile. However, we know that we must continue to keep our focus on reducing all infections and continuing to build public confidence in the cleanliness and safety of our hospital. We were concerned as a Board that our Hospital Standardised Mortality Rates (HSMR) were high and made that one of our key priorities for 2009/10. We have achieved a significant reduction but we know we have more to do and we will therefore continue to focus on this objective by increasing our work in this area.

We recognise that quality improvement does not have an end. Kettering General Hospital will continue to build on the improvements we have made and work in partnership with our patients, staff, Council of Members and other organisations to measure our success and set future priorities.

The content of this Quality Account has been approved by the Trust Board 23rd April 2010 date and to the best of our knowledge the information contained is accurate.



DR MARK NEWBOLD
CHIEF EXECUTIVE

SECTION 2: PRIORITIES FOR IMPROVEMENT

2.1 REVIEW OF SERVICES

During 2009/10 Kettering General Hospital NHS Foundation Trust provided 38 specialist NHS services. The Trust has reviewed all the data available to them on the quality of care in 38 of these services.

The income generated by the NHS Services reviewed in April 2009 – March 2010 represents 89.7% per cent of the total income generated from the provision of NHS services by Kettering General Hospital NHS Foundation Trust for April 2009 – March 2010.

2.2 QUALITY IMPROVEMENT PRIORITIES FOR 2009/10

In 2009/10 the Trust highlighted 6 key priorities:

- Priority 1: To reduce our hospital standardised mortality rate
- Priority 2: Acutely Ill Patients
- Priority 3: Complaint Handling
- Priority 4: Reduce the rate of venous thrombo-embolism
- Priority 5: To become a better employer
- Priority 6: To develop and exemplar cleaning service

The following pages provide more detail on the progress we have made.

PRIORITY 1: TO REDUCE OUR HOSPITAL STANDARDISED MORTALITY RATE (HSMR)

Aim: To maintain our HSMR at less than 100 throughout 2009/10.

During 2009/10 the Trust was using information from the statistics company Dr Foster published data on patient safety and hospital mortality rates.

In November 2009 in Dr Foster's Hospital Guide their survey showed that Kettering General Hospital received an overall patient safety rating of 3 out of a possible 5. This meant that the Trust was the second best performing Trust in East Midlands region for patient safety.

One of the indicators in the patient safety scoring was the Dr Foster method of measuring mortality rate. In this area the Trust scored above the standardised rate of 100 – and scored 113 for the period 2008/09, where 100 was the average, indicating that the Trust had a higher than expected death rate.

The Board was greatly concerned at the HSMR rate of 113 as a month prior to the publication of the Good Hospital Guide the HSMR reported via Dr Fosters tool was 102 for the financial year 2008/09. The Trust reviewed the appropriateness of the use of the data as the significant variation and long delay in producing "rebased" figures could provide the Board with false assurance over mortality rates.

Every area of concern raised by the Dr Foster tool has been thoroughly investigated and actioned by the Improving Outcome Group led by the Medical Director.

PROGRESS DURING 2009/10

The Trust undertakes mortality reviews which is a standardised approach to case note review on the majority of deaths occurring within the Trust.

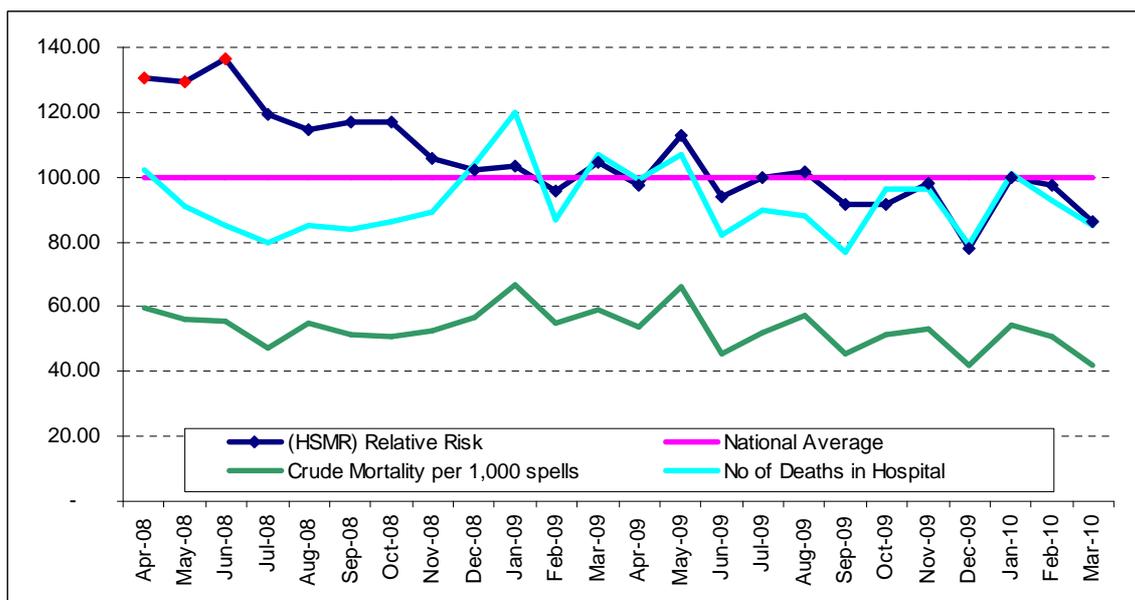
The Trust has from October 2009, is reporting based upon its own HSMR calculation, this not only allows the Trust to look at this data in "real time" (Dr Foster data was up to 3 months out of date), but also allows far more detailed analysis of the reasons for hospital mortality and easy patient level analysis

The Trust is awaiting the release of the new audit tool being reviewed by the NHS Medical Director and will review and if appropriate consider its use.

The Trust has adopted a proactive approach and has started to look for any indication of patient harm and will be using the Global Trigger Tool during 2010/11. The Global Trigger Tool is a retrospective review of patient records and uses "triggers" or "clues" to identify any adverse events and is an effective method for measuring the overall level of harm in a health care organisation.

The Board has agreed to commission additional external assurance to supplement the work being undertaken to assure the Board that the internal sources of assurance are adequate. This report is awaited.

The graph below shows the HSMR from April 2008 to March 2010 at 95.5.



ONGOING ASSURANCE

The Trust Board remains concerned about the reliability of this indicator and therefore intends that this will remain a priority for development 2010/11.

PRIORITY 2: ACUTELY ILL PATIENTS

Aim: To reduce the number of in-hospital cardiac arrests by 5% by improving our identification of acutely ill patients

This was a priority for the Trust in 2009/10 as the national Patient Safety Campaign and National Institute for Clinical Excellence Clinical Guideline 50: Acutely Ill Patients in Hospital, identified recognition and response to acute illness in adults in hospital as a key priority for acute trusts. The Trust recognised that whilst some pockets of good practice exist, for example, Critical Care Outreach and the use of the Kettering Early Warning System, more needed to be achieved. (An early warning score is a tool to aid in the identification of those patients at risk of deteriorating and is to be used in conjunction with clinical judgement and other clinical markers i.e. pathology results/x-rays). The table below shows how the Trust has performed during 2009/10:

Cardiac Arrest log calls by month						
	Office Hours	Out of Hours	Total	Cumulative Total	Target Level	Variance from target
2008/09	95	159	254			
Plan 2009-10	90	151	241			
Apr 2009	7	13	20	20	20	0.0%
May 2009	13	19	32	52	41	26.8%
Jun 2009	5	13	18	70	61	14.8%
Jul 2009	6	14	20	90	81	11.1%
Aug 2009	1	11	12	102	101	1.0%
Sep 2009	8	18	26	128	121	5.8%
Oct 2009	13	21	34	162	141	14.9%
Nov 2009	6	20	26	188	161	16.8%
Dec 2009	8	19	27	215	181	18.8%
Jan 2010	9	18	27	242	201	20.4%
Feb 2010	7	19	26	268	221	21.3%
Mar 2010	10	21	31	299	241	24.1%
Variance from target						24.1% off plan

The Trust identified that the recording of cardiac arrests was inadequate and relied upon calls via the switchboard rather than clinically validated data. Therefore, further work was undertaken to ensure a standardised proforma was used to record and therefore collect data on all cardiac arrests in hospital. This improvement in data collection has led to an increased rate being recorded and therefore the required reduction in 2009/10 has not occurred.

2008-09	-	3.4 cardiac arrests per 1,000 admissions
2009-10	-	4.9 cardiac arrests per 1,000 admissions

However, in identifying an improvement in data collection has meant that the Trust has now established a baseline and further improvements can now be measured.

PROGRESS DURING 2009/10

- An Acutely Ill Patient Group has been established reporting into the Quality Governance Board
- A full work programme was developed to support the actions required by the NICE Guidelines, Patient Safety First Reducing Harm from Deterioration and National Patient Safety Agency: Recognising and Responding Appropriately to early signs of Deterioration in Hospitalised patients.
- Information reviewed on a regular basis through the Critical Care Delivery Group and reported to the Clinical Management Teams for performance review.

ONGOING ASSURANCE

This priority will continue to be monitored by the Critical Care Delivery Group and report to the Trust Governance Committee. We will also seek to identify benchmark information from other organisations to compare ourselves to.

PRIORITY 3: COMPLAINTS HANDLING

Aim: To provide an exemplar complaint service

New instructions issued by the Department of Health NHS England Complaints Regulation 2009 required the NHS to provide a more responsive complaints service where the needs of the complainant are met. Detailed below are the areas identified for improvement in 2009/10:

(a) To engage the council of members to define and describe an exemplar complaints service

The Council of Members has established a Patient & Public Involvement Topic Group. A specific remit for the group in 2009/10 was to be involved in updating the Trust's revised Complaints Policy and to review literature available for patients, carers and visitors. A working group was established supported by the Deputy Director of Nursing & Quality to review and make comments on information for patients, visitors and carers regarding making a complaint. The work of the group is fed back to the Council of Members.

(b) To invite a peer review once the process is implemented

The Trust is committed to ensuring that the complaints system reflects the needs of its patients and the public, and that the system and processes are reviewed regularly. During this financial year, the reviews undertaken have included:

- User review with key internal stakeholders, resulting in a new complaints process. That is, a decentralised complaints process reflecting the new legislation.
- An internal random review of the complaints system to ensure all information is accurate, timely and appropriate.
- Patient and Public Involvement Topic Group pilot of new complaint system survey. The proforma will be used for each complaint letter reply sent by the Trust.
- Links with local hospitals and the PCT, to ensure that the system used at Kettering General reflects the needs of the local health economy.

The Trust is currently in the process of arranging an external review of its system with a local Trust. This review will commence approximately 6 months after the introduction of the new system. That is, within quarter one of the new financial year.

(c) To ensure that the new system complies with the new legislation on complaints handling

There is an emphasis from the new complaints process that each complaint and complainant should be dealt with individually. This means the investigation plan and response date are agreed with the complainant rather than the standard 25 working days in which a response had to be under the old regulations. The process for dealing with complaints has been devolved to the Clinical Management Teams. This means that the clinical teams are responsible for the investigation and co-ordination of complaint responses.

The key changes within the new complaints process at the Trust reflect the new legislation. That is, that all complaints are individualised. The Trust is achieving this by ensuring that all complainants are involved in each aspect of their complaint.

When each complaint is acknowledged (within 3 days), a timescale for responding is agreed between the hospital and the complainant (no longer 25 days) and the method for the reply agreed. For example, some complainants may choose a letter, a meeting, an action plan or a combination.

The decentralisation of the complaints process from the quality governance department to the local area has proved very successful, and enables the Clinical Management Teams a greater degree of flexibility which in turn means that the complainants can directly contact those who are responding to their complaint.

(d) To ensure that the proportion of complaints that are resolved at the first attempt increases.

The table below shows that the number of complaints has risen but a percentage decrease in the number of compliant responses we get right first time. We have asked our Patient and Public involvement Topic Group to look at whether the increase in the number of complaints is attributable to the new easier to use system or an indicator of issues with care delivery. We await the review. However, the statistics show that the Trust still has room for improvement on the percentage of more than one response required.

COMPLAINTS/DATE	2006/07	2007/08	2008/09	2009/10
Number of complaints	419	330	346	650
Number of complaints reopened	15	25	32	53
Percentage of complaints reopened	3.6%	7.6%	9.2%	8.2%
Number of complaints still open	1	0	0	72
Percentage of complaints still open	0.2%	0.0%	0.0%	11.1%

The Trust is monitoring the number of complaints received, the trends, response times, number of replies required to close the complaint, and the number of breaches for the agreed timescale via a number of methods. In March 2009 a new performance tool was introduced for each Clinical Management Team. This includes a rolling review of monthly, quarterly and annual statistics which enable earlier triggers when development or improvement is required.

All complaints received are individually responded too, and are included within the internal systems for learning from the patient experience. These trends and learning from the patient experience are shared with the patient and public involvement topic group and is a part of the Trust being open policy.

The standard of the complaint letter is a key focus for the Trust, and has improved over the past few months. A robust training programme has been completed for the Clinical Management Teams, and examples of well written complaint letters are used for further training.

The Trust has recently introduced a number of ways for patients and the public to make complaints, and include proformas for those who do not wish to write a letter, or those who find it difficult to express their true complaint. The aim of these methods is to reduce the number of complaint replies needed to close a complaint and to assist complainants.

The Trust has actively promoted its complaints system with the introduction of the newly updated complaints leaflet, and its easy read version. The Trust expects an increase in the number of complaints received, as well as comments about its care and service delivery, to ensure that everything it does is reflected in a positive patient experience. The Trust acknowledges that the response time and the number of replies required reflect the effectiveness of its processes, however, the Trust does not aim to reduce its response time to one which is too quick and produces poor quality responses

(e) To ensure that the new system does not reduce the speed of response

Importantly in the new system we aim to ensure that each complaint received is discussed on receipt with the complainant to ensure that the issues raised are understood and the process of investigation and feedback is personal to that complainant.

The table below shows that the change in response time has had an impact in this year. That is, the Trust is no longer responding within a set 25 days, but responding in a time agreed by the complainant. It should be noted that there is a sharp increase in the number / percentage resolved within 3 days. This is likely to be the work of the local areas and the Patient Advice and Liaison team and demonstrates that the emphasis on local resolution is beginning to work. The table also shows that the number which is taking over 36 days for this financial year to date is 36%, which compares to a previous maximum of 33% for 2006/2007. This is the direct effect of individualisation of response time; however we are monitoring this and will be sampling complainants to test whether we met their expectations as part of our review.

RESOLVED IN:	2006/07	2007/08	2008/09	2009/10
0-3 days	23	6	3	83
4-7 days	13	2	4	40
8-14 days	41	9	5	50
15-21 days	59	23	13	62
22-28 days	70	50	68	85
29-35 days	73	123	228	90
36+ days	140	117	25	168
Still Open	2	0	0	72
TOTALS	419	330	346	650

ONGOING ASSURANCE

Continued performance against this priority is monitored through Patient Experience reports to the Governance Committee. The Patient and Public Involvement Topic Group (PPITG) is currently conducting an evaluation of the new process.

PRIORITY 4: REDUCE THE RATE OF VENOUS THROMBO-EMBOLISM

AIM: To ensure patients have a risk assessment completed in accordance with the Department of Health guidance and that where required the appropriate action is taken.

Venous thrombo-embolism is thought to be responsible for around 40,000 deaths per year across the UK as well as causing longer hospital stays and greater treatment costs. The evidence shows that risk assessing patients on admission to hospital can be used to reduce the occurrence of this condition.

Identified Area for improvement in 2009/10

Apply risk assessment process across the trust and audit compliance with policy. Audit adherence to treatment modalities as described in the policy.

PROGRESS DURING 2009/10

The Trust has established a Thromboprophylaxis (TP) Committee 2009/10 and their work has been driven by:

1. Publication of NICE Clinical Guidance CG92 January 2010 (*Reducing the Risk of VTE in Patients admitted to hospital*)
2. Publication of modified standardised NICE VTE Risk Assessment Tool March 2010
3. Publication Royal College of Obstetricians and Gynaecologists (RCOG) Green Top Guideline 37 (*Reducing the risk of Thrombosis and embolism in Pregnancy and the Puerperium*)
4. Target of 90% RA completion in all patients admitted to hospital set by CQUIN standard for 2010/11

Risk Assessment (RA)

RA Tools have been revised and updated in the light of the above guidance for Medicine, Surgery, Obstetrics, and Clinical Haematology. These now incorporate all elements of the NICE RA tool, and are designed to ensure mandatory completion at time of admission.

Acute admission documentation packs have been revised in Medicine to ensure RA check is incorporated into consultant round.

Hospital inpatient drug chart has been revised to incorporate a dedicated Thromboprophylaxis section.

Treatment

The Trust priority was to introduce risk assessment processes but as part of the work significant steps have been taken to ensure appropriate treatment is also in place.

Extended Thromboprophylaxis for orthopaedic surgery

Extended thromboprophylaxis for patients having elective Hip and Knee replacement surgery has been introduced.

Mechanical Methods of Thromboprophylaxis

NICE CG 92 makes a number of recommendations concerning the use of antiembolic stockings (AES). A group has been formed, led by a senior nurse to develop and make recommendations for changes in practice.

Patient Information and Education

Patient information sheet to be used at time of admission for all patients has been revised. Patient information sheet to be issued to all patients at completion of anticoagulant therapy for VTE has been introduced. Primary Care has agreed to include advice for patients who are being referred for elective surgery.

Audit

Trust wide audit data is lacking, pending introduction of adequate infrastructure to support this (see below).

Audit of RA in Acute Medicine over the last 6 months shows increase in RA from 18% to 71%.

Combined Audit October 2009 Medicine and Surgery

	% total
RA Completed	18%
On Thromboprophylaxis where indicated	64%
Thromboprophylaxis not indicated	26%
Thromboprophylaxis not prescribed although indicated	10%
RA reviewed within last 72 hours	28%

Audit Medical Admissions March 2010

RA Completed	71%
RA completed and indicated TP prescribed	60%
TP prescribed with or without RA completed	86%

Summary

The Trust has made good progress against this priority, with 71% of assessments completed. Systems of risk assessment have been introduced and audit findings show improvement over the year.

Plans for Risk Assessment

Full Trust wide audit planned for May 2010

- Sanofi-Aventis / KGH VTE partnership for 2010-11 to support educational program and audit
- Long term support of audit proposals being developed
- VTE information to be incorporated into EasyNote

Plans for Treatment

Further work being led by a senior nurse to develop and audit the appropriate use of antiembolic stockings (AES)

VTE Data Collection

It is necessary to collect data on 1. All episodes Hospital Acquired Thrombosis (HAT) (within 90 days of hospital admission) 2. VTE Serious Incidents and incidents data is now being collected from:

1. Prospective collection of all episodes of HAT identified from the anticoagulant service
4.7 cases of HAT / month between August 2009 and January 2010
2. Coding of VTE's in discharge and death data
37 patients admitted monthly with primary diagnosis VTE

ONGOING ASSURANCE

Further work to develop this priority will continue in 2010/11 the national CQUIN scheme will measure risk assessment and sets a target of 90%. The Trust is also committed to ensuring appropriate treatment if required is prescribed and administered. This will be part of the audit programme for 2010/11

The Thrombo prophylaxis committee reports to the Governance Committee. Rates of assessment will form part of the standard reporting to the Hospital Management Board.

PRIORITY 5: TO BE A MODEL EMPLOYER

AIM: To improve our performance in the HSJ/NT healthcare 100 top places to work survey by at least 30%.

Delivering a quality service is dependent upon a well trained and motivated workforce, who operations within a culture in which the behaviours that promote, safe, effective and personal care delivery are both valued and facilitated. To develop this culture requires high standards of leadership and management and the promotion of a consistent set of values and principles. In 2008/09 the Trust was 88th in the HSJ/NH Healthcare 100 top employers survey. The Trust will not discover until late April 2010 if our performance improved during 2009/10.

Detailed below are the areas that were identified for improvement during 2009/10:

(a) Leadership on the shop floor

An organisation's workforce and its effective leadership are seen as pivotal in today's business environment and a key priority for Kettering General Hospital Foundation Trust is to provide its workforce with the right skills and resources. Our leadership development programme is being championed by the Chief Executive as we recognise that in order to achieve our strategic objectives and vision for the future, we must develop our workforce. We will do this within a climate of improving productivity levels and reducing the costs of employment, through improving the skill mix and finding new ways of working.

We have in place a clinical leadership development programme for senior clinicians, a talent management programme aimed at service managers and a budding talent programme for employees with high potential. Our leadership and talent management programmes will focus on developing and retaining top talent within the organisation. In addition to this, appropriate training and development opportunities will be offered to all line managers and managers will be required to demonstrate evidence of relevant continuous professional development in order to support the objectives of the Trust. This will ensure that we have managers with the right skills and expertise to effectively lead our workforce and deliver excellent patient care.

(b) Opportunities for staff to use their initiative to improve care

To support the development of the "High quality care for all – the NHS Next Stage Review" Kettering General Hospital carried out its own research into what local people thought were the most important aspects of care for them. The result of this work was a new programme called "Improving Healthcare Together" which was co-created with patients, staff, GPs, and a cross section of the general public.

The findings of "High quality care for all" and the Trust's own local research findings are very similar. Both emphasise the need to improve the patient's overall experience of care, for it to be personalised, safe and convenient and developed in partnership with local people. Both aim to make quality "the beating heart" of Kettering General Hospital experience. Through this programme the Trust is seeking to embed quality into the culture of the organisation. As part of the organisational development strategy and our drive for excellence in patient care, most employees have undertaken the Improving Healthcare Together training programme. The programme empowers staff to identify and implement changes to enhance the service provided to our patients.

(c) Communications within the workplace

The Trust is developing its communication channels with staff which now includes:

- Newsletter, KGH Together, aimed at Staff and Members
- Monthly corporate induction programme
- Regular e-newsletter
- Monthly written Brief following Board of Directors

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- Monthly Team Brief following Board of Directors
- Regular face-face meet the Chief Executive sessions

(d) Promoting a healthy workplace

The Trust will maintain the principles of Improving Working Lives plus for staff and support the NHS agenda of maintaining a healthy work environment for all staff. We will do the following:

- Refocus the Occupational Health service to deliver health awareness and health surveillance for staff
- Establish a comprehensive counselling service which is free and accessible to all staff
- Maintain compliance with the Working Time Regulations
- Issue guidance and training to line managers on effective management of stress in the workplace
- Actively support the zero tolerance policy and take appropriate action on any violence, aggression or harassment towards employees

(e) Achieving satisfactory work life balance

Improving the working lives of our staff and ensuring that all employees have a satisfactory work life balance in every part of the organisation is an important part of our strategy. We have already achieved practice plus status for Improving Working Lives and have made a range of improvements through the Trust's Equality & Diversity strategy. Our priorities for the next few years will be:

- Providing more opportunities for staff involvement
- Making flexible working part of our culture
- Improving security for staff
- Increasing the representation of minority groups amongst senior grades of staff within the organisation
- Offering a range of flexible benefits
- Ensuring that the Trust is seen as a healthy workplace
- Wide range of training and development opportunities
- Flexible retirement options
- Flexible training and development programmes

ONGOING ASSURANCE

The Human Resource dashboard is used as part of the performance framework of the Trust and aspects are regularly reported to the Trust Board.

PRIORITY 6: TO DEVELOP AN EXEMPLAR CLEANING SERVICE

Aim: To develop an exemplar cleaning service as defined by greater than 95% compliance with performance standards; achievement of an award for cleanliness, confirmatory report from LINKs inspection, confirmatory report from external peer review.

DETAILED BELOW ARE THE IMPROVEMENT DURING 2009/10:

(a) Rapid Response service to provide greater coverage

A rapid response cleaning service was put in place from September 2009 and operates from 6:00am – 10:00pm, 7 days per week.

(b) Strengthening of the management team

The management team was strengthened during 2009/10 with the appointment of a Facilities Manager- Patient Environment who is supported by a Facilities Co-ordinator and a Facilities Co-ordinator for Linen, Sewing and Training.

(c) Audit process needs to be more comprehensive

A comprehensive audit process is in place using C4C. C4C is a bespoke software system which allows audits to be completed using a PDA (a handheld unit) and incorporates the 49 elements of the National Cleaning Standards Guidance. Areas within the Trust are categorised by risk rating and audited according to the National Patient Safety Agency guidance and Infection Control requirements. The Facilities Department hold a monthly Audit and Assurance Group attended by Heads of Nursing, Estates staff, Facilities, Patient Experience Group, Local Involvement Network and members. The audit results are reported to the Heads of Nursing and to the Infection Control Committee for scrutiny. The Trust is now progressing to the next stage of the audit strategy and will produce quarterly reports to the Trust Board for assurance. The Trust has a 95% compliance target and has an average of 40 audits being undertaken weekly across all areas of the Trust.

NEW INITIATIVES IMPLEMENTED IN 2009-10

Specific feedback on ward cleanliness

Patient feedback is gathered from patient questionnaires and NHS Choices website.

Introduction of new individual training manuals

The Trust has introduced individual training manuals and there is now a Housekeeping Training Co-ordinator in post.

More comprehensive monitoring system to be introduced

The C4C system is a robust audit tool with all results available on a central database and all results disseminated to ward/departmental managers for action.

Wider role for Housekeeping Managers

The restructure within the housekeeping department allows for more comprehensive assurance and monitoring of the standards achieved.

Public and external peer inspection to be introduced

Northamptonshire Local Involvement Network audits have been undertaken. External audits are to be completed in April 2010 involving the Council of Members, Primary Care Trust and external providers.

ONGOING ASSURANCE

All aspects of cleaning are monitored by the Infection Control Committee and reported to the Governance Committee.

2.3 PRIORITIES FOR 2010/11

The Trust has identified three priorities for 2010/11 to help us get even better. We will work on maintaining our position as a high quality provider but will be focusing on three particular priorities during 2010-11 to ensure we keep improving on all aspects of quality patient care. We have made sure that these align with the key principles of quality in health care, these being safety, clinical effectiveness and patient experience.

PRIORITY 1: PATIENT EXPERIENCE

To ensure greater use of patient experience information to inform and influence the delivery of care through the involvement of our members.

WHY IS THIS ONE OF OUR PRIORITIES?

One of our strategic objectives is to “Establish Excellence in Service Quality”. We want to pay attention not just to what services we provide but also to the way in which we provide them. We aim to be sensitive to the beliefs and cultures of our patients and make sure we provide services which are appropriate. The true measure of patient experience can only be obtained by gaining feedback from our patients and users of our services.

Feedback from our patients told us that feeling that they and their families are treated with dignity and respect is central to their experience. Analysis completed within the Trust in relation to complaints also highlighted that the attitude of staff is important to patients and their families.

WHAT ARE OUR AIMS?

- To ensure that the Trust continues to collect patient and public comments on our care and services, from all patients including those patients with a learning disabilities. That these comments are used within the governance processes within the hospital and that we learn from these.
- To ensure that the Patient and Public Involvement Topic Group, a sub group of the Council of Members, plays a key part within the hospital’s patient experience agenda. That the members present their constituents views and experiences, actively participate within identified sub groups and the Trust’s patient experience process.

Specific Aims

- Annual patient experience collection of information from each Clinical Management Team
- 2 new methods of patient experience data collection for Learning Disability patients
- 10 patient experience reviews completed via the council of members sub group within the year.
- Conduct local patient survey to mirror national inpatient survey focusing on bottom 20% questions

Sharing information with patients

- AIM: to add findings from patient experience comments and alike to Trust newsletter for patients

HOW ARE WE DOING SO FAR?

The Patient and Public Involvement Topic Group agenda has been reviewed by the chair and its members. The group has undertaken several group activities to identify its key concerns for its sub groups and personnel to invite to their meetings to ensure that they have appropriate knowledge to undertake its business. The patient and public involvement topic group is responsible for the members patient experience meeting.

The patient and public involvement topic group has commenced 4 sub groups to review 5 key areas of patient experience on behalf of the patients and public. This includes a promotional poster to invite patients to leave on their experience and how to do this and an abridged version of the patient experience strategy for the members.

A newly introduced proforma for the patient council members enables patient experience comments to be brought to appropriate meetings for discussion and / or inclusion in the Trust governance processes.

A learning disabilities forum has been set up and has approved many easy read version leaflets for those with learning disabilities or English is not their first language. This will shortly be complemented with the introduction of new posts for staff with learning difficulties to aid the Trust's consultation process, and to ensure a positive patient experience.

The Trust has a monthly Lessons Learned Forum to ensure that the patient experience information is added to the patient outcome and patient safety data to ensure a robust approach to the Trust's business.

WHAT'S NEXT?

We will work with the Patient and Public Involvement Topic Group to increase the feedback from patients and users. We will also ensure that those clinical areas that currently do not have a method of asking patients about their experience develop ways of getting feedback.

We will also ensure that we learn and improve from the patient experience feedback we receive.

We will publicise how we have learned and what improvements we have made.

HOW WILL THIS BE MONITORED?

The Patient and Public Involvement Topic group and Local Involvement Network will monitor us on our achievement of this priority.

All patient feedback is reported to the management teams within the trust to ensure actions are taken to improve the patient experience and spread the changes made.

This is reported to the Governance Committee of the Trust Board on a regular basis.

PRIORITY 2: PATIENT SAFETY

To implement the use of the global trigger tool and enhance and take forward the patient safety walk around programme.

WHY IS THIS ONE OF OUR PRIORITIES?

A key topic for the NHS in general has been the review of mortality statistics and providing assurance that patients are safe. The Trust aims to demonstrate its commitment to patient safety with the introduction of the Global Trigger Tool process and enhancing its current patient safety walk around programme.

WHAT ARE OUR AIMS?

- To ensure that the Trust learns from its experience and ensure that patient safety is our key aim.
- To introduce the global trigger tool and provide staff with an opportunity to discuss patient safety matters directly with an executive director.

HOW ARE WE DOING SO FAR?

The Trust signed up to the recent national Patient Safety First Campaign, and has successfully introduced the World Health Organisation (WHO) Safer Surgery Checklist and introduced the patient safety walk around programme for executive directors. The monthly walk-around has been well received by the staff and has enabled local level action plans to be implemented. The Trust has undertaken a six month review of its findings from a Trust perspective and has shared the findings at its lessons learned forum and the Quality Governance Board.

The Trust has an Improving Outcomes Group, which is multi disciplinary and reviews mortality matters. A rolling mortality statistics reviewed is in place and reports to the Quality Governance Board. The Trust has undertaken a sharing of patient safety good practice seminar's for staff to learn from each other. The audience included non executive directors and members from the patient and public involvement topic group. Subsequently seminars are planned.

WHAT'S NEXT?

Introduce the global trigger tool process in conjunction with the existing mortality reviews in place with staff identified as mortality leads.

To increase the number of patient safety walk-around from monthly to fortnightly.

Improve how the Trust shares information from its walk around programme with the rest of the Trust.

Improve how the Trust shares information with the patients about its patient safety programme.

HOW WILL THIS BE MONITORED?

Mortality is monitored via the Improving Outcomes Group which reports to and escalates matters to the Quality Governance Board. The patient safety walk round reviews are monitored at local level, and at the Quality Governance Board. The Quality Governance Board escalates matters to the Governance Committee and they in turn to the Trust Board.

PRIORITY 3: CLINICAL EFFECTIVENESS

To measure, monitor and maximise the proportion of elective procedures (recommended as day case) performed as day case.

WHY IS THIS ONE OF OUR PRIORITIES?

Carrying out elective procedures, where clinical circumstances are appropriate, as day cases, are a more effective method of care that improves patient experience and is clinically effective.

WHAT ARE OUR AIMS?

We aim to improve the rates of day case procedures where clinically indicated where we are currently are not achieving the national average rate.

HOW ARE WE DOING SO FAR?

Overall a good proportion of patients are managed as day cases but there is variation between clinical specialties and between procedures.

Information from the East Midlands Quality Observatory demonstrates that KGH had a ratio of 0.91 for its day case rate in the last quarter of 2009. But there is room for improvement as there is variation between clinical conditions. For example all operations to correct squints were performed as day cases and 99.7% of cataract operations were performed as a day case. However our rate for tonsillectomy is only 0.8% compared to a national performance of 25.8%, laparoscopic cholecystectomy 6.5% compared to 22% nationally, and transurethral resection of bladder tumour is 10.6% compared to 25.2% nationally.

WHAT'S NEXT?

Using our existing reporting frameworks we will monitor performance. The surgical Clinical Management Team will develop a plan to improve day case rates for those procedures where we currently are not achieving the national average. We will also work to achieve that agreed Commissioning for Quality and Innovation (CQUIN) as set by the Primary Care Trust (see section 2.5)

Procedure	Current DC Rate	Target	Timescale	Measured
Carpal Tunnel Decompression (T&O)	87.4%	94.6% (national average)	Incrementally by Quarter 4	Monthly at CMT and Ops Board
Excision of Dupuytren's contracture (T&O)	59.4%	70% (national average)	Incrementally by Quarter 4	Monthly at CMT and Ops Board
Lap Cholecystectomy (General Surgery)	6.6%	25% (stretch target against national average of 22%)	Incrementally by Quarter 4	Monthly at CMT and Ops Board
Transurethral resection of bladder tumour	9.8%	25.2% (national target)	By commencement of quarter 3 (procedure has already transferred to Treatment Centre)	Monthly at CMT and Ops Board
Sub-Mucous resection	8.8%	45%	Incrementally by Quarter 4	Monthly at CMT and Ops Board
Tonsillectomy	1.8%	25.8% (national target)	By commencement of Quarter 2	Monthly at CMT and Ops Board

HOW WILL THIS BE MONITORED?

Performance review through the operational board and the Health of the Trust (HOTT) report will report to Hospital Management Board and through to the Trust Board where performance is not on trajectory.

The CQUIN will be provided to the PCT through the monthly contract monitoring arrangements.

2.4 PARTICIPATION IN CLINICAL AUDITS & NATIONAL CONFIDENTIAL ENQUIRIES

The Trust participates in a number of nationally set reviews of the standard of care delivered. These audits and confidential enquiries provide the Trust with comparisons of our performance against other organisations.

The national clinical audits and national confidential enquiries that Kettering General Hospital NHS Foundation Trust participated in during 2009/10 are as follows:

CLINICAL AUDITS

During 2009/10 15 National Clinical Audits covered NHS services that Kettering General Hospital NHS Foundation Trust provides.

During 2009/10 Kettering General Hospital NHS Foundation Trust participated in 80% National Clinical Audits of the National Clinical Audits which it was eligible to participate in.

The National Clinical Audits that Kettering General Hospital NHS Foundation Trust was eligible to participate in during 2009/10 are as follows:

- Parkinson's disease
- Fractured neck of femur
- Surgical outcomes of patients with colorectal cancer
- Sentinel stroke audit
- Patient falls
- Paracetamol overdose
- Child protection
- Heart failure audit
- Pulmonary hypertension
- Head and neck cancer

The National Clinical Audits that Kettering General Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2009/10, 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.

- | | |
|--|------|
| • Parkinson's disease | 100% |
| • Fractured neck of femur | 100% |
| • Surgical outcomes of patients with colorectal cancer | 100% |
| • Sentinel stroke audit | 100% |
| • Patient falls | 100% |
| • Paracetamol overdose | 100% |
| • Child protection | 100% |
| • Heart failure audit | 100% |

The reports of Local Clinical Audits were reviewed by the provider in 2009/10 and Kettering General Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Review of type of venous cannula used within the trust
- Changes have been made to improve documentation issues
- Review of the process for identifying which patients receive Exenatide a drug used in the treatment of diabetes

All national audits are monitored through the Quality Governance Department; at the beginning of each financial year an audit programme is drafted and agreed by the Quality Governance Board. Individual leads are nominated for each audit and they act as liaison for the Clinical Management

Teams. Each Clinical Management Team takes ownership for completion of data collection and submission of data, the Quality Governance Department ensures all information is submitted within the timescale and will support the Clinical Management Teams with the collection of notes.

NATIONAL CONFIDENTIAL ENQUIRIES

National Confidential Enquiry into Patient Outcome and Death's (NCEPOD) purpose is to assist in maintaining and improving standards of medical and surgical care for the benefit of the public by reviewing the management of patients, by undertaking confidential surveys and research, maintaining and improving the quality of patient care and by publishing and generally making available the results of such activities.

During 2008 - 2010, 10 National Confidential Enquires covered NHS services that Kettering General Hospital NHS Foundation Trust provides.

During that period Kettering General Hospital NHS Foundation Trust participated in 100% National Confidential Enquires of the National Confidential Enquires which it was eligible to participate in.

The National Confidential Enquires that Kettering General Hospital NHS Foundation Trust was eligible to participate in during 2008 - 2010 are as follows:

- Systemic Anti Cancer Therapy Treatment: For better, for worse?
- Coronary Artery Bypass Grafts: The heart of the Matter
- Sickle: A sickle cell crisis
- Death in Acute Hospitals: Caring to the end
- Acute Kidney Injury: Adding insult to injury
- Parenteral Nutrition
- Elective and emergency surgery in the elderly
- Cosmetic surgery
- Surgery in Children
- Peri operative care

The above list of studies have or are in the process of submitting data, it is yet unknown as to what percentage of cases have been submitted.

The reports of 5 National Confidential Enquiries were reviewed in 2008 - 2010 and Kettering General Hospital NHS Foundation Trust intends to take the following action to improve the quality of healthcare provided, each report has an individual action plan against the principle recommendations set out in the report. The Trust has only actioned against 5 studies as these have been published by NCEPOD the remaining 5 studies are in the data collection phase.

Kettering General Hospital has an assigned local reporter. Each time a new study commences NCEPOD contact the local reporter and the Medical Director. The local reporter works with the Quality Governance Department to ensure that all studies where applicable are instigated. Depending on the type of study and the involvement with the organisation, depends on how the study is dealt with.

There are a number of studies that NCEPOD have instigated which include organisational and clinical questionnaires, data collection and note extraction.

Regardless of the type of data collection method for the study, the Quality Governance Department work with the local reporter to ensure the data is robust, prior to any information being sent to NCEPOD the Medical Director will agree the data.

Each year there are two new studies that commence and there are two studies which are published.

When a study is published the principle recommendations contained within the report are populated into an action plan. The action plan is then discussed in an agreed task and finish group for the study. The actions are then discussed to see whether they are applicable to the Trust, if they are applicable then the relevant action are put into the actions if the Trust is not compliant, if the Trust is compliant then relevant evidence to assure compliance is sought. Ongoing evidence is collected via the Quality Governance Department to ensure the actions are completed.

Each action plan has a Quality and Patient Safety Facilitator assigned to the monitoring of actions, along with an identified lead within the applicable Clinical Management Team once the initial task and finish group has been disbanded.,

The monitoring process for Kettering General Hospital is via the Quality Governance Department which reports to the Quality Governance Board. All NCEPOD action plans are monitored on a monthly basis and are discussed at each of the Clinical Management Teams Governance Meetings.

Assurance to the Board is fed through from the Quality Governance Board, through to the Governance Committee and then to the Board. All risks are escalated through this route. Assurance comes from the Quality Governance Department and the local reporter of the Trust to ensure that the action plans and evidence collected on a monthly basis. Each action plan has a key senior lead within the organisation. NCEPOD Updates are also part of the governance agenda within each of the Clinical Management Teams.

All risks identified from any study are escalated to the Quality Governance Board through the agreed work programme.

No specific National Confidential Enquires has been specifically agenda to be reviewed by the Board during 2009/10. The Board indirectly reviews NCEPOD reports by exception.

RESEARCH

Kettering General Hospital is committed to research as a driver for improving the quality of care and patient experience.

The number of patients receiving NHS services provided by Kettering General Hospital NHS Foundation Trust in 2009 that were recruited during that period to participate in research approved by a research ethics committee was 367.

This number increased from 56 in 2008 to 367 in 2009 due to the increased emphasis on research within the Trust. This represents an increase of 655% in the year. This increasing level of participation in clinical research demonstrates Kettering General Hospital NHS Foundation Trust's commitment to improving the quality of care we offer and to making our contribution to wider health improvement.

Kettering General Hospital Foundation Trust was involved in conducting 55 clinical research studies. 89% (46) of these were multi-centre studies and Kettering General Hospital NHS Foundation Trust sponsored 7 of these studies (11%).

There were 33 National Cancer Research Network (NCRN) studies and ten of these studies were closed to recruitment but still involve patient follow-up for at least 5 years/end of life

2.5 COMMISSIONING FOR QUALITY AND INNOVATION (CQUIN)

The CQUIN payment framework makes a proportion of hospitals' income conditional on quality and innovation. Its aim is to support the vision set out in High Quality Care for All of an NHS where quality is the organising principle. The framework was launched in April 2009 and helps ensure quality is part of the commissioner-provider discussion everywhere

A proportion of Kettering General Hospital NHS Foundation Trust income in 2009/10 was conditional upon achieving quality improvement and innovation goals agreed between Kettering General Hospital NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework.

The schemes for 2009/10 are outlined in the table below. The Trust achieved all of its CQUIN schemes:

QUALITY PERFORMANCE INCENTIVE SCHEME INDICATORS AND CONSEQUENCIES			
CQUIN		Target	Performance for 2009/10
MRSA Bacteraemia	Health Community target no more than 10 cases during 2009/10	10	6
Pressure Ulcers	Collection of data and reduction in levels of pressure ulcers by 10% by Quarter 4 2009-10	6.3	3.03
Stroke Patients	100% of stroke patients to be given swallow screening within 24 hours of admission during 2009-10	100%	100%
Breast Feeding rates	To increase breastfeeding initiation to 66% by March 2010	66%	70.6%
Acute Myocardial Infarction	100% of patients with AMI to receive thrombolytics within 40 minutes of arrival (door to needle time) except where contra indicators apply	100%	100%
A&E Transit Time	% of patients who spend four hours or less in A&E from arrival to admission. Transfer or discharge	98%	98.2%

The Operating Framework (which can be located at http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_110107) sets out a more ambitious approach to CQUIN for the year 2010/11.

2 national CQUIN goals have been described and 18 goals are required in total.

The East Midlands SHA has worked up a number of goals to apply across the region with a further 6 schemes being determined locally. The CQUIN scheme for 2010/11 is described in the table below.

Acute CQUIN Scheme 2010-11

Goal No.	Description of goal	Quality Domain(s)	Indicator name	Indicator weighting
National Goals and Indicators – Total Value 0.3%				
1	Reduce avoidable death, disability and chronic ill health from venous-thromboembolism (VTE)	Safety	VTE risk assessment	0.15%
2	Improve responsiveness to personal needs of patients	Patient experience	Composite indicator on responsiveness to personal needs from the Adult Inpatient Survey	0.15%
Regional Goals and Indicators – Total Value 0.4%				
1	To measure, monitor and maximise the proportion of elective procedures (recommended as day case) performed as day case	Clinical Effectiveness	Measure of number/proportion of procedures listed in the BADS Handbook that are carried out as day cases	0.12%
2	To measure, monitor and improve Caesarean section rates to ensure the best possible outcomes for mother and baby	Clinical Effectiveness	Proportion of normal deliveries	0.07%
3a	To measure, monitor and inform commissioners and providers regarding the efficacy of interventions designed to reduce unnecessary admissions from A&E attendances for children (<17 years) with milder, self limiting diseases	Clinical Effectiveness	A&E Attendances resulting in admission (<17 years)	0.03%
3b	To measure, monitor and inform commissioners and providers regarding the impact of interventions designed to reduce unnecessary admissions from A&E attendances for children (<17 years) with milder, self limiting diseases	Clinical Effectiveness	Admissions from A&E with zero LoS (<17 years)	0.03%
4	To measure, monitor and reduce the length of stay for all types of emergency medical admissions	Clinical Effectiveness	Mean emergency medical length of stay	0.01%
5	To measure, monitor and reduce the number of emergency readmissions for Long Term Conditions and inform commissioners of the efficacy of programs designed to mitigate preventable emergency readmissions	Clinical Effectiveness	Emergency readmissions for long term conditions within 28 days of being discharged.	0.07%
6	To measure, monitor and inform commissioners and providers regarding the degree of dependency post stroke using admission source and discharge information	Clinical effectiveness	Post stroke death and dependency rates determined by the change in dependency at discharge from hospital	0.07%
Local Goals and Indicators – Total Value - 0.8%				
1	Reduction in the number of patient falls within hospital	Safety	Reduction in number of falls	0.06%
2	Discharge Planning: Reduce error rate on medicines on discharge	Experience Safety Effectiveness	Increase in correct medicines on discharge and accurate data provided to patients' GP	0.32%
	Discharge Planning		Increase the number of patients who have their discharge managed and led by a nurse or midwife	0.06%
3	End of life choice	Experience Effectiveness	10% decrease in the number of patients dying in hospital where this was not their documented choice	0.06%
4	Urgent care & timely first assessment	Safety Effectiveness	Improving recognition of acutely ill patients	0.06%
		Safety Effectiveness	Improving treatment planning and reviews	0.06%
5	Stroke Care	Safety Effectiveness	Improving treatment for stroke patients eligible to be treated in accordance with all 9 indicators of care in the Royal College of Physicians Sentinel Clinical Audit	0.06%

		Safety Effectiveness	Improving treatment for stroke patients not eligible to be treated in accordance with all 9 indicators of care in the Royal College of Physicians Sentinel Clinical Audit	0.06%
6	Diabetes	Effectiveness	Patients with type 2 diabetes, where insulin is deemed appropriate, are initiated on human NPH (isophane) insulin first-line	0.06%

Total value - 1.5%

2.6 WHAT OTHERS SAY ABOUT THE TRUST

Kettering General Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered without conditions to carry out the following regulated activities:

- Treatment of disease, disorder or injury
- Surgical procedures
- Maternity and midwifery services
- Termination of pregnancy
- Family planning

Following the initial process for registration, the Care Quality Commission in March 2010 asked Trust's to consider if it would need to register for further regulated activities. This follows the Care Quality Commission identifying that certain activities required further clarity for Trust's to be able to make a decision. Kettering General Hospital NHS Foundation Trust has subsequently applied for the following 2 activities and is currently awaiting confirmation with the Care Quality Commission.

- Assessment or medical treatment of people detained under the Mental Health Act 1983
- Diagnostic and screening procedures

The Trust was issued with a conditional registration by the Care Quality Commission in April 2009 relating to issues from an inspection in January 2009. The condition was lifted in May 2009 and a subsequent inspection against 16 elements found the Trust to be compliance.

Kettering General Hospital NHS Foundation Trust has not been subject to periodic reviews by the Care Quality Commission.

Kettering General Hospital has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

2.7 DATA QUALITY

NHS NUMBER AND GENERAL MEDICAL PRACTICE CODE VALIDITY

Kettering General Hospital submitted records during April 2009 – January 2010 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:

- 99.1% for admitted patient care
- 99.5% for out patient care
- 94.1% for accident and emergency care

Which included the patient's valid General Medical Practice Code was:

100% for admitted patient care;
 100% for out patient care; and
 100% for accident and emergency care

2.8 INFORMATION GOVERNANCE TOOLKIT ATTAINMENT LEVELS

Kettering General Hospital NHS Foundation Trust score for 2009/10 for Information Quality and Records Management assessed using the Information Governance Toolkit was 81%.

2.9 CLINICAL CODING ERROR RATE

Kettering General Hospital was subject to the Payment by Results, Clinical Coding audit conducted by the Audit Commission during the reporting period. The purpose of this audit is to understand the Trust's ability to translate clinicians' findings and actions, as recorded in the Patient's medical record, into nationally mandated clinical coding schemes. The error rates reports in the latest published audit for that period for diagnosis and treatment coding (clinical coding) were:

Primary Diagnosis Incorrect	-	21.3%
Secondary Diagnosis Incorrect	-	18.5%
Primary Procedures Incorrect	-	4.7%
Secondary Procedures Incorrect	-	9.0%

AREA AUDITED	SPECIALITY	NUMBER OF FINISHED CONSULTANT EPISODES
Theme	General Medicine	100
Speciality	Midwife Episode	100
Sub-chapter	EA – Cardiac Procedures	70
Health Resource Group	NZ08A – Admission with investigation 19 years and over	30
OVERALL		300

SECTION 3: REVIEW OF PERFORMANCE

3.1 ORGANISATIONAL ARRANGEMENTS TO EMBED QUALITY

The Trust has set objectives over the last two years to ensure that the focus on quality leads the work of the trust. In reviewing the objectives for the year 2010/11 the Trust board has agreed the following priorities:

- Develop patient services to meet local needs
- Provide a clean and modern environment
- Establish excellence in service quality
- Build confidence amongst stakeholders
- Maximise efficiency to ensure best value from our investment and resources
- Become a model employer

Underpinning each of these strategic objectives the Trust Board has agreed a number of enabling schemes which will support the delivery of each of these objectives.

The trust is committed to ensuring patient experience feedback informs and improves care delivery. Through the priorities for this year we will build on the last year's achievements and aim to be responsive and listen more especially through our work with the PPITG.

The Trust Board this year has agreed to ensure we focus on patient safety and alongside the priority within this account we will be pursuing a number of other patient safety methodologies based on diagnostic work we have already undertaken. This will involve developing a three year strategy for patient safety.

We will also continue to focus on the effectiveness of our care alongside the priority within this account we will be using increasingly available national and regional benchmarking tools.

We will also further develop our reporting of all three aspects of quality through the use of quality indicator dashboards which are reviewed through the clinical management teams, the operational board, quality governance board all of which report through to the Trust Board.

A key feature of effective clinical governance arrangements and the provision of quality healthcare is to ensure that lessons are identified, learned and shared across the organisation. To ensure that this occurs, a formal structured process of sharing the lessons learned is in place. Led by the medical director this forum takes the learning from a range of governance activities including serious incidents, complaints litigation, ombudsman cases claims and external reviews. Learning is then shared through action planning, dissemination through newsletters and alerts and feedback through the CMTs.

3.2 OVERVIEW OF PERFORMANCE IN 2009/10 AGAINST NATIONAL KEY PRIORITIES

TARGET	2007/08	2008/09	2009/10	09/10 Target
Compliance with HCC Core Standards and national targets as declared to the Care Quality Commission	24/24	23/24	24/24	24
Clostridium difficile year on year reduction	185	95	70	148
MRSA – Maintaining the annual year on year reduction	11	12	6	10
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments*	-	-	97.7%	96%
Maximum waiting time of 62 days from all referrals to treatment for all cancers*	-	-	93.9%	90%
18 week maximum wait referral to treatment (admitted pathway)	n/a	99.3%	95.9%	90%
18 week maximum wait referral to treatment (non admitted pathway)	n/a	96.7%	97.3%	95%
Maximum waiting time of 4 hours in A&E from arrival to admission, transfer or discharge	98.1%	98.2%	98.2%	98%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers*	-	-	87%	85%
Maximum waiting time of 2 weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals*	-	-	95.5%	93%

Note:* The way in which cancer targets were measured changed in 2009-10 and are not comparable with previous years.
 Figures are provisionally until confirmed approved by the Department of Health.

3.3 OVERVIEW OF PERFORMANCE IN 2009/10 AGAINST SAFETY, CLINICAL OUTCOME AND PATIENT EXPERIENCE MEASURES

TARGET	2007/08	2008/09	2009/10	NATIONAL AVERAGE
SAFETY MEASURES				
Clostridium difficile infection per 1,000 bed days	1.13	0.58	0.41	0.38
MRSA rate per 10,000 bed days	0.6	0.69	0.35	0.53
Elective Screening for MRSA	N/A	100%	100%	100%
CLINICAL OUTCOME MEASURES				
HSMR	111.6	102	95.5	100
To reduce the level of emergency readmission to hospital (within 28 days)	12.3%	12.3%	12.20%	Not available
Thrombolysis – 60 minute call to need time	88.9%	78.4%	77.60%	Not available
Fractured Neck of Femur patients operation on within 48 hours of admission	78%	78%	84%	Not available
Reduction in the level of Caesarean Sections without complications to national average levels	22%	23%	9.10%	Not available
PATIENT EXPERIENCE MEASURES REPORTED				
Complaints – maintenance of core standards target (KO41a)	Achieved	Achieved. Complaints reduced by 4.2%	60% increase compared to 2008/09 See page 7 for explanation	Not available
% who spend less than 4 hours waiting in A&E	98.1%	98.2%	98.2%	Not available
A&E Survey		Overall improvement in scores	Overall improvement in scores	Not available

Please Note: Figures are provisional until verified due to timings of the report.

SECTION 4 STATEMENTS FROM STAKEHOLDERS

Northamptonshire County Council Health and Adult Social Services Scrutiny Committee

Northamptonshire Local Involvement Network

NHS Northamptonshire



Northamptonshire County Council

Liz Libiszewski – Director of Nursing & Quality
Kettering General Hospital NHS Foundation Trust
Rothwell Road
Kettering, Northants. NN16 8UZ

Please ask for: Desiree Kelly
Tel: 01604 237829
Our ref:
Your ref:
Date: 19th May 2010

Dear Liz

Re: Kettering General Hospital NHS Foundation Trust 2010/2011 Quality Account

Thank you for attending the Health and Adult Social Services Scrutiny Committee meeting on 28th April 2010, to present Kettering General Hospital NHS Foundation Trust's draft Quality Account. I am pleased to provide the Committee's statement on the Quality Account, as set out below.

Please be advised that the Health and Adult Social Services Scrutiny Committee LINK co-opted members will be providing a separate statement on the Trust's Quality Account.

The Health and Adult Social Services Scrutiny Committee agree that Kettering General Hospital NHS Foundation Trust is well aware of the issues currently facing residents in Northamptonshire and their quality account is thorough, convincing and is a fair reflection of the healthcare services provided by the Trust.

In respect of priority 2 – Acutely Ill Patients - The Committee would like to suggest that the Trust takes step to measure the number of people over the age of 85 who die in intensive care when they would prefer to die at home, with no medical intervention, and so would their families and carers, if this is not already undertaken.

In respect of National Confidential Enquiries and elective and emergency surgery in the elderly, it is understood that there will be forthcoming DOH guidance on this issue. The Health and Adult Social Services Scrutiny Committee would welcome the Trust's suggestions on how this matter could be considered within the 2010/2011 scrutiny work programme.

In respect of priority 3 - Does the Trust report on praise and compliments? If not, it is suggested that the Trust may wish to consider this in the future.

In respect of the local goals and indicators which are set out in section 2.4 of the report, it is not clear from the narrative in the report as to what is meant by indicator weighting, therefore clarification on this would be welcomed.

I would like to wish the Trust every success with delivering the priorities set out in your 2010/2011 Quality Account and look forward to continuing to work with you within the 2010/2011 scrutiny work programme.

Please do not hesitate to contact Desiree Kelly, Committee Manager if you have any queries on 01604 237829 or by email DKelly@northamptonshire.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read "Gina Ogden", with a long horizontal flourish underneath.

Councillor Gina Ogden OBE
Chairman of the Health and Adult Social Services Scrutiny Committee

cc: Steve Hone – Trust Chairman

QUALITY ACCOUNTS – NORTHAMPTONSHIRE LOCAL INVOLVEMENT NETWORK GROUP RESPONSE – MAY 2010

The Kettering General Hospital Foundation Trust Local Involvement Networks (LINKs) Group are able to comment on most of the areas covered in the hospital's Quality Accounts. The group gain their knowledge and experience through 1) a continuous auditing and monitoring programme looking at cleanliness, the environment, patient safety and privacy and dignity 2) sitting on various committees at the hospital, meeting regularly with directors and managers and taking up issues brought to their notice by patients and members of the public with the appropriate staff. Two of the KGH LINKs Group are also on the KGH Foundation Trust's Council of Members and feed back appropriate patient information to the group

PRIORITY 1: TO REDUCE OUR HOSPITAL STANDARDISED MORTALITY RATE (HMSR)

Aim to maintain our HMSR at less than 100 through 2009/10

The group understands that the mortality rate is the scoring on unexpected deaths. When the Dr Foster survey showed KGH to have an above average mortality rate the group queried the significance of statistical information received in retrospect and how the data used was collected and recorded. Most importantly if the methods of recording are the same nationally. We are aware of the work KGH has undertaken to improve the way they collect and record their data which also allows them to take into consideration any other underlying conditions which may have contributed to the patient's death. The Trust Board's assurance that their work in this area will remain a priority for development in 2010/11 highlights the need for the LINKs Group to continue to seek information on and to monitor progress.

Priority 2: ACUTELY ILL PATIENTS

Aim: To reduce the number of in-hospital cardiac arrests by 5% by improving our identification of acutely ill patients

The hospital's improved data collection for 2009/10 shows a perceived increase in cardiac arrests but proves that rigorous and accurate recording of data gives a truer picture. We are aware of the Acutely Ill Patient Group and their involvement, the NICE Guidelines and the Patient Safety Agency Campaign but have not actively monitored the Trust's ongoing work this year.

PRIORITY 3: COMPLAINTS HANDLING

One of the LINKs group sat on the sub committee of the KGH Patient & Public Involvement Topic Group (PPITG) that looked at updating the Trust's Complaints Policy. As part of this work they reviewed the leaflets available for patients, carers and visitors and their work was taken back to the Council of Members. A new leaflet for patients with clear explanations about how to make a complaint was introduced.

The hospital has de-centralised its complaints service giving responsibility for handling complaints to the individual Clinical Management Teams. Each complaint is investigated and is dealt with individually on a more personal basis and the complainant is kept informed and involved in the process. The hospital's aim to resolve complaints within three days is noted. From the monthly PALs reports we have information that most complaints taken to them are resolved quickly. The KGH LINKs Group refers members of the public to the PALs office as first contact with the hospital if they come to us with an issue. The PPITG group will continue to monitor the ongoing work in this area.

PRIORITY 4: REDUCE THE RATE OF VENOUS THROMBO-EMBOLISM

We have not monitored this work but are aware of the Risk Assessment on admission to hospital.

PRIORITY 5: TO BE A MODEL EMPLOYER

- KGH provide opportunities for staff to undertake training and courses to improve their qualifications
- Success is acknowledged and praised
- The 'Improving Healthcare Together' project promoted patient/staff interaction and enabled staff to make changes to improve patient care

- KGH have a positive policy for disabled employees and takes into account their capabilities on interview and when employed gives ongoing support.
- E-learning to refresh skills is an option given to staff and used successfully when tried out in one department
- The HR Department gives support and advice for flexible working.
- The LINKs Group receive the KGH Together Newsletter regularly and the monthly Board Brief which are part of the hospital's drive to improve communication channels and both of which include articles on staff achievements and acknowledgement of long service as well as up to date news on what is being developed and achieved by the hospital.
- KGH has been rated in the top 100 Health employers in a recent survey.

PRIORITY 6: TO DEVELOP AN EXEMPLAR CLEANING SERVICE

The KGH LINKs Group monitor and audit cleanliness and patient environment in areas around the hospital on a continuous basis and send reports to KGH who in turn respond with an acknowledgement action plan. Some of our members have undertaken the hospital's cleaning audit training course to ensure that our methods are rigorous. Two of our members take part in the KGH quarterly external validation audits. Our group's recent audits have found the hospital's aim to develop an exemplar cleaning service is succeeding.

The housekeeping team we meet on the wards take pride in their work. A rapid response team is in place to deal emergencies.

KGH staff members have undertaken the cleaning audit training and have a copy of the KGH Training Manual. The comprehensive internal weekly and monthly audits are in place to ensure that the high standards are maintained. The new hand held monitoring tool is easy to use and provides information that can be fed straight into the hospital database.

The hospital takes note of patient feedback and our external auditing. From our involvement and experience we find the KGH Cleaning Service is robust and rigorous

CQUIN SCHEME for 2010/2011

KGH LINKs Group notes the goals for 2010/2011 and will monitor and audit as appropriate. We are already involved in some areas either directly or through the PPITG which we will comment on. The Group will seek knowledge of what else is going in the following areas

PRIORITIES FOR 2010/2011

PRIORITY 1: PATIENT EXPERIENCE

One of the sub groups of the P&PITG is investigating and monitoring patient experience. The KGH LINKs Group speaks with all patients who are willing to seek their opinions and concerns when we are in the hospital to monitor the wards and other areas. KGH consults their Foundation Trust Membership on what they think are priorities in the hospital for patients. The Dignity in Care Groups are patient focussed. The Discharge Team works to ensure safe discharge from hospital. The Nutrition Group has just launched a new Nutrition Policy which includes protected mealtimes to ensure patients who need help are helped in a calm and uninterrupted atmosphere. The 'Improving Healthcare Together' scheme continues. KGH are working towards refurbishing the wards to provide single sex accommodation and patients in the completed wards are pleased with the improvements. This work will continue. The LINKs Group will continue to be involved and to monitor

PRIORITY 2: PATIENT SAFETY

Our involvement has been monitoring the improvements in the Path Lab and Sterile Services which are both going to affect the improvement in patient safety.

The hospital has been working on a Dignity in Care Campaign and one group has been looking at falls prevention. A lot of work is going into the safe discharge of patients.

PRIORITY 3: CLINICAL EFFECTIVENESS

The goal to perform as much of the surgery that is safe as day cases will continue. This will be an area the LINKs Group will monitor.

PRIORITY 4: PARTICIPATION IN CLINICAL AUDITS & NATIONAL CONFIDENTIAL ENQUIRIES

This is not an area we monitor

COMMISSIONING FOR QUALITY AND INNOVATION (CQUIN)

We can comment on all the KGH CQUIN achievements in 2009/10

MRSA Bacteraemia: the performance against target has been achieved through a programme which included screening all elective patients on admission for MRSA and isolating patients diagnosed to have MRSA within the hospital.

Pressure Ulcers: A request from the CQC to provide some robust external monitoring information instigated our involvement in this area. We have comprehensive information about how patients are monitored and treated and understand the dedicated work that is ongoing. We will continue to monitor and report back-

Stroke Patients: We have received no formal information about this initiative and have not monitored this year. A conversation with a patient waiting in the Discharge Lounge brought the effectiveness of thrombolysis treatment to our notice. The patient had been admitted to hospital after having a slight stroke and after having this treatment and was being discharged after three days

Breast Feeding Rates: A recent visit to the Maternity Ward and conversations with both mothers and staff confirms the good work that is going on to encourage breast feeding and percentages of those who are breast feeding is improving

Acute Myocardial Infarction: We are aware of this work but have not monitored

A&E Transit Time: KGH A&E Department is an extremely busy area and there are times such as for example Friday evenings and winter weather when staff is stretched to the limits. The LINKs Group have sat in the department to observe on occasions during 2009/2010. An average percentage transit time slightly above average was achieved in 2009/2010 is to be commended

Acute CQUIN Scheme for 2010/2011

The **two National Goals** are high on the KGH agenda. The prevention of Thrombo-embolisms is ongoing work as is the improvement of responsiveness to personal needs of patients and group are already involved in monitoring progress. KGH are committed to a patient centred environment. We note the **Regional Goals**. We are aware of ongoing work and are involved in some areas. The elective procedures performed as day case has been commented on earlier. The work towards reducing the number of Caesarean Sections and to perform those that are necessary safely was discussed on a visit to the Maternity ward. We know the hospital is working towards reducing the number of admissions to A & E and as with the reduction of admissions of people with Long Term Conditions they are working co-operatively with NHS Northamptonshire, the Community based services and the GPs in the Nene Commissioning Consortium.

The Local Goals and Indicators

- Reduction to the number of falls within hospital – the ongoing work of the Dignity in Care Falls Group will be monitored
- Discharge Planning – the raft of work undertaken towards a countywide multi agency co-operation on this has been an ongoing project in 2009/2010. The project initiated and chaired by the KGH Director of Operations has made progress but there is still a lot to do. The project Board meets regularly to discuss problems, share good practice and introduce

initiatives. The KGH LINKs Group and the Northamptonshire LINKs Health group are involved in monitoring the ongoing work

- End of Life Choice
- Urgent Care and Timely First Assessment
- Stroke Care

On these last three goals we cannot comment other than what has been said previously about Stroke Care and Risk Assessment on admission. We know there is work ongoing to allow patients the end of life choice



Northamptonshire

Northamptonshire Teaching Primary Care Trust

Francis Crick House
Summerhouse Road
Moulton Park
Northampton
NN3 6BF

Tel: 01604 651100

Fax: 01604 651101

Web: www.northamptonshire.nhs.uk

Liz Libiszewski
Director of Nursing & Quality
Kettering General Hospital
Rothwell Road
Kettering
Northamptonshire
NN16 8UZ

26 May 2010

Dear Liz

Quality Account

We are pleased to have the opportunity to comment on the Quality Account provided by Kettering General Hospital NHS Trust (KGH).

We would like to highlight the significant work that the trust has undertaken in each of the 6 key priorities for 09-10.

In summary we consider the information included in the document is broadly accurate and reflects the quality of the services delivered.

Yours sincerely

Jan Norman
Director of Quality & Safeguarding

Kettering General Hospital



NHS Foundation Trust

ANNUAL ACCOUNTS

2009/2010

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Statement of the chief executive's responsibilities as the accounting officer of Kettering General 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 accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed the Kettering General 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 Kettering General 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 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*.



Dr M Newbold, Chief Executive

Date: 4th June 2010

STATEMENT ON INTERNAL CONTROL

1. 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.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Kettering General 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 Kettering General Hospital NHS Foundation Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Quality Governance Board underpins the management of risk throughout the organisation and membership consists of the majority of the executive team and senior management drawn from the Clinical Management Teams (CMTs), namely the Heads of Nursing and Associate Medical Directors (AMDs). The Director of Nursing and Quality chairs the Quality Governance Board (QGB). Significant progress has been made to implement risk management and to change the emphasis of the ownership of risk to local level. This is complimented by CMT governance self assessment via Key Performance Indicators.

Development of the clinical management teams

- Leadership development for senior managerial and clinical staff has been completed and further development is continuing
- The trust-wide appraisal process has been strengthened
- Decentralisation of the complaints process and examples of learning from complaints are being demonstrated
- Greater ownership of governance within the CMTs has been achieved with lessons learned a key focus
- CMTs now undertake a quarterly self assessment for all aspects of quality governance and have developed more robust local governance structures to compliment the patient experience, quality of care and patient outcomes.

Development of the role and function of the quality governance team:

- The Quality Governance Department focuses on three streams of work; learning and improvement, quality and patient safety and patient experience. This work has further embedded governance functions within the CMTs by allocating facilitators to those teams.
- Information Officers also strengthens the provision of meaningful information and trends around clinical governance issues to the CMTs with the focus on actions taken as a result

Reporting to the Trust Board

- A complete review of the reporting structures to the board has been completed in order to provide further improvements in assurance and performance management in relation to outcomes, safety and patient experience
- Improvements in the systems to manage and respond to external reviews
- Strengthening of the risk register process to ensure that the operational and corporate risk registers are subject to regular review through the existing performance and assurance processes
- Improved Governance Committee assurance process for identifying risks and providing assurance to Trust Board.

- Greater focus and integration of patient reported experiences are now included in reporting mechanisms using a variety of sources to provide triangulated information to CMTs; these include complaints, Links, Council of Members, NHS choices comments, Pals reports and informal feedback.
- All areas now participate in local patient surveys which are actioned and reported at a local level and inform CMT level actions.

Any issues of major concern are brought to the attention of the Deputy Director of Nursing & Quality (Governance) and subsequently the QGB.

All managers and staff have a duty to recognise, act on and report risks of all kinds and act upon these within their own skills and competencies in the management of risk. This is supported by a robust risk register / assessment system which enables significant risks to be raised immediately to ensure a timely Trust review via the Executive Directors.

The Clinical Risk Lead provides risk management training for staff as follows:

- Corporate induction programmes
- Medical staff induction programmes
- Consent to treatment
- Incident reporting and providing feedback

Health and safety training is provided by the Health and Safety Lead, the Patient Experience Manager provides training on the complaints process. Risk Register and Assessment training is provided by the Learning & Improvement Manager.

4. The risk and control framework

Key elements of the Trust's Risk Management Strategy (2008/09) include an explanation of the Trust's philosophy towards risk management and explanation of the risk management systems in place, together with clear definition of individual role and responsibilities. The Strategy outlines the Trust's approach including the following:

- The responsibility of every member of staff to recognise, respond to, report, record and reduce risks whilst they are undertaking work for the Trust
- Risk assessment
- The commitment to continuously improve the delivery and safety of services
- The commitment to identify, manage and minimise events and activities that could result in unnecessary risk to patients
- The environment of honesty and openness, where mistakes and adverse events are identified quickly and dealt with in a positive, responsive and non-adversarial manner
- The requirement for staff to report all accidents and incidents in accordance with the 'Policy and Procedure for the Reporting of Accidents and Incidents'
- Risk management principles and processes
- Accountability arrangements for risk management
- Governance arrangements

In support of the Strategy, the Trust has a range of key policies that provide clear guidance for staff on how to deal with concerns, complaints, claims, accidents and incidents, on behalf of patients, visitors or themselves.

These are continuously reviewed and adapted to meet the local and national developments within governance, and lessons learned by the Trust. A greater emphasis is placed on engagement with users to ensure that processes reflect both the patient and public needs along with the Trust.

The Trust has an assurance framework that identifies strategic and operational objectives, risks, key controls in place to manage these, and identifies gaps in control with an action plan to address these. Risk assessment processes are undertaken at both the corporate and local level and integrated into the Trust's assurance framework following a structured process to allow for consistency.

Risk management is embedded within the activity of the organisation as follows:

- Effective utilisation and performance management of the Assurance Framework;

- Compliance with external assessments including the CQC in relation to the Standards for Better Health and registration requirements, NPSA alerts and NHSLA;
- Mechanisms for the reporting of all accidents and incidents;
- Information from clinical and non clinical risk data is integrated into new service developments;
- Risks, complaints and patient experience are integrated to ensure that themes and trends are actioned appropriately to provide assurance for both risk management and the patient experience.
- All serious incidents (SI) are actively managed and monitored to ensure compliance with action plans;
- Training and educational programmes for all staff including induction programmes;
- Compliance with external assessment processes (NHSLA level 2 for acute services and CNST level 2 for Maternity (new manual) – both achieved in 2009).
- Use of the risk-grading matrix within the service delivery development planning cycle.

The Trust's Board Assurance Framework fulfils the functions as described in 'Guidance on Completing the Statement on Internal Control 2004/2005':

- Covers all the organisations main activities;
- Identifies the Trust's strategic and corporate objectives;
- Identifies the risks to achievement of those objectives;
- Identifies and examines the system of internal control in place to manage the risks;
- Identifies the review and assurance mechanisms which relate to the effectiveness of the system of internal control;
- Records the actions taken by the Hospital Management Board (HMB) to address control and assurance gaps

Patients and visitors are encouraged to report any risk issues, concerns or complaints they may have or suggest areas for improvement by means of leaflets positioned in public areas. The Patient Advice and Liaison Service (PALS) is well established and provides central reporting of concerns and issues raised by patients and the public. Internal and external stakeholders are identified within the Risk Management Strategy.

The Trust has recognised the need to include easy read versions of information and proformas for those who wish to raise a concern or complaint. These are aimed at those who have learning disabilities or those who English is not their first language.

As part of its Governance programme the Trust has ensured that the relevant roles are identified in the Trust management structure and that appropriate reporting lines of communication are in place.

The Trust has an Information Governance Group with terms of reference which ensure that all aspects of information governance within the Trust are managed giving due cognisance to current legislation and to directives emanating from the Department of Health and HM Government. The Group meets monthly and reports to the Trust Board through the Governance structure.

The Trust also ensures compliance through audits, third party probity and assessments and through the use of the DoH Information Governance toolkit providing the requisite assessments and returns.

The Trust liaises with local partners and with the Strategic Health Authority by participating in monthly East Midlands Information Governance Groups. There has been close liaison with Connecting for Health where required. The Trust has appointed at board level a Caldicott Guardian and a Senior Information Risk Owner (SIRO). The SIRO has completed new mandatory training for the role this year.

The Trust operates a range of technical controls, policies and procedures to ensure that the data it holds is secure and confidential. Steps are taken to ensure that information is shared appropriately where this is necessary to ensure safe and ongoing delivery of care or to protect children and vulnerable adults. This includes the use of encryption technologies, antivirus products and appropriate network security controls. Staff are trained in the handling of confidential and sensitive data on arrival in the Trust and as part of an ongoing education programme. The Trust has participated in an East Midlands wide awareness raising campaign to introduce staff to 'The IG Code' and raise awareness of issues of data security, confidentiality, and appropriate information sharing.

Any potential information governance breach is reported through the Trust Datix system and fully investigated. Lessons learned are shared with staff where necessary. The Trust has recognised the need to increase its

expertise in the field of information governance and relevant staff are participating in a national Certificate in Information Governance and other accredited training.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with including implementation of the Six Lives report supporting patients with learning disabilities.

As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the regulations.

The Trust has in place emergency plans for loss of water, electricity, gas, with specific risk assessments. The Trust has a heat wave action plan and an adverse weather policy/action guidance plan. The Trust is registering for the Carbon Reduction Commitment which includes schemes for energy efficiency measures. The Trust is assessed annually under the Display Energy Certificates scheme and more recently DoH Carbon Indicator (performance on waste, sewage, recycling)

Kettering General Hospital NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered without conditions to carry out the following regulated activities:

- Treatment of disease, disorder or injury
- Surgical procedures
- Maternity and midwifery services
- Termination of pregnancy
- Family planning

Following the initial process for registration, the Care Quality Commission in March 2010 asked Trusts to consider if they would need to register for further regulated activities. This follows the Care Quality Commission identifying that certain activities required further clarity for Trusts to be able to make a decision. Kettering General Hospital NHS Foundation Trust has subsequently applied for the following two activities and is currently awaiting confirmation with the Care Quality Commission.

- Assessment or medical treatment of people detained under the Mental Health Act 1983
- Diagnostic and screening procedures

5. Review of economy, efficiency and effectiveness of the use of resources

The Trust has robust performance management processes in place that review the economy, efficiency and effectiveness of the use of resources. As well as the monthly reporting of finance and performance at a range of operational meetings, the executive team reviews the operational performance of the Trust through regular performance management meetings. The Performance, Finance and Resources Committee regularly reviews the overall progress against the financial plan and reports through to the Board of Directors. The reports include details on progress against the financial plan, ensuring delivery of service productivity and cost improvements.

The Trust has a policy framework in place to guide staff on the appropriate use of resources through its Standing Orders, Standing Financial Instructions and Human Resource policies.

Independent assurance is provided through the Trust's internal audit programme and the local counter fraud specialist, reports of which are reviewed at the Audit Committee. In addition, other external agencies such as Monitor, External Audit and the Care Quality Commission provide further assurance on the use of resources.

6. Quality Account

The Directors of Kettering General Hospital NHS Foundation Trust are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of the annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust has appointed a member of the Board, Director of Nursing & Quality, to lead and advise on all matters relating to the preparation of the Trust's annual Quality Account.

The Trust developed a Quality Report last year as a precursor the Quality Account and identified six quality priorities. These have been reported in this years Quality Account and systems of ongoing monitoring via the Quality Governance Board. The trust surveyed its membership to identify quality priorities. The suggested priorities for the 2010/11 Quality Accounts focus on patient safety, patient experience and clinical effectiveness. We have also worked with our Council of Members Patient and Public Involvement Topic Group (PPITG) over the last year to discuss our priorities for quality improvement.

The Quality Account covers a range of quality indicators including those identified through the membership process but also using the CQUIN and key performance indicators form the national targets.

The Quality Account has been developed taking into account the systematic process used to register with the Care Quality Commission in March 2010. This process has been subjected to internal audit review.

The Data used has been scrutinised through the Trust Governance structure, and through a number of external groups, including our membership, LINKs the PCT and Health and Adult Social Care Scrutiny Committee.

The Director of Nursing & Quality presented to the Northamptonshire Health and Adult Social Services Scrutiny Committee on the achievement of the quality indicators for 2009/10 and presented them with the priorities for 2010/11. Statements from the Committee, LINKs and NHS Northamptonshire are included within the Quality Account for 2010/11.

The Trust has actively welcomed working with all partners in health and social care to put in place actions to protect the most vulnerable of our users. The Six Lives report highlighted deficits across the NHS in caring for patients with learning disabilities, and the actions we have put in place have been ratified by the Health Overview and Scrutiny Committee.

We value input from all users and have developed a patient experience and patient involvement strategy over the last year. In implementing these strategies we aim to improve our responsiveness as part of our objectives for this year.

The quality matrix used to monitor performance is reported through the Trust's Governance structures which include the Board of Directors, Hospital Management Board, Governance Committee and Quality Governance Board. The ongoing monitoring of effectiveness will involve input from the PPITG and LINKs who have incorporated the Quality Account priorities into their audit and work programmes.

7. 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 and the executive managers within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. My review is also informed by:

- The Board Assurance Framework for 2009/10
- Monitor's Foundation Trust application process – awarded Foundation Trust status 1 November 2008
- NHSLA assessment for acute services and CNST Maternity reviews in 2009 (level 2 achieved)
- Trust clinical performance indicator reports
- Trust wide incident trend analysis reports
- National NHS patient survey reports
- Staff Survey
- PALS reports
- Complaints and claims reports
- Integrated patient focus reports (including complaints, claims, incidents, comments and patient experience information)
- Lessons learned forum (all aspects of governance)

- Patient experience feedback (including NHS Choices, emails, letters and IHT)
- Standards for Better Health assessment process and Declaration – November 2009
- Health Protection Agency Review
- Clinical pathology accreditation
- Patient environment action team (PEAT) scores
- Completion of Audit Committee work plan
- Governance Committee
- CQC Quality Risk Profile
- Internal and external audit reports
- Hygiene Code Inspection August 2009 .
- The Trust participated in the review of all health and social care serious case reviews as required by the Lord Laming Inquiry. A review by the commissioning PCT of the Children's Safeguarding Markers of Good Practice identified no areas of weakness.

The management of infection control is consistent with the "hygiene code" within the Health and Social Care Act 2008. The Trust was issued with a conditional Registration by the CQC in April 2009 relating to issues from the inspection in January 2009 this condition was lifted in May 2009 and a subsequent inspection against 16 elements found the Trust to be compliant. The Trust achieved its 30% reduction in year one delivering a 50% reduction in total and has continued to reduce further this year by 26%. The trajectory for MRSA bacteraemia was 10 with 6 reported cases, 4 of which occurred prior to admission.

The Audit and the Governance Committees and the Hospital Management Board have advised me on the implications of the result of my review of the effectiveness of the system of internal control. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The review and maintenance of the effectiveness of the system of internal control is undertaken as follows:

- Annual review of the Risk Management Strategy by the Trust Board;
- Annual review of governance processes and systems via the Governance Committee
- The Audit Committee reviews governance and assurance arrangements. The Committee also receives and ensures external assurance reports are appropriately acted upon;
- The Governance Committee is responsible for the scrutiny of clinical governance matters including providing input to the strategic direction and reporting of the Trust's approach to patient safety and quality to ensure a safe environment in which to deliver the best care to patients, along with patient experience assurance.
- All managers have the responsibility for developing and implementing the Risk Management Strategy within the line management of individual directorates;
- The Central England Audit and Consultancy (CEAC) verify that a suitable and effective system of risk management internal controls is in place. This includes independent review of the Board Assurance Framework.



Dr Mark Newbold
 Chief Executive
 Kettering General Hospital NHS Foundation Trust
 28th May 2010

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF MEMBERS KETTERING GENERAL HOSPITAL NHS FOUNDATION TRUST

I have audited the financial statements of Kettering General Hospital NHS Foundation Trust for the year ended 31 March 2010 under the National Health Service Act 2006. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, the Remuneration Report and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the Council of Members of Kettering General Hospital NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Council of Members those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator of NHS Foundation Trusts (Monitor) are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information which comprises the commentary on the financial performance included within the Directors' Report and the Financial Review, included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's Statement on Internal Control reflects compliance with the requirements of Monitor contained in the NHS Foundation Trust Annual Reporting Manual 2009/10. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Directors' Report, the sections on the Council of Members, the Board of Directors, membership and public interest disclosures. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, which requires compliance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements, including the Remuneration Report, have been properly prepared.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of Kettering General Hospital Foundation Trust as at 31 March 2010 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;
- the financial statements, including the Remuneration Report, have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- information which comprises the commentary on the financial performance included within the Directors' Report and the Financial Review, included in the annual report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.

John Cornett

Officer of the Audit Commission

Rivermead House, 7 Lewis Court, Grove Park, Enderby, Leicestershire, LE19 1SU

FOREWORD TO THE ACCOUNTS

KETTERING GENERAL HOSPITAL NHS FOUNDATION TRUST

Kettering General Hospital NHS Foundation Trust is required to “keep accounts in such form as Monitor (The Independent Regulator for NHS Foundation Trusts) may with the approval of Treasury direct” (paragraph 25(1), Schedule 7 to the National Health Service Act 2006 (‘the 2006 Act’). The Trust is required to “prepare in respect of each financial year annual accounts in such form as Monitor may with the approval of the Treasury direct” (paragraphs 24 and 25, Schedule 7 to the 2006 Act). In preparing their annual accounts, the Trust must comply with any directions given by Monitor, with the approval of the Treasury, as to the methods and principles according to which the accounts are to be prepared and the information to be given in the accounts.

The Trust attained Foundation status on the 1st November 2008, therefore the prior year figures for 2008/09 are for the 5 month period ending 31 March 2009.

Chief Executive:



Dr M Newbold

Date: 4th June 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	Note	2009/10 £000	Re-stated 2008/09 £000
Operating income from continuing operations	2-4	175,430	67,192
Operating expense from continuing operations	5-7	(172,913)	(65,863)
Operating surplus/(deficit)		2,517	1,329
Finance income	9.1	35	60
Finance expense – financial liabilities	9.2	(1)	0
Finance expense – unwinding of discount on provisions	22	(8)	0
PDC dividends payable		(2,569)	(1,284)
Net finance cost		(2,543)	(1,224)
Taxation		0	0
Surplus/(deficit) from continuing operations		(26)	105
Surplus/(deficit) of discontinued operations and the gain/(loss) on disposal of discontinued operations		0	0
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		(26)	105
Other Comprehensive income			
Revaluation gains/(losses) and impairment losses property, plant and equipment		(6,708)	0
Increase in the Donated Asset Reserve due to receipt of donated assets	12	706	84
Reduction in the Donated Asset Reserve due to the depreciation, impairment and disposal of donated assets		(1,150)	(168)
TOTAL COMPREHENSIVE INCOME /(EXPENSE) FOR THE PERIOD		(7,178)	21

The notes on pages 6 to 41 form part of these accounts. All income and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	31 March 2010	31 March 2009 Re-stated £000	1 Nov 2008 Re-stated £000	
Note	£000			
Non-current assets:				
Intangible assets	10	1,241	1,437	1,461
Property, Plant and Equipment	12	76,159	83,698	84,267
Trade and other receivables	16	743	622	586
Total non-current assets		78,143	85,757	86,314
Current assets:				
Inventories	15	3,197	2,430	2,448
Trade and other receivables	16	5,547	3,620	7,090
Other financial assets	17	0	0	0
Cash and cash equivalents	25	9,523	9,149	6,294
Total current assets		18,267	15,199	15,832
Current liabilities				
Trade and other payables	18.1	(7,591)	(6,079)	(6,633)
Borrowings	19	(6)	(6)	(6)
Provisions	22	(570)	(592)	(400)
Tax payable		(2,455)	(2,211)	(2,324)
Other liabilities	18.3	(1,730)	(1,569)	(1,979)
Total current liabilities		(12,352)	(10,457)	(11,342)
Total assets less current liabilities		84,058	90,499	90,804
Non-current liabilities:				
Trade and other payables	18.1	0	0	0
Borrowings	19	(9)	(10)	(12)
Provisions	22	(346)	(329)	(648)
Other liabilities	18.3	(799)	(78)	(82)
Total non-current liabilities		(1,154)	(417)	(742)
TOTAL ASSETS EMPLOYED		82,904	90,082	90,062
Financed by taxpayer's equity:				
Public dividend capital	23	62,125	62,125	62,125
Revaluation reserve	24	16,969	24,703	25,138
Donated asset reserve		3,537	3,981	4,065
Income and expenditure reserve		273	(727)	(1,266)
TOTAL TAXPAYERS' EQUITY		82,904	90,082	90,062

The financial statements on pages 1 to 41 were approved by the Board on the 4th June 2010 and signed on its behalf
by: 

Chief Executive: Dr M Newbold,

Date: 4th June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2009/10	Total £000	Public Dividend Capital (PDC) £000	Revaluation Reserve £000 Re-stated	Donated asset reserve £000	Income and expenditure reserve £000 Re-stated
Balance at 1 April 2009 as previously stated	90,082	62,125	24,703	3,981	(727)
Prior Period Adjustment					
Restated balance	90,082	62,125	24,703	3,981	(727)
Retained surplus/(deficit) for the year	(26)				(26)
Net gain/(loss) on revaluation of property, plant and equipment	(6,708)		(6,708)		
Receipt of donated assets	706			706	
Reduction in donated asset reserve in respect of depreciation, impairment and/or disposal of assets	(1,150)			(1,150)	
Transfer of excess current cost depreciation over historical cost depreciation	0		(1,026)		1,026
At 31 March 2010	82,904	62,125	16,969	3,537	273

2008/09	Total £000	Public Dividend Capital (PDC) £000	Revaluation Reserve £000	Donated asset reserve £000	Income and expenditure reserve £000
Balance at 1 November 2008 as previously stated	90,061	62,125	25,138	4,065	(1,267)
Prior Period Adjustment					
Restated balance	90,061	62,125	25,138	4,065	(1,267)
Retained surplus/(deficit) for the year	105				105
Net gain/(loss) on revaluation of property, plant and equipment					
Receipt of donated assets	84			84	
Reduction in donated asset reserve in respect of depreciation, impairment and/or disposal of assets	(168)			(168)	
Transfer of excess current cost depreciation over historical cost depreciation	0		(435)		435
At 31 March 2009	90,082	62,125	24,703	3,981	(727)

**STATEMENT OF CASH FLOWS FOR THE YEAR
ENDED 31 MARCH 2010**

		2009/10 £000	Re-stated 1 Nov 2008 to 31 March 2009 £000
Operating surplus/(deficit) from continuing operations		2,517	1,329
Depreciation and amortisation		6,396	2,588
Impairments		4,202	0
Transfer from the Donated Asset Reserve		(428)	(168)
Amortisation of government grants		622	0
(Increase)/decrease in trade and other receivables		(2,029)	3,408
(Increase)/decrease in inventories		(767)	18
Increase/(decrease) in trade and other payables		472	(601)
(Increase)/decrease in other liabilities		504	(398)
Increase/(decrease) in provisions		(5)	(127)
Other movements in operating cash flows		11	24
Net cash generated from/(used in) operations		11,495	6,073
Cashflows from investing activities			
Interest received		37	87
(Payments) to acquire tangible fixed assets		(9,110)	(1,733)
(Payments) to acquire intangible fixed assets		(162)	(115)
Net cash generated from/(used in) investing activities		(9,235)	(1,761)
Cash flows from financing activities			
Capital element of finance lease rental payments		(1)	0
Interest element of finance lease		(1)	0
Other capital receipts		706	84
Dividends paid		(2,590)	(1,541)
Net cash generated from/(used in) financing activities		(1,886)	(1,457)
Increase/(decrease) in cash and cash equivalents	25	374	2,855
Cash and Cash equivalents at 1 April (1 Nov for 08/09)		9,149	6,294
Cash and Cash equivalents at 31 March	25	9,523	9,149

Note 1 ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *Foundation Trust Financial Reporting Manual for Accounts* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the *2009/10 Foundation Trust Financial Reporting Manual* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to NHS foundation trusts, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'discontinued' where they meet all of the following conditions:

- a) the sale (this may be at nil consideration for activities transferred to another public sector body) or termination is completed either in the period or before the earlier of three months after the commencement of the subsequent period and the date on which the financial statements are approved;
- b) if a termination, the former activities have ceased permanently;
- c) the sale or termination has a material effect on the nature and focus of the reporting NHS Foundation Trust's operations and represents a material reduction in its operating facilities resulting either from its withdrawal from a particular activity or from a material reduction in income in the NHS foundation trust's continuing operations; and
- d) the assets, liabilities, results of operations and activities are clearly distinguishable, physically, operationally and for financial reporting purposes.

Operations not satisfying all these conditions are classified as continuing.

Activities are considered to be 'acquired' whether or not they are acquired from outside the public sector.

1.3 Critical accounting judgements and key sources of estimation

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. 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.

1.4 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 entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) The income and bad debt provision for income due from the Compensation Recovery Unit(CRU) Accounting Notes 3,5 and 16.

The income due from the CRU is based on information received from that organisation. The Trust is unable to independently validate the outstanding debt and therefore relies upon the CRU who are responsible for the collection of the income on behalf of the Trust to provide accurate and up to date information to the Trust. The Trust undertakes regular reviews of the potential bad debt provision against this income. The Trust does not use the proposed bad debt % provided by the CRU at 7.8% but estimates the bad debt provision based on actual average settlement times and this equates to a bad debt provision of 37.5%. The gross debt included in other receivables in note 16 of the accounts is £1,445,313 with a bad debt provision of £541,992.

1.5 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of position sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) Valuation of Property - Accounting Note 11.1

The value of land and property together with asset lives are obtained from the District Valuation Office. The Trust relies upon the experience and knowledge of the valuer using the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual* to provide a fair value under IAS16. An interim valuation was obtained at the statement of financial position date with the following values for land and property:

Land	£ 9,000,000
Property	£57,186,616

Due to changing land and property prices in the current economic climate this valuation may change in the next financial year. Valuations are accounted in accordance with paragraph 5.2 of these policies.

b) Provisions –Accounting Note 17

The Trust has made a provision for legal claims made against the Trust. Due to the uncertainty and value of the claims a provision has been made based upon internal opinion and external legal advice. The claims are reviewed on a regular basis and estimations revised where necessary. The Trust also includes a contingent liability in respect of these claims. The provision for these claims is shown in 22 to the accounts.

The Trust also provides for the full cost of permanent injury allowances payable to ex-staff who have been awarded the allowance under the NHS Pension scheme. These allowances are paid for the life of the individual unless their circumstances change. The provision is therefore an estimate based on the persons expected life span (data provided by the Government Actuaries Department) and assumption the same amount will be continuously paid. The provision at the statement of financial position date is £367,151.

1.6 Consolidation

Subsidiaries

Subsidiary entities are those over which the Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the statement of position. The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year [except where a subsidiary's financial year end is before 1 January or after 1 July in which case the actual amounts for each month of the Trust's financial year are obtained from the subsidiary and consolidated]. Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK GAAP) then amounts are adjusted during consolidation where the differences are material. Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

For 2009/10 and 2010/11 only: NHS charitable funds considered to be subsidiaries are excluded from consolidation in accordance with the accounting direction issued by Monitor

Associates

Associate entities are those over which the Trust has the power to exercise a significant influence. Associate entities are recognised in the Trust's financial statement using the equity method. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant and equipment) following acquisition. It is also reduced when any distribution e.g. share dividends are received by the Trust from the associate. Associates which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

Joint ventures

Joint ventures are separate entities over which the Trust has joint control with one or more other parties. The meaning of control is the same as that for subsidiaries. Joint ventures are accounted for by consolidating the Trust's share of the transactions, assets, liabilities, equity and reserves of the entity or using the equity method. Joint ventures which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

Joint operations

Joint operations are activities which are carried on with one or more other parties but which are not performed through a separate entity. The Trust includes within its financial statements its share of the activities, assets and liabilities.

At the Statement of Position date the Trust did not have any subsidiaries, associates, joint ventures or joint operations.

1.7. Income recognition

Income is accounted for applying the accruals convention. The main source of income for the trust is under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the statement of position date compared to expected total length of stay/costs incurred to date compared to total expected costs.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

1.8 Expenditure

1.8.1 Goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.8.2 Expenditure on Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

1.9 Property, plant and equipment

1.9.1 Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they are:

- individually have a cost of at least £5,000; or
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

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

1.9.2 Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

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.

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are revalued using professional valuations every five years. A three yearly interim valuation is also carried out. Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity (see below) to ensure that carrying amounts are not materially different from those that would be determined at the statement of position date.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. The last full asset valuation was undertaken in 2008 as at the valuation date of 31 October 2008. This valuation formed the opening land and building asset value for the Foundation Trust. An interim valuation was undertaken in March 2010 with an effective date of the 31 March 2010.

Fair values are determined as follows:

- Land and non specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

Until 31 March 2008, the depreciated replacement cost of specialised buildings has been estimated for an exact replacement of the asset in its present location. HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets (MEA) and, where it would meet the location requirements of the service being provided, an alternative site can be valued. All valuations since October 2008 have been made on an MEA basis. The predecessor organisation of the Foundation Trust accounted for the change in value due to the introduction of MEA in its' accounts and this value formed the opening value of the Foundation Trust building assets.

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. Assets are revalued and depreciation commences when they are brought into use.

For non-operational properties including surplus land, the valuations are carried out at open market value. Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by 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 their 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. The value of high value/long life fixtures and equipment are re-valued based on current replacement cost (where costs are available for an equivalent asset) and historic depreciation applied and an annual basis. Equipment surplus to requirements is valued at net recoverable amount.

Increases arising on revaluation are taken to the revaluation reserve except when it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case it is credited to the income statement to the extent of the decrease previously charged there. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, 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'.

1.9.3 Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Intangible assets are capitalised when they are capable of being used in a trust's activities for more than one year; they can be valued; and they have a cost of at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic lives. Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant

and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is charged to the income statement in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), Internally-developed software is held at historic cost to reflect the opposite effects of development costs and technological advances.

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.9.4 Depreciation, amortisation and impairments

No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-statement of position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Otherwise, for building assets, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the assets useful life.

Equipment is depreciated on current cost evenly over the estimated life. The useful economic lives including the range within which useful economic lives fall for the main classes of asset is detailed below.

Asset category	Min life (years)	Max life (years)
Software Licences	5	5
Licences and trademarks	5	5
Patents	5	5
Development Expenditure	5	5
Buildings exc dwellings	15	90
Dwellings	15	90
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	5
Furniture and Fittings	10	10

At each statement of position date, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

1.9.5 De-recognition (Non-current assets held for sale)

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.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and the actions needed to complete the plan indicate it is unlikely that the plan will be 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 revalued, 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.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the income statement. On disposal, the balance for the asset on the revaluation reserve, donated asset reserve or government grant reserve is transferred to retained earnings.

1.9.6 Donated assets

Donated assets are capitalised at their fair value on receipt, with a matching credit to the donated asset reserve. Donated assets are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations and impairments are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the income statement.

On sale of donated assets, the sale proceeds of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

1.10 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.11 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of comprehensive income account to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to the statement of comprehensive income account over the life of the asset on a basis consistent with the depreciation charge for that asset.

1.12 Leases

1.12.1 Finance leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Amounts held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Finance Costs in the Statement of Comprehensive Income.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

1.12.2 Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

1.12.3 Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately (where the lease value is not material and the lease does not separate the land and building elements an estimate is made of the separate component values. Leased land is treated as an operating lease.

1.13 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement, as service concession arrangements, following the mirror image of the requirements of IFRIC 12. Charges for services under the PFI arrangement are estimated for example from information provided by the operator or from their fair value. The balance of the PFI charges are recognised as for a finance lease, with the PFI asset carried at fair value. Where the interest rate implicit in the lease is not available, the Trust's incremental borrowing rate is used to apportion the cost between finance charges and reduction of the PFI obligation. Service and finance charges are charged to the income statement.

The Trust does not currently have infrastructure PFI schemes.

1.14 Inventories

Inventories are valued at the lower of cost or net realisable value. The cost of inventories is measured using current or weighted average cost. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.15 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash.

Cash, bank and overdraft balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. These balances exclude monies held in the NHS Foundation Trust's bank account belonging to patients (see "third party assets" below). Account balances are only set off where a formal agreement has been made with the bank to do so. Accounts held with the Government Banking Service (GBS) are netted off as approved by the Department of Health. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

1.16 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the statement of position date, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.17 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 22 where an inflow of economic benefits is probable.

Contingent liabilities are provided for where a transfer of economic benefits is probable. Otherwise, they are not recognised, but are disclosed in note 28 unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

1.18 Clinical negligence costs

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. The contribution is charged to the income statement. 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 22.

1.19 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority 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 as and when they become due.

1.20 Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the income statement at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.21 Corporation Tax

The NHS Foundation Trust has determined that it has no corporation tax liability and this decision was made on the basis of Inland Revenue guidance.

1.22 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.

1.23 Foreign currencies

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in a foreign currency at the statement of position date:

- a) monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;

- b) non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- c) non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the statement of position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.24 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as Government grant funded current financial assets, valued at open market value. As the emissions for this hospital are less than the minimum emission level (20 megawatts per site), this Trust is not required to join the scheme. The Head of Estates undertakes an annual review of the hospital emissions.

1.25 Financial assets

Financial assets are recognised on the statement of position when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through profit and loss'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Financial assets and financial liabilities at 'fair value through statement of comprehensive income' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the statement of comprehensive income account. (The net gain or loss incorporates any interest earned on the financial asset) Subsequent movements in the fair value are recognised as gains or losses in the statement of comprehensive income account.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the statement of position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments are transferred from reserves and recognized in 'Finance Costs' in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques [specify – see IAS 39 AG 74 and following paragraphs].

The Trust's loans and receivables comprise: current investments, cash at bank and in hand, NHS debtors, accrued income and 'other debtors'

Impairment of financial assets

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at fair value through statement of comprehensive income are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases 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 to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities

Financial liabilities are recognised on the statement of 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. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or other financial liabilities.

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss incorporates any interest earned on the financial asset.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

They are included in current liabilities except for amounts payable more than 12 months after the statement of position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to 'Finance Costs' in the Statement of Comprehensive Income.

1.27 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of the HM Treasury *Financial Reporting Manual*.

1.28 Public Dividend Capital (PDC) and PDC dividend

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

A charge, reflecting the cost of capital utilised by the Foundation 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 Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) net cash balances held with the Government Banking Service and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.29 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the income statement on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which is prepared on an accruals basis.

1.30 Introduction of the International Financial Reporting Standards (IFRS)

The Trust has applied the International Financial Reporting Standards effective from 1 April 2009. All relevant standards have been applied in accordance with the Treasury and Monitor Financial Reporting Manuals. The Trust has reviewed the Balance Sheet (now named the Statement of Financial Position (SoFP)) at this date and also at the inception of the Foundation Trust on the 1st November 2008. One change has been made in respect of a lease arrangement falling under IFRIC 12 and the SoFP has been re-stated for the accounting period. The accounting entries are shown in Note 34 to these accounts.

New standards released with an effective date in future accounting periods.

The International Accounting Standards Board issued IFRS amendments to be effective from 1st April 2010 and 1st April 2011. The Trust has reviewed these standards for any material effect on its operations and the review of each standard is listed below.

Standard	Description	Effective date	Comment
IAS 27	Consolidated Financial statements – part purchase of other bodies	1 st April 2010	Not relevant
IAS 39	Financial Instruments – hedging	“”	“”
IFRIC 19	Extinguishing financial liabilities with equity	1st July 2010	“”
IFRS 5	Non-current assets for sale	“”	Unlikely to impact upon Trust
IFRIC 14 amendment	Pensions- prepayment of minimum funding requirement	1 st Jan 2011	Not relevant
IAS 24	Related Party Disclosures – exemption for Govt controlled entities	1 st Jan 2011	Possible impact on reporting requirements
IAS 32	Financial Instruments – hedging and derivative	“”	Not relevant

NOTE 2 SEGMENTAL ANALYSIS

From 1/4/2001 Kettering General Hospital NHS Trust has been the lead body responsible for the Central England Audit Consultancy (CEAC). CEAC provide internal audit and PFI audit services to NHS organisations and some non-NHS organisations. The responsibility for CEAC transferred to the Foundation Trust at its inception date.

The following information segments the results of the Trust by:

- Healthcare activities, being all the other activities of the Trust and
- Central England Audit & Consultancy

The Trust has considered IFRS 8 and has determined that all other activities are a single healthcare activity and no further segmentation of its activities is provided in this note.

Segmental reporting	Healthcare	CEAC	TOTAL
<u>2009/10</u>	2009/10	2009/10	2009/10
	£000	£000	£000
Income by segment			
Income from activities	158,240	0	158,240
Other operating income	14,498	2,692	17,190
TOTAL INCOME	172,738	2,692	175,430
Surplus/(deficit) by segment			
Surplus/(deficit) before interest and common costs	(26)	0	(26)
Common costs			
SURPLUS/(DEFICIT) BEFORE INTEREST	(26)	0	(26)
TOTAL ASSETS EMPLOYED	82,904	0	82,904

<u>2008/09</u>	Healthcare	CEAC	TOTAL
	2008/09	2008/09	2008/09
	£000	£000	£000
Income by segment			
Income from activities	60,279	0	60,279
Other operating income	5,702	1,211	6,913
TOTAL INCOME	65,981	1,211	67,192
Surplus/(deficit) by segment			
Surplus/(deficit) before interest and common costs	1,329	0	1,329
Common costs	0	0	0
SURPLUS/(DEFICIT) BEFORE INTEREST	1,329	0	1,329
TOTAL ASSETS EMPLOYED	90,062	0	90,062

Note 3.1 Income from activities

	2009/10	5 months ending
	£000	31 March 2009
		£000
Income by activity		
Elective income *	34,951	13,981
Non elective income *	62,450	23,972
Outpatient income *	26,289	9,534
A & E income *	6,775	2,632
Other NHS clinical income	26,669	9,745
Private patient income	162	90
Other non-protected clinical income	944	325
TOTAL	158,240	60,279

*Income from mandatory services (all other Trust income being from non-mandatory services)

Note 3.2 Private patient income

	2009/10 £000	5 months ending 31 March 2009 £000	Base year 2002/2003 £000
Private patient income	162	90	665
Total patient related income	158,240	60,279	78,946
Proportion (as percentage)	0.10%	0.15%	0.84%

Section 44 of the 2006 Act requires that the proportion of private patient income to the total patient related income of NHS foundation trusts should not exceed its proportion whilst the body was an NHS Trust in 2002/03 (The private patient income cap contained within the Trust Terms of Authorisation). This cap was not exceeded in 2009/10.

Note 3.3 Income from activities

	2009/10 £000	5 months ending 31 March 2009 £000
Strategic Health Authorities	1,569	647
Primary Care Trusts	155,552	54,760
Department of Health - other	0	4,455
NHS Other	13	2
Non NHS: Private patients	162	90
Non-NHS: Overseas patients (non-reciprocal)	38	2
NHS injury cost recovery scheme (was RTA)*	797	276
Non NHS: Other	109	47
TOTAL	158,240	60,279

* NHS Injury cost recovery income is subject to a provision for doubtful debts of 37.5% to reflect expected rates of collection

Note 4 Other operating income

	2009/10 £000	5 months ending 31 March 2009 £000
Research and development	205	51
Education and training	7,799	3,131
Charitable and other contributions to expenditure	64	41
Transfers from the donated asset reserve in respect of depreciation, impairment and disposal of donated assets	1,150	168
Non-patient care services to other bodies	6,311	2,927
Other **	1,661	595
TOTAL	17,190	6,913

** Breakdown of Other Operating Income:

	2009/10 £000	5 months ending 31 March 2009 £000
Car Parking	574	245
Catering	427	152
Property rentals	22	15
Pharmacy sales	4	3
Clinical excellence awards	179	0
Other	455	180
Total	1,661	595

Note 5.1 Operating expenses :

	2009/10	5 months ending
	£000	31 March 2009
		£000
Services from NHS Foundation Trusts	371	115
Services from NHS Trusts	1,359	480
Services from other NHS Bodies	2,969	1,207
Purchase of healthcare from non NHS bodies	60	11
Executive directors costs	677	287
Non-executive directors costs	125	52
Staff costs	116,688	45,946
Drug costs	9,608	3,585
Supplies and services - clinical (excluding drug costs)	13,602	5,266
Supplies and services - general	2,120	856
Establishment	1,990	728
Transport	187	48
Premises	5,363	2,618
Increase / (decrease) in bad debt provision	155	(5)
Depreciation*	6,037	2,267
Amortisation on intangible assets	359	321
Fixed asset impairments	4,912	0
Audit fees –statutory audit	65	47
Other auditors remuneration	11	0
Clinical negligence	3,300	775
Loss on disposal of intangible assets *	0	1
Loss on disposal of property, plant & equipment (non-protected assets) *	31	18
Legal fees	223	115
Consultancy costs	277	70
Training, courses and conferences	494	166
Patient travel	65	24
Hospitality	51	50
Insurance	248	123
Other services, eg external payroll	586	255
Losses, ex gratia & special payments	199	134
Other	781	303
TOTAL	172,913	65,863

*** Adjustments to 2008/09 figures due to IFRS (see note 34):**

Loss on disposal of intangible assets now included in expenses.

Loss on disposal of other property, plant and equipment now included in expenses

Depreciation increased by £4k due to new asset under IFRIC12.

Audit Remuneration

	2009/10	5 months ending
	£000	31 March 2009
		£000
External audit services – statutory audit	65	47
Other services: IFRS Review	11	0
	76	47

Arrangements containing an operating lease

5.2 Payments recognised as an expense

	2009/10 £000	Re-stated 5 months ending 31 March 2009 £000
Minimum lease payments – software	72	30
Minimum lease payments –plant and machinery	321	134
Minimum lease payments - buildings	50	21
Minimum lease payments - land	81	33
TOTAL	524	218

Note 5.3 Future minimum lease payments due

	2009/10 £000	Re-stated 5 months ending 31 March 2009 £000
- not later than one year	433	484
- later than one and not later than five years	567	760
- later than five years	623	701
TOTAL	1,623	1,945

TOTAL of future minimum sublease lease payments to be received at the SoFP date

0

0

Note 5.4 Lease income

The Trust does not provide services under lease arrangements

Note 6 Employee expenses and Numbers

Note 6.1 Employee expenses

	Permanently employed £000	Other £000	Total 2009/10 £000	5 Months ending 31 March 2009 £000
Salaries and wages	90,379	4,199	94,578	37,728
Social security costs	7,058		7,058	2,770
Employers contributions to NHS Pensions Agency	10,505		10,505	4,189
Other pension costs	0		0	0
Agency/contract staff	0	5,224	5,224	1,546
TOTAL	107,942	9,423	117,365	46,233

Note 6.2 Average number of persons employed (WTE basis)

	Permanently employed Number	Other Number	Total 2009/10 Number	5 months ending 31 March 2009 Number
Medical and dental	309	18	327	320
Administration and estates	608	4	612	597
Healthcare assistants and other support staff	752	44	796	757
Nursing, midwifery and health visiting staff	871	39	910	890
Scientific, therapeutic and technical staff	221	0	221	213
Agency staff		71	71	78
Other	74		74	76
Total	2,835	176	3,011	2,931

Note 6.3 Employee benefits

There were no staff benefits in the period

Note 6.4 Early retirements due to ill health

During 2009/10 there were 6 (1st November 2008 -31 March 2009 -Nil) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £201,228 (1st November 2008 - 31 March 2009 -Nil). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 6.5 Management Costs

	2009/10	5 months ending 31 March 2009 £000
Management costs (Excluding CEAC staff)	7,315	2,578
Income (Excluding CEAC income and donated impairment income)	172,143	65,977
Management costs as a % of income	4.25%	3.91%

Note 7 Public sector payment policy

Note 7.1 The late payment of commercial debts (interest) Act 1998

	2009/10 £000	5 months ending 31 March 2009 £000
Amounts included within other interest payable arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

7.2 Better Payments Practice Code – measure of compliance

	2009/10 Number	2009/10 £000	5 months ending 31 March 2009 Number
Total Non-NHS trade invoices paid in the year	40,444	44,676	16,548
Total Non-NHS trade invoices paid within target	39,336	44,325	15,911
Percentage of Non-NHS trade invoices paid within target	97.3%	96.8%	96.2%
Total NHS trade invoices paid in the year	1,849	42,014	859
Total NHS trade invoices paid within target	1,798	41,617	838
Percentage of NHS trade invoices paid within target	97.2%	99.1%	97.6%

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. During the year, as a result of the Prime Minister's announcement, the Trust pays suppliers in Northamptonshire immediately provided an authenticated invoice has been received and other small companies are paid within 7 days on request.

Note 8 Disposal of fixed assets

	2009/10 £000	5 Months ending 31 March 2009 £000
Loss on disposal of intangible fixed assets	0	(1)
Loss on disposal of other property, plant and equipment	(31)	(18)
TOTAL	(31)	(19)

Note 9 Finance Income/Costs

Note 9.1 Finance income

	2009/10 £000	5 Months ending 31 March 2009 £000
Bank and Government Banking Service interest	35	60
TOTAL	35	60

Note 9.2 Finance Cost-interest expense

Interest on obligations under finance leases	1	0
TOTAL	1	0

Note 9.3 Impairment of assets (PPE and intangibles)

	2009/10 £000	5 Months ending 31 March 2009 £000
Change in market price	4,912	0
TOTAL	4,912	0

Note 10 Intangible assets

<u>2009/10</u>	Total £000	Software Licenses £000	<u>2008/09</u>	Total £000	Software Licenses £000
Gross cost at 1 Nov 2009	2,331	2,331	Gross cost at 1 Nov 2008	2,217	2,217
Additions - purchased	163	163	Additions - purchased	115	115
Disposals	0	0	Disposals	(1)	(1)
Gross cost at 31 March 2010	2,494	2,494	Gross cost at 31 March 2009	2,331	2,331
Amortisation at 1 Nov 2009	894	894	Amortisation at 1 Nov 2008	756	756
Provided during the year	359	359	Provided during the year	138	138
Disposals			Disposals		
Amortisation at 31 March 2010	1,253	1,253	Amortisation at 31 March 2009	894	894
Net book value	1,241	1,241	Net book value	1,437	1,437
NBV - Purchased at 31 March 2010	1,241	1,241	NBV - Purchased at 31 March 2009	1,437	1,437
NBV - Donated at 31 March 2010			NBV - Donated at 31 March 2009	0	0
NBV total at 31 March 2010	1,241	1,241	NBV total at 31 March 2009	1,437	1,437

Note 11 Net book value of assets held under finance leases.

<u>2009/10</u>	Total £000	Plant & Machinery £000	<u>2008/09</u>	Total £000	Plant & Machinery £000
Gross cost at 1 Nov 2009	29	29	Gross cost at 1 Nov 2008	29	29
Additions - purchased	15	15	Additions - purchased		
Disposals			Disposals		
Gross cost at 31 March 2010	44	44	Gross cost at 31 March 2009	29	29
Accumulated depreciation at 1 Nov 2009	15	15	Accumulated depreciation at 1 Nov 2010	12	12
Provided during the year	10	10	Provided during the year	3	3
Disposals			Disposals		
Accumulated depreciation at 31 March 2010	25	25	Accumulated depreciation at 31 March 2009	15	15
Net book value	19	19	Net book value	14	14
NBV - Purchased at 31 March 2010	19	19	NBV - Purchased at 31 March 2009	14	14
NBV - Donated at 31 March 2010			NBV - Donated at 31 March 2009		
NBV total at 31 March 2010	19	19	NBV total at 31 March 2009	14	14

Note 12 Analysis of Property, Plant, and equipment

Note 12.1 Summary of asset value

	Total	Land	Buildings excluding dwellings	Assets under Construction	Plant & Machinery	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000
31 March 2010							
Net book value	66,275	9,000	57,275				
NBV - Protected assets at 31 March 2010							
NBV - Unprotected assets at 31 March 2010	9,884			2,032	7,277	565	10
Total at 31 March 2010	76,159	9,000	57,275	2,032	7,277	565	10
31 March 2009							
Net book value							
NBV - Protected assets at 31 March 2009	75,409	9,000	66,409				
NBV - Unprotected assets at 31 March 2009	8,289			137	7,602	514	36
Total at 31 March 2009	83,698	9,000	66,409	137	7,602	514	36

Note 12.2 Property, Plant and Equipment

2009/10	Total	Land	Buildings	Assets under Construction	Plant & Machinery	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation 1 April 2009	101,220	9,000	67,704	137	22,826	1,314	239
Additions – purchased	9,443		5,798	1,983	1,479	179	4
Additions – donated	706		29		658	19	
Impairments	(7,972)		(7,972)				
Revaluation surplus	1,264		1,264				
Other revaluations *	(9,636)		(9,636)				
Re-classifications	0		88	(88)			
Disposals	(553)				(541)		(12)
Cost or valuation at 31 March 2010	94,472	9,000	57,275	2,032	24,422	1,512	231
Depreciation at 1 April 2009	17,522		1,295		15,224	800	203
Provided during the year	6,037		3,429		2,437	147	24
Impairments	4,912		4,912				
Other revaluations*	(9,636)		(9,636)				
Disposals	(522)				(516)		(6)
Depreciation at 31 March 2010	18,313	0	0	0	17,145	947	221
Net book value	76,159	9,000	57,275	2,032	7,277	565	10
NBV - Purchased at 31 Mar 2010	72,603	9,000	54,950	2,032	6,064	547	10
NBV - Donated at 31 Mar 2010	3,537		2,325		1,194	18	
NBV – Finance Leased 31 Mar 2010	19				19		
NBV total at 31 March 2010	76,159	9,000	57,275	2,032	7,277	565	10

*IAS 16 - to re-set carrying value at re-stated value following the revaluation on the 31st March 2010

Prior Year	Total	Land	Buildings	Assets under Construction	Plant & Machinery	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000
Cost or valuation 1 November 2008	100,334	9,000	66,021	52	23,700	1,299	262
Additions - purchased	1,815		1,619	121	41	34	
Additions - donated	84		28		56		
Impairments	0						
Reclassifications	0		36	(36)			
Other revaluations	0						
Disposals	(1,013)				(971)	(19)	(23)
Cost or valuation at 31 March 2009	101,220	9,000	67,704	137	22,826	1,314	239
Depreciation at 1 November 2008	16,067	0	0		15,092	755	220
Provided during the year	2,450		1,295		1,096	53	6
Impairments	0						
Disposals	(995)				(964)	(8)	(23)
Depreciation at 31 March 2009	17,522	0	1,295		15,224	800	203
Net book value	83,698	9,000	66,409	137	7,602	514	36
NBV - Purchased at 31 Mar 2009	79,703	9,000	63,285	137	6,735	514	32
NBV - Donated at 31 Mar 2009	3,981	0	3,124	0	853	0	4
NBV – Finance Leased 31 Mar 2009	14				14		
NBV total at 31 March 2009	83,698	9,000	66,409	137	7,602	514	36

Note 13 Non-current assets for sale and assets in disposal groups

	Total	Intangible assets	Property, Plant and Equipment	Financial Investments	Other
	£000	£000	£000	£000	£000
Net Book Value at 31 March 2010	0	0	0	0	0
Net Book Value at 31 March 2009	0	0	0	0	0

Note 14 Investments

The Trust held no investments at the statement of financial position date

Note 15 Inventories

	31 March 2010	31 March 2009	1 Nov 2008
	£000	£000	£000
Note 15.1 Inventories balances			
Raw materials and consumables	3,197	2,430	2,448
Work in progress			
Finished goods			
Total inventories	3,197	2,430	2,448

Note 15.2 Inventories recognised in expenses

	2009/2010	2008/2009
	£000	£000
Inventories recognised as an expense in the period	15,121	5,481
Write-down of inventories (including losses)	68	24
Reversal of write-downs that reduced the expense		
Total	15,189	5,505

Note 16 Trade and other receivables

Note 16.1

	Financial assets	Non-Financial assets	Total 31 Mar 2010	Total 31 Mar 2009	Total 1 Nov 2008
	£000	£000	£000	£000	£000
Current (amounts falling due within one year):					
NHS Receivables	4,117	0	4,117	2,141	4,933
Provision for impaired receivables	(27)	(557)	(584)	(447)	(459)
Prepayments	0	520	520	552	1,022
PDC receivable	0	21	21	0	0
Other receivables	528	945	1,473	1,374	1,594
Total current trade and other receivables	4,618	929	5,547	3,620	7,090
Non-current (amounts due after more than one year):					
Prepayments	0	16	16	42	52
Other debtors	0	727	727	580	534
Total non-current trade and other receivables	0	743	743	622	586
Total trade and other receivables	4,618	1,672	6,290	4,242	7,676

Note 16.2 Provision for impairment of receivables

	2009/10	2008/09
	£000	£000
Balance at beginning of period	447	459
Increase in provision	158	37
Amounts utilised	(18)	(7)
Unused amounts reversed	(3)	(42)
Balance at end of period	584	447

Note 16.3 Analysis of impaired receivables

	2009/10	2008/09
	£000	£000
Ageing of impaired receivables		
Up to three months	7	1
In three to six months	16	3
Over six months	561	443
Total	584	447

The majority of impaired receivables over 3 months relates to income due from the Compensation Recovery Unit (CRU) in respect of the NHS injury scheme. These debts have been assessed as having a bad debt provision of 37.5%. All other debts are reviewed regularly and referred to a debt collector when necessary.

Note 16.4 Ageing of non-impaired receivables past their due date

	2009/10	2008/09
	£000	£000
Up to three months	693	190
In three to six months	97	133
Over six months	46	82
Total	836	405

The great majority of trade is with Primary Care Trusts, as commissioners for NHS patient care services. As Primary Care Trusts are funded by government to buy NHS patient care services, no credit scoring of them is considered necessary. The value of trade receivables that are past their due payment date but not impaired is shown above.

Note 17 Other financial assets

The Trust does not hold other financial assets at the statement of financial position date.

Note 18 Trade and other payables

Note 18.1	Financial liabilities £000	Non-Financial liabilities £000	Total 31 Mar 2010 £000	Total 31 Mar 2009 £000	Total 1 Nov 2008 £000
Current (amounts falling due within one year):					
NHS payables	895	0	895	659	1,941
Trade payables –capital	1,542	0	1,542	502	334
Other trade payables	2,088	0	2,088	2,331	1,973
Taxes payable	0	2,455	2,455	2,211	2,324
Other payables	1,899	0	1,899	1,839	1,558
Accruals	1,167	0	1,167	748	827
PDC payable			0	0	0
Total current trade and other payables	7,591	2,455	10,046	8,290	8,957
Non-current (amounts due after more than one year):					
Other payables	0	0	0	0	0
Total non-current trade and other payables	0	0	0	0	0
Total trade and other payables	7,591	2,455	10,046	8,290	8,957

Note 18.2 Payables early retirements detail

Included in NHS payables above :	31 March 2010		31 March 2009	
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	0		0	
- number of cases involved		0		0
- outstanding pension contributions	0		0	

Note 18.3 Other liabilities

	31 Mar 2010 £000	31 Mar 2009 £000	1 Nov 2008 £000
Current (amounts falling due within one year):			
Net pension scheme liabilities	1,339	1,237	1,254
Deferred Income	367	198	725
Deferred Government Grant	24	134	0
Total other current liabilities	1,730	1,569	1,979
Non-current (amounts falling due after one year):			
Deferred Income	67	78	82
Deferred Government Grant	732	0	0
Total other non-current liabilities	799	78	82
Total other liabilities	2,529	1,647	2,061

Note 19 Borrowings

	Total 31 Mar 2010 £000	Total 31 Mar 2009 £000	Total 1 Nov 2008 £000
Current (amounts falling due within one year):			
Obligations under finance leases	6	6	6
Total other current borrowings	6	6	6
Non-current (amounts falling due after one year):			
Obligations under finance leases	9	10	12
Total other non-current borrowings	9	10	12
Total borrowings	15	16	18

Note 20 Prudential borrowing limit

	31 Mar 2010 £000	31 Mar 2009 £000
Total long term borrowing limit set by Monitor	31,160	34,400
Working capital facility agreed by Monitor	11,000	11,000
TOTAL PRUDENTIAL BORROWING LIMIT	42,160	45,400

The Trust has not taken out long term borrowing in the accounting period and has not accessed the working capital facility.

The key ratios of which the trust reports to Monitor are:

Financial Ratios	Actual	Approved	Actual	Approved
	2009/2010	Full Year 2009/10	1 Nov 2008 – 31 Mar 2009	Full Year 2008/09
Maximum Debt/ Capital Ratio	0	0	0	0
Minimum Dividend Cover	5.4	4.5	3.1	3.6
Minimum Interest Cover	0	0	0	0
Minimum Debt Service Cover	0	0	0	0
Maximum Debt Service to Revenue	0	0	0	0

The NHS foundation trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's *Prudential Borrowing Code*. The financial risk rating set under Monitor's *Compliance Framework* determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor.

Further information on the NHS foundation trusts Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

Apart from the minimum dividend cover ratio, all other ratios are nil because the Trust did not plan to take on any interest bearing debt in 2009/10, and no long term debt was taken on.

Note 21 Finance lease obligations

Note 21.1 Minimum lease payments

	Minimum lease payments		Present value of minimum lease payments	
	31 Mar 2010	31 Mar 2009	31 Mar 2010	31 Mar 2009
	£000	£000	£000	£000
Gross lease liabilities	22	18	16	17
Of which liabilities are due:				
- not later than 1 year	12	7	8	6
- later than 1 year but not later than 5 years	10	11	8	11
- later than 5 years	0	0	0	0
Finance charge allocated to future periods	(1)	(1)	(1)	(1)
Net lease liabilities	21	17	15	16
- not later than 1 year	11	7	7	6
- later than 1 year but not later than 5 years	10	10	8	10
- later than 5 years	0	0	0	0
	21	17	15	16

Note 21.2 Finance lease receivables

The Trust has no finance leases where it is the lessor.

Note 22 Provisions for liabilities and charges

	Current			Non-current		
	31 Mar 2010	31 Mar 2009	01 Nov 2008	31 Mar 2010	31 Mar 2009	01 Nov 2008
	£000	£000	£000	£000	£000	£000
Legal claims	548	556	122	0	0	313
Injury allowances and other claims	22	36	278	346	329	335
Total	570	592	400	346	329	648

Provisions

	Total £000	Injury allowances and other claims £000	Other legal claims £000
At 1 April 2009	921	365	556
Change in the discount rate	0	0	0
Arising during the year	361	32	329
Utilised during the year	(226)	(37)	(189)
Reversed unused	(148)	0	(148)
Unwinding of discount	8	8	0
At 31 March 2010	916	368	548
Expected timing of cashflows:			
- within one year	570	22	548
- between one and five years	82	82	0
- after five years	264	264	0
TOTAL	916	368	548

Amount included in provisions of the NHSLA at 31/03/2010 in respect of Clinical Negligence liabilities of the Trust is £24.286m (31 March 2009 £ 25.129m).

Legal claims

The amount shown against legal claims include non-clinical claims made against the Trust. The amounts shown for these provisions are based on advice provided by the NHS Litigation Authority and Trust solicitors. The Trust has also provided for costs associated with the termination of a contract in respect of our clinical information system. The amounts and timing of estimated settlement will necessarily alter as the cases progress.

Other provisions

The amount shown against other provisions include permanent injury allowances payable to former employees of the Trust. With affect from 1/4/2002, trusts are required to account for the full cost of the injury allowance payable to the individual based on their life expectancy. Tables produced by the Governments Actuaries Department provide the estimates of life expectancy.

In addition to the provision, contingent liabilities for non-clinical negligence claims are given in note 28.

Note 23 Movements in public dividend capital

	2009/10 £000	2008/09 £000
Opening Public dividend capital	62,125	62,125
New public dividend capital received	0	0
Public dividend capital repaid in year	0	0
Public dividend capital at 31 March	62,125	62,125

Note 24 Movements on reserves

Revaluation Reserve

	Total £000	Intangible £000	Property, Plant & Equipment £000
Opening Balance 1 April 2009	24,703	0	24,703
Revaluation gain/(losses) and impairments losses, property, plant & equipment	(6,708)		(6,708)
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	(1,026)		(1,026)
Revaluation Reserve 31 March 2010	16,969		16,969
Opening Balance 1 Nov 2008	25,138	0	25,138
Revaluation gain/(losses) and impairments losses, property, plant & equipment			
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	(435)		(435)
Revaluation Reserve 31 March 2009	24,703	0	24,703

Note 25 Cash and cash equivalents

	2009/10	1 Nov 08 to 31 Mar 09
	£000	£000
At the beginning of the period	9,149	6,294
Net change in year	374	2,855
TOTAL	9,523	9,149
Broken down into:		
Cash at commercial banks and in hand	56	52
Cash with the Government Banking Service	9,467	9,097
TOTAL	9,523	9,149

Note 26 Contractual Capital Commitments, Property, plant and equipment

Scheme Description	Description of scheme	Completion Date	Commitment £000
Pathology Refurbishment Phase	Phased internal remodelling and improvements.	27 th Aug 2010	635
Treatment Centre 6 Single Bed Wards	Creation of new ward.	30 th Jun 2010	224
Modular Training/Offices Building	New IT training facility.	26 th Apr 2010	93
Harrowden Ward Refurbishment	Ward refurbishment.	9 th Jul 2010	642
Drain scheme	Refurbishment of drains in main ward block.	26 th Apr 2010	30
Cave Block Balcony Brickwork & Repairs	Remedial works.	30 th Apr 2010	8
Ward Pantry Refurbishments	Refurbishments.	9 th Apr 2010	12
Main Theatre Flooring	Install new floor coverings.	5 th Apr 2010	14
	Total as at 31 March 2010		1,658
	Total as at 31 March 2009		3,913

Intangible Assets

Scheme Description	Description of scheme	Completion Date	Commitment £000
NACS code pre-fixing	Software purchase	30 th Jun 2010	7
EDRMS	Software purchase	30 th Jun 2010	99
Orthopaedic templating	Software purchase	30 th Jun 2010	18
	Total as at 31 March 2010		124
	Total as at 31 March 2009		0

Note 27 Post Statement of Financial Position Events

The Trust has no Post Statement of Financial Position events.

Note 28 Contingencies

The Trust has contingent liabilities detailed below. The Trust's financial liability, if any, cannot be determined until the related claims are resolved. An estimate of the amount involved, inclusive of legal costs, is:

	31 Mar 2010	31 Mar 2009	1 Nov 2008
	£000	£000	£000
Gross value of contingent liabilities	(126)	(102)	(73)
Amounts recoverable against liabilities		0	0
Net value of contingent liabilities	(126)	(102)	(73)
Net value of contingent assets		30	0

The contingent liability relates to legal claims made against the Trust. In addition to the above contingent liabilities, provisions are given in Note 22.

Note 29 Related Party Transactions

Note 29.1 Related Party Transactions

	2009/10		1 st Nov 2008 to 31 Mar 2009	
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
Value of transactions with board members	0	0	0	1
Value of transactions with key staff members	0	0	0	0
Value of transactions with other related parties	171,501	33,532	65,974	12,394

Note 29.2 Related Party Balances

	31 Mar 2010		31 Mar 2009	
	Debtor	Creditor	Debtor	Creditor
	£000	£000	£000	£000
Value of balances (other than salary) with board members	0	0	0	0
Value of balances (other than salary) with key staff members	0	0	0	0
Value of balances with other related parties	4,194	4,693	2,469	4,112

Kettering General Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Kettering General Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year Kettering General Hospital NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities with material transactions (income or expenditure over £100k (£40k 08/09)) are listed below:

Organisation	2009/10		1 Nov 2008 to 31 Mar 2009	
	Income	Expenditure	Income	Expenditure
	£000	£000	£000	£000
NHS bodies				
Bedfordshire PCT	225		64	
Birmingham east & North PCT	132			
Buckinghamshire PCT	157		122	
Buckingham Hospitals NHS Trust	129			
Cambridgeshire PCT	104			
Department of Health			4,481	
East Midlands Ambulance Service NHS Trust		442	0	177
East Midlands Strategic Health Authority	7,989		3,553	0
Ipswich Hospital NHS Trust	119		67	
Leicester City PCT			58	
Leicestershire County And Rutland PCT	16,928		4,628	
Lincolnshire PCT	101		48	
Milton Keynes PCT	122		119	
Milton Keynes General Hospital FT	111			
NHS Blood And Transplant Agency		1,352		513
NHS Litigation Authority		3,415		805
NHS Purchasing & Supply		4,220		1,554
NHS Pension Scheme (Employers)		10,504		4,189
Northampton General Hospital NHS Trust	366	516	65	52

	Income	Expenditure	Income	Expenditure
Organisation	£000	£000	£000	£000
Northamptonshire Healthcare FT	791	106	309	13
Northamptonshire PCT	138,617	2,988	50,233	1,220
Oxford And Buckinghamshire Mental Health NHS Foundation Trust	164	369	72	165
Oxford Radcliffe Hospitals NHS Trust	255	120	81	
Oxfordshire PCT			179	
Royal Berkshire NHS Foundation Trust	175		69	
Suffolk Mental Health Partnership NHS Trust	125		67	
Suffolk PCT	152		59	
University Hospital Birmingham NHS FT	0	188	0	74
University Hospitals Of Leicester NHS Trust	612	773	257	285
Warwickshire PCT			69	
West Suffolk Hospitals NHS Trust	118		69	
Yorkshire And The Humber Strategic Health Authority	1,569		647	
Other Government bodies				
Audit Commission		76		47
HM Revenue & Customs – Employers costs (NI)		7,058		2,766
NHS Pensions Agency- Employers cost		10,504		3,879
Kettering Borough Council		587		173
Northamptonshire County Council	232		47	

The Trust has also received revenue and capital payments from a number of charitable funds, the corporate trustee for which is Kettering General Hospital NHS Foundation Trust. The audited accounts of the Funds Held on Trust can be obtained from the Finance Director.

Note 30 For PFI schemes deemed to be off-statement of financial position

The Trust has no PFI schemes deemed to be off-statement of financial position.

Note 31 Financial Instruments.

Financial risk management

Because of the continuing service provider relationship that the Trust has with Primary Care Trusts and the way those Primary Care Trusts are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

100% of the NHS Foundation Trust's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest and therefore it has low exposure to interest rate fluctuations

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 Mar 2010 are in receivables from customers, as disclosed in the Trade and Other Receivables note. The majority of the Trust's cash balances are held with the Government Banking Service, thereby not subject to any credit risk.

Liquidity risk

The Trust's new operating costs are incurred under contracts with Primary Care Trusts, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its Prudential Borrowing Limit. The Trust is not, therefore, exposed to significant liquidity risks. The Trust had in place a guaranteed working capital facility of £11m with its commercial bankers.

The following are not financial instruments because they arise under legislation rather than under contract:

- a. Public Dividend Capital
- b. Early retirement liabilities (with the NHS Business Services Authority)
- c. Injury benefit liabilities (" " " ")

Payments due under the injury cost recovery scheme are not financial instruments as they are not under contract with the Trust.

Note 31.1 Financial assets by category

	Total	Loans and receivables
	£000	£000
Assets as per statement of financial position 31 March 2010		
Trade and other receivables excluding non financial assets (at 31 Mar 2010)	4,618	4,618
Cash and cash equivalents (at bank and in hand (at 31 Mar 2010))	9,523	9,523
	<hr/>	<hr/>
Total at 31 March 2010	14,141	14,141
	<hr/>	<hr/>
	Total	Loans and receivables
	£000	£000
Assets as per statement of financial position at 31 March 2009		
Trade and other receivables excluding non financial assets (at 31 Mar 2009)	2,439	2,439
Cash and cash equivalents (at bank and in hand (at 31 Mar 2009))	9,149	9,149
	<hr/>	<hr/>
Total at 31 March 2009	11,588	11,588

Note 31.2 Financial liabilities by category

	Total	Other financial liabilities
	£000	£000
Liabilities as per statement of financial position at 31 March 2010		
Finance lease obligations	15	15
Trade and other payables excluding non financial assets	7,591	7,591
Other financial liabilities	0	0
Provisions under contract	916	916
	<hr/>	<hr/>
Total at 31 March 2010	8,522	8,522
	<hr/>	<hr/>
	Total	Other financial liabilities
	£000	£000
Liabilities as per statement of financial position at 31 March 2009		
Finance lease obligations	16	16
Trade and other payables excluding non financial assets	6,079	6,079
Other financial liabilities	0	0
Provisions under contract (at 31 Mar 2009)	921	921
	<hr/>	<hr/>
Total at 31 March 2009	7,016	7,016

Note 31.3 Fair values of financial assets

	Book Value £000	Fair Value £000
Non current trade and other receivables excluding non financial assets	0	0
Total	0	0

Note 31.4 Fair values of financial liabilities at 31 March 2010

	Book Value £000	Fair Value £000
Non current trade and other payables excluding non financial liabilities	0	0
Provisions under contract	916	0
Total	916	0

Note 32 Third party assets

The Trust held £719 cash at bank and in hand at 31/03/2010 (£1,260 31/03/2009) that relates to monies held by the Foundation Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

Note 33 Losses and special payments

There were 124 cases (42 2008/09) of losses and special payments totalling £199,488 (£134,353 from 1 November 2008 to 31 March 2009) approved.

Note 34 Transition from IFRS

The transition to IFRS has affected the reported financial position, financial performance and cash flows of the Trust as detailed below:

Re-statement of balances at 31 March 2009

Note 34.1 Statement of Comprehensive Income 2008/09

UK GAAP Income & Expenditure Account	UK GAAP £000	IAS 1 £000	IFRIC 12 £000	Total movement £000	IFRS Re-stated £000	Statement of Comprehensive Income
Income from Activities	60,279	6,909	4	6,913	67,192	Operating Income
Other operating income	6,909	(6,909)		(6,909)		
Operating Expenses	(65,840)	(19)	(4)	(23)	(65,863)	Operating Expenses
Operating surplus	1,348				1,329	Operating surplus
		60		60	60	Finance Income
		(1,284)		(1,284)	(1,284)	PDC Dividends
Profit/Loss on disposal of fixed assets	(19)	19		19		
Surplus before interest	1,329				(1,224)	Net finance costs
Finance Income	60	(60)		(60)		
Surplus before taxation	1,389					
Taxation	0					
Surplus after taxation	1,389					
PDC Dividends	(1,284)	1,284		1,284		
RETAINED SURPLUS FOR THE YEAR	105	0	0	0	105	SURPLUS FOR THE YEAR
Statement of Recognised Gains and Losses						Other Comprehensive Income
Surplus for the financial year before dividend payments	1,389					
Increase in donated asset reserve due to receipt of donated assets	84				84	Increase in donated asset reserve due to receipt of donated assets
Reduction in the donated asset reserve due to depreciation, and disposal of donated assets	(168)				(168)	Reduction in the donated asset reserve due to depreciation, and disposal of donated assets
TOTAL RECOGNISED GAINS AND LOSSES FOR THE FINANCIAL YEAR	1,305				21	TOTAL COMPREHENSIVE INCOME & EXPENSE FOR THE YEAR

Note 34.2 Reconciliation of UK GAAP Balance sheet to IFRS Statement of Financial Position at 31 March 2009

UK GAAP Balance Sheet	UK GAAP 31/03/09 £000	IAS 1 £000	IFRIC 12* £000	Total movement £000	IFRS Re-stated 31/03/09 £000	IFRS Statement of Financial Position
Fixed assets						Non-current assets
Intangible assets	1,437				1,437	Intangible assets
Tangible assets	83,500		198	198	83,698	Property, Plant & Equipment
		622		622	622	Trade & Other Receivables
Total fixed assets	84,937				85,757	Total non-current assets
Current assets						Current assets
Stocks	2,430				2,430	Inventories
Debtors	4,242	(622)		(622)	3,620	Trade and other receivables
Cash at bank and in hand	9,149				9,149	Cash and cash equivalents
Total current assets	15,821				15,199	Total current assets
Creditors						Non-current assets
Creditors falling < 1 year	(9,855)	3,776		3,776	(6,079)	Trade & other payables
		(6)		(6)	(6)	Borrowings
		(592)		(592)	(592)	Provisions
		(2,211)		(2,211)	(2,211)	Tax payable
		(1,559)	(10)	(1,569)	(1,569)	Other liabilities
Net Current assets/liabilities	5,966					
TOTAL ASSETS LESS CURRENT LIABILITIES	90,903				(10,457)	Total current liabilities
						Non-current liabilities
Creditors > 1 year	(10)	10		10	0	
		(10)		(10)	(10)	Borrowings
Provisions	(921)	592		592	(329)	Provisions
			(78)	(78)	(78)	Other liabilities
					(417)	Total non-current liabilities
TOTAL ASSETS EMPLOYED	89,972	0	110	110	90,082	NET ASSETS
FINANCE BY TAXPAYERS EQUITY						TAXPAYERS EQUITY
Public Dividend Capital	62,125				62,125	Public Dividend Capital
Revaluation reserve	24,608		95	95	24,703	Revaluation reserve
Donated Asset reserve	3,981				3,981	Donated Asset reserve
Income & Expenditure reserve	(742)		15	15	(727)	Income & Expenditure reserve
TOTAL TAXPAYERS EQUITY	89,972	0	110	110	90,082	TOTAL TAXPAYERS EQUITY

*This adjustment related to a service provision deemed to fall under IFRIC12 and the asset provided within the contract is treated as capital, plant and equipment with a corresponding deferred income balance. Historic depreciation and revaluations have been adjusted within the revaluation and income and expenditure reserves.

Note 34.3 Reconciliation of UK GAAP Balance sheet to IFRS Statement of Financial Position at 1 November 2008 (Start date of Foundation Trust)

UK GAAP Balance Sheet	UK GAAP 01/11/08 £000	IAS 1 £000	IFRIC 12 £000	Total movement £000	IFRS Re-stated 01/11/08 £000	IFRS Statement of Financial Position
Fixed assets						Non-current assets
Intangible assets	1,461				1,461	Intangible assets
Tangible assets	84,065		202		84,267	Property, Plant & Equipment
		586		586	586	Trade & Other Receivables
Total fixed assets	85,526				86,314	Total non-current assets
Current assets						Current assets
Stocks	2,448				2,448	Inventories
Debtors	7,676	(586)		(586)	7,090	Trade and other receivables
Cash at bank and in hand	6,294				6,294	Cash and cash equivalents
Total current assets	16,418				15,832	Total current assets
Creditors						Non-current assets
Creditors falling < 1 year	(10,933)	4,300		4,300	(6,633)	Trade & other payables
		(6)		(6)	(6)	Borrowings
		(400)		(400)	(400)	Provisions
		(2,324)		(2,324)	(2,324)	Tax payable
		(1,970)	(9)	(1,979)	(1,979)	Other liabilities
Net Current assets/liabilities	(10,933)					
TOTAL ASSETS LESS CURRENT LIABILITIES					(11,342)	Total current liabilities
						Non-current liabilities
Creditors > 1 year	(12)	12		12	(12)	Trade & other payables
		(12)		(12)	(12)	Borrowings
Provisions	(1,048)	400		400	(648)	Provisions
			(82)	(82)	(82)	Other liabilities
					(742)	Total non-current liabilities
TOTAL ASSETS EMPLOYED	89,951	0	111	111	90,062	NET ASSETS
FINANCE BY TAXPAYERS EQUITY						TAXPAYERS EQUITY
Public Dividend Capital	62,125				62,125	Public Dividend Capital
Revaluation reserve	25,043		95		25,138	Revaluation reserve
Donated Asset reserve	4,065				4,065	Donated Asset reserve
Income & Expenditure reserve	(1,282)		16		(1,266)	Income & Expenditure reserve
TOTAL TAXPAYERS EQUITY	89,951	0	111	111	90,062	TOTAL TAXPAYERS EQUITY

Note 34.4 Reconciliation of UK GAAP Cashflow statement to IFRS Cashflow statement 2008/09

UK GAAP cashflow	UK GAAP 2008/09 £000	IAS 1 £000	IFRIC 12 £00 0	Total movement £000	IFRS Re-stated 2008/09 £000	IFRS Cashflow statement
OPERATING ACTIVITIES	1,348	(19)		(19)	1,329	OPERATING SURPLUS
Depreciation & amortisation	2,584		4	4	2,588	Depreciation & amortisation
Transfer from donated asset reserve	(168)				(168)	Transfer from donated asset reserve
(Increase)/decrease in debtors	3,408				3,408	(Increase)/decrease in trade & other receivables
(Increase)/decrease in stocks	18				18	(Increase)/decrease in inventories
Increase/(decrease) in creditors	(995)	394		394	(601)	Increase/(decrease) in trade & other payables
		(394)	(4)	(398)	(398)	Increase/(decrease) in Other liabilities
Increase/(decrease) in provisions	(127)				(127)	Increase/(decrease) in provisions
Other movements	5	19		19	24	Other movements
Net cashinflow/(outflow) from operating activities	6,073				6,073	Net cash generated from operating activities
Returns on investment & servicing of finance						Cashflows from investing activities
Interest received	87				87	Interest received
		(115)		(115)	(115)	Purchase of intangible assets
		(1,733)		(1,733)	(1,733)	Purchase of property, plant & equipment
Returns on investment & servicing of finance	87				(1,761)	Net cashflows from investing activities
(Payments) to acquire tangible fixed assets.	(1,733)	1,733		1,733	0	
(Payments) to acquire intangible fixed assets.	(115)	115		115	0	
Dividends paid	(1,541)	1,541		(1,541)	0	
Net cashinflow/(outflow) before financing	2,771					
FINANCING						Cashflows from financing activities
Other capital receipts	84				84	Other capital receipts
		(1,541)		(1,541)	(1,541)	Dividends paid
Cashflows from financing activities	84				(1,457)	Cashflows from financing activities
INCREASE/(DECREASE) IN CASH	2,855				2,855	INCREASE/(DECREASE) IN) CASH

Note 35 SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

Note 35.1 REMUNERATION REPORT

The Nomination & Remuneration Committee is a sub-committee of the Board which oversees the process for identification and nomination of senior posts including the Chief Executive. Non-Executive Directors, including the Chairperson, are appointed by the Council of Members and can be appointed for a minimum of 3 and a maximum of 7 years. The Appointments & Remuneration Committee of the Council has been appointed to agree a transparent process for the appointment of Non Executive Directors. The Trust does not have performance-related salaries and the terms and conditions of contracts for its senior managers are subject to the normal terms and conditions of other NHS staff. The Directors are not entitled to receive any benefit under share options or money and assets under long term incentive schemes. In addition no advances, credits or guarantees have been made on behalf of any of the Directors.

Financial Year 2009/10			Salary (bands of £5000)	Other Remuneration (Bands of £5,000)	Benefits in kind (travel /lease benefit) (Rounded to the nearest £100)
Name	Title	Start date	£000	£000	£00
Mr S Hone	Chairman	1 st Dec 2006	45-50		4
Dr M Newbold	Chief Executive	3 rd Sep 2007	150-155		8
Mrs J Tunstall	Chief Operating Officer	12 th Nov 2007	110-115		3
Mr M Thorman	Finance Director	7 th April 2008	115-120		2
Dr B O'Malley	Medical Director	1 st Oct 2004	65-70	85-90	6
Mrs L Libiszewski	Director of Nursing & Quality	1 st Sep 2008	85-90		3
Mr G Etule	Director of HR & Org Dev	3 rd Nov 2008	80-85		
Mr M Smeeton	Director of Strategy & Partnerships	1 st Feb 2001	105-110		10
Mr A Rajguru	Non-Executive Director	1 st Nov 2005	10-15		3
Mr F Walsh	Non-Executive Director	1 st Aug 2007	10-15		
Mr I Russell	Non-Executive Director	1 st Nov 2005	15-20		1
Mr C Saunby	Non-Executive Director	1 st Nov 2005	10-15		
Mr J Tate	Non-Executive Director	1 st Nov 2004	15-20		3
Financial Year 2008/09 (Part year November 2008 to March 2009)			Salary (bands of £5000)	Other Remuneration (Bands of £5,000)	Benefits in kind (travel /lease benefit) (Rounded to the nearest £100)
Name	Title	Start date	£000	£000	£00
Mr S Hone	Chairman	1 st Dec 2006	15-20		3
Dr M Newbold	Chief Executive	3 rd Sep 2007	65-70		2
Mrs J Tunstall	Chief Operating Officer	12 th Nov 2007	45-50		13
Mr M Thorman	Finance Director	7 th April 2008	45-50		2
Dr B O'Malley	Medical Director	1 st Oct 2004	30-35	35-40	4
Mrs L Libiszewski	Director of Nursing & Quality	1 st Sep 2008	30-35		
Mr G Etule	Director of HR & Org Dev	3 rd Nov 2008	30-35		
Mr M Smeeton	Director of Strategy & Partnerships	1 st Feb 2001	40-45		
Mr A Rajguru	Non-Executive Director	1 st Nov 2005	5-10		2
Mr F Walsh	Non-Executive Director	1 st Aug 2007	5-10		
Mr I Russell	Non-Executive Director	1 st Nov 2005	5-10		
Mr C Saunby	Non-Executive Director	1 st Nov 2005	5-10		
Mr J Tate	Non-Executive Director	1 st Nov 2004	5-10		2

Note 35.2 PENSION BENEFITS

2009/10		Real increase in pension at age 60 (bands of £2500)	Real increase in lump sum at age 60 (bands of £2500)	Total accrued pension at age 60 at 31 ST March 2010 (bands of £5000)	Lump sum at age 60 related to accrued pension at 31 ST March 2010 (bands of £5000)	Cash Equivalent Transfer Value at 31 ST March 2010	Cash Equivalent Transfer Value at 31 ST March 2009	Real Increase in Cash Equivalent Transfer Value
Name	Title	£000	£000	£000	£000	£000	£000	£000
Dr M Newbold	Chief Executive	2.5-5	10-12.5	50-55	150-155	997	832	124
Dr B O'Malley	Medical Director	0-(2.5)	(2.5)-(5)	65-70	205-210	n/a	n/a	n/a
Mr M Smeeton	Director of Strategy & Partnerships	2.5-5	12.5-15	20-25	70-75	344	248	84
Mrs J Tunstall	Chief Operating Officer	7.5-10	25-27.5	30-35	100-105	579	398	161
Mr M Thorman	Finance Director	2.5-5	7.5-10	20-25	60-65	262	203	50
Mr G Etule	Director of HR & Organisational Dev	0-2.5	5-7.5	5-10	20-25	92	60	30
Mrs L Libiszewski	Director of Nursing & Quality	5-7.5	15-17.5	30-35	95-100	602	449	131

2008/09 (Part year Nov 2008 to March 2009)		Real increase in pension at age 60 (bands of £2500)	Real increase in lump sum at age 60 (bands of £2500)	Total accrued pension at age 60 at 31 ST March 2009 (bands of £5000)	Lump sum at age 60 related to accrued pension at 31 ST March 2009 (bands of £5000)	Cash Equivalent Transfer Value at 31 ST March 2009	Cash Equivalent Transfer Value at 31 ST October 2008	Real Increase in Cash Equivalent Transfer Value
Name	Title	£000	£000	£000	£000	£000	£000	£000
Dr M Newbold	Chief Executive	0-2.5	2.5-5	40-45	130-135	832	790	42
Mr J Hayward	Director of Estates	0-2.5	2.5-5	30-35	100-105	727	684	43
Dr B O'Malley	Medical Director	0-2.5	5-7.5	65-70	200-205	n/a	n/a	n/a
Mr M Smeeton	Director of Strategy & Partnerships	0-2.5	0-2.5	15-20	55-60	248	239	9
Mrs J Tunstall	Chief Operating Officer	0-2.5	2.5-5	25-30	75-80	398	382	16
Mr M Thorman	Finance Director	2.5-5	12.5-15	15-20	45-50	203	146	57
Mr G Etule	Director of HR & Organisational Dev	N/A	N/A	5-10	15-20	60	N/A	60
Mrs L Libiszewski	Director of Nursing & Quality	0-2.5	5-7.5	25-30	75-80	449	411	38

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time). The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the institute and Faculty of Actuaries. There will be no CETV for employees aged 60 or above.

Real Increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



Signed: Dr Mark Newbold – Chief Executive

Date: 4th June 2010

