Kent and Medway NHS
NHS and Social Care Partnership Trust

Annual Report 2011/12

www.kmpt.nhs.uk

respect - open - accountable - working together - innovative - excellence

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Welcome

Welcome to the Trust's 6th Annual Report. The past 12 months has seen the Trust go through a year of transformation, both in terms of the things we do and how we do them, and also in terms of how we look at things and approach our work. We now have a clear vision about the future and believe we are better placed than ever before to meet the needs of local people and provide services that enable people to recover from mental ill health.

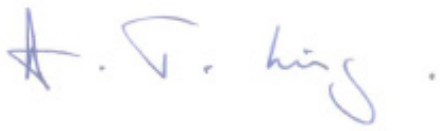
We have achieved a great deal in the past year. We have introduced a new patient information system, RiO, that is enabling our staff to maintain up to date patient records and for us to better understand the activity that is happening within services. To underpin this vital aspect of our work we have started to introduce true mobile working, using technology, and will continue to make an increased use of technology as part of our drive to operate as efficiently as possible.

Operating efficiently includes making best use of the buildings and estate that we occupy. We are committed to ensuring that every facility we use is fit for purpose and is an effective use of taxpayers' money. Whilst we can do this by introducing new facilities, like the new in-patient unit currently being built in Canterbury, we are also looking to rationalise our other estate and make better use of community based settings to see those who use services.

The past year has seen staff engagement remain high on our agenda. One area where we have asked staff to lead our work has been on the revision of the Trust's vision and values. Through a process of discussion and engagement we have re-launched our vision and values (see page 6) and we are now focusing on making these a reality for everyone in their role every single day.

The year ahead will be challenging and will involve many new developments. Whilst completing our foundation Trust application we will also be modernising community based services, creating centres of excellence for in-patient services, implementing our clinical and supporting strategies and introducing payment by results. A busy, but exciting, year lies ahead.

I am sure we will make the year a success, not least because of the hard work of our talented and dedicated staff.



Andrew Ling
Chairman

About the Trust

In this section of this report you will be able to learn about what the Trust does, how it is organised, who it is led by and our vision for how we wish to work.

It demonstrates we have a large geography and a diverse population. We are committed to working in partnership with other service providers, from all sectors, to deliver joined up care. Most notably, our partnership with Kent County Council enables us to deliver integrated care.

We have a clear vision for how we wish to work and a set of values that our staff aim to live up in their role everyday.

Our Customer Care charter sets out what our service users can expect from them and

Finally, this section of the report introduces the Trust Board. The Executive Members lead the day to day running of the organisation with the Non-executive members holding them to account and offering guidance from their vast expertise.

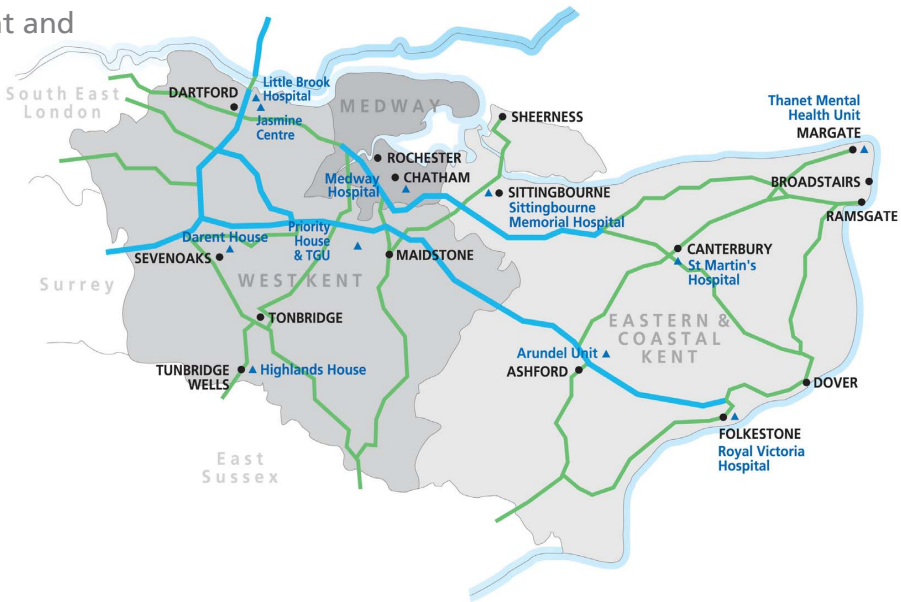
About the Trust

Kent and Medway NHS and Social Care Partnership Trust was formed in April 2006 following the merger of East Kent NHS and Social Care Partnership Trust and West Kent NHS and Social Care Trust. It provides mental health and social care services in partnership with Kent County Council in Kent. In Medway, services are not integrated but we work closely with the local unitary authority to provide joined up health and social care services.

The Trust's income is £178m with 3,405 staff (plus 265 seconded staff) providing a range of mental health and other services from around 100 separate buildings across almost 90 sites. The Trust is one of the larger mental health trusts in the country, covering an area of 1,450 sq miles and serving 1.6 million people across Kent and Medway.

Trust services are predominantly provided around key urban centres such as Maidstone, Medway and Canterbury, but we provide a range of services in community locations, reflecting the urban and rural mix of the area. The Trust has also introduced telemedicine to enhance accessibility.

The Trust's main commissioner is the local PCT cluster, NHS Kent and Medway. Our latest figures show that in 2010/11 over 71,000 referrals were received, 445,000 contacts were undertaken and there were over 3,000 admissions.



Our Commitment to Partnership Working

Social care services remain vital to the successful delivery of comprehensive integrated mental health services. Social care staff from Kent County Council (KCC) remain seconded to the Trust through a partnership agreement. All adult social care staff work in integrated mental health teams and provide support and specialist services to individuals with mental illness in their communities. A Professional Assurance Team from KCC work with KMPT to develop and improve social care practice. The funding of these services has not changed since last year and the resources remain committed from Kent County Council.

Until 1 February 2012, social care staff in Medway were formally employed by the Trust and services managed and co-ordinated through the Trust's relationship with NHS Medway. However, Medway Council brought this arrangement to an end and social care staff are now employed directly by the local authority. The Trust is committed to making this new arrangement a success and ensuring service users continue to receive joined up health and social care services.

The partnership between health and social care remains critical to the development of services. The advent of personalisation and self-directed support as a model of service delivery is a product of the principle of integrated and joint working. The Trust's partnership with social care is a cornerstone of its future in developing community-based services and promoting independence to people suffering from mental ill health.

Vision and Values

Over the past year Trust staff have led the work to review and revise the Trust's vision and values. Exploring what staff think is important to delivering high quality services that meet the needs of service users and carers, the values below were identified as being what staff feel, if made a reality in their everyday work, are central to getting the very best outcomes. Complementary to this work with staff, we have also worked with service users and carers to develop a Customer Care Charter which outlines what service users can expect from the services they use. Similarly, the Charter identifies some actions that service users are also expected to take.

Our Values

Respect – we value people as individuals, we treat others as we would like to be treated.

Open – we work in a collaborative, transparent way

Accountable – we are professional and responsible for our actions

Working together – we work together to make a difference for our service users

Innovative – we find creative ways to run efficient, high quality services

Excellence – we listen and learn to continually improve our knowledge and ways of working

Our Vision

The Trust aims to deliver quality through partnership. Creating a dynamic system of care, so people receive the right help, at the right time, in the right setting with the right outcome.

Customer Care Charter

Our commitments to those who use our services...

1. Listen to your concerns and respect your views – we will treat you as an individual and in the context of your whole life. We will listen to what you have to say and record it accurately.

2. Involve you in planning your care – you will be given the opportunity to determine the plan for your care, which will focus on your recovery. We will give you a copy of your care plan in a format acceptable to you.

3. Be informative and engaged – we will provide you with information about conditions and services and, if you agree, also communicate with those who care for you. We will answer your questions politely and carefully. If we do not know the answer we will tell you and get the information for you as soon as possible.

4. Deliver best practice care – we will learn from best practice and provide care that meets NICE guidelines. Our staff will be up to date and trained to deliver best practice in all that they do.

5. Constantly improve – we will ensure that service users and carers are able to influence service development. We will learn from your feedback and be accountable to you by making changes based on your concerns.

As well as our commitments to those who use our services, we expect you to…

1. Keep your appointments – we ask that you attend, or advise us if you cannot meet an appointment given to you. If we have to change your appointment we will give you as much notice as possible and offer another date.

2. Treat our staff with respect and without aggression – while we appreciate that mental health problems can lead to frustration and anger, we ask that staff are treated with courtesy. We will be courteous and polite at all times.

3. Be open about your views – let us know your expectations and any concerns so that we can together plan the most appropriate care for you.

Our Services

We are focused on providing a range of mental health services although we also provide a range of other specialist services. Our services include:

Adults of working age who have mental health needs

- In-patient and community teams
- Rehabilitation in-patient units
- Psychological services
- Liaison Psychiatry Services

Older adults who have mental health needs

- In-patient and community teams

Adults who have mental health problems and learning disabilities

- Community teams
- Assessment and Intervention services
- Forensic mental health in-patient services

Children and young people (and their families) who have mental health needs

- Community teams covering West Kent and Medway

People with drug and alcohol problems

- Detoxification in-patient unit
- Alcohol addiction service

Forensic mental health services

- Medium-Secure Unit including specialist women's unit
- Low-Secure Unit
- Prison in-reach team
- Custody Liaison service

Specialist services

- Eating Disorder services
- Early Intervention for Psychosis
- Mother and Infant Mental Health services
- West Kent Neuro-Rehab service
- Limb service
- Environmental Control service
- West Kent Clinical Neuro-psychology service
- West Kent Mediation service
- Kent and Medway Chronic Fatigue/ ME service
- Community Brain Injury Team
- Wheelchair Service
- Personality Disorder Service

The Trust Board

Executive Directors

Executive Directors are members of the Trust Board. The Executive Team is responsible for the day-to-day management of the Trust's services and is accountable to the Chief Executive. As well as the Executive Directors, the Trust has a number of other Operational Directors. The Trust has six Executive Directors, including the Chief Executive. They are:

Angela McNab
Chief Executive*

Marie Dodd
Executive Director of Operations

Mick Bull
Executive Director of Finance and Resources*

Pippa Barber
Executive Director of Nursing and Governance

Dr Karen White
Executive Medical Director

Nikki Prince
Director of Human Resources**

During 2011/12 the following people also held posts on the Board:

Bob Deans – Interim Chief Executive***
James Sinclair – Executive Director of Social Care and Partnerships****
Ada Foreman – Acting Executive Director of Finance and Resources*****
Erville Millar - Chief Executive******

* Angela and Mick Joined the Trust on 1 April 2012
** Nikki joined the Board as non-voting member on 1 February 2012
*** Bob Deans was interim Chief Executive from 11 July until 31 March 2012
**** James Sinclair left his post on 30 September 2011
***** Ada held this position from 1 April 2011 until 31 March 2012
****** Erville was Chief Executive until 30 June 2011

All Executive Directors can be contacted via the Chief Executive's office, details of which are on the reverse of this report.

Non-Executive Directors

Non-Executive Directors are members of the Trust Board and are all local people who contribute to the improvement of their local mental health services. They have been appointed because they have the skills and experience to provide leadership and to help ensure the Trust is governed appropriately. They work part-time and are expected to work 2½ days a month, although their time input is generally greater. You can read more about members of the Trust Board online at: http://www.kmpt.nhs.uk/The_Trust/Board_Members/index.html

Andrew Ling
Chairman *

Paul Godwin
Deputy Chairman

Valerie Hale

Ian McBride

Michael Sander

Richard Page **

Margaret Andrews ***

During 2011/12 the following people also held posts on the Board:

- Peter Smallridge was Chairman until leaving the board on 31 October 2011
- Barry Sharp left the Board on 31 January 2012
- Peter Martin CBE left the Board on 31 August 2012
- Guy Foster left the Trust on 30 June 2012

If you wish to contact any Board Member you can do so by calling the Trust Secretary on 01227 812205.

* Andrew Ling joined the Board on 30 October 2011.

** Richard Page joined the Trust in June 2012

*** Margaret Andrews joined the Board on 1 April 2012 and is a non-voting member.

About the Trust

In this section you will be able to learn about how the Trust performed in 2011-12 as well as some of the work it has undertaken during the year.

There is a wide range of measures that show how well we are performing. These include our registration and monitoring by the Care Quality Commission, our performance against our self determined Quality priorities, our ability to meet hygiene and cleanliness standards and of course how well we are doing when it comes to delivering front line services. This performance information is drawn from our patient information system and focuses on how effective our services are.

Alongside performance information, this section also outlines the make up of our workforce, our plans and strategies for dealing with health and safety, emergency planning, supplying patient information and involving those who use services and the wider community in our work.

All of this work is undertaken with our plans to be sustainable, from an environmental, operational and financial perspective.

Care Quality Improvement

Our aim is to achieve excellence in all areas of our work. This relies on strong governance processes and systems, leading to consistently high performance.

Essential Standards of Quality and Safety

As the regulator of health and adult social care in England, the Care Quality Commission ensures that the care people receive meets essential standards of quality and safety, encouraging ongoing improvements by providers of care. Their system of registration is focused on outcomes rather than systems and processes, and places the views and experiences of people who use services at its centre.

The Trust was registered, without conditions, with the Care Quality Commission in April 2010. Over the past year the Trust has maintained and further evolved robust processes for self-assessment and assurance of compliance with the Essential Standards of Quality and Safety. All services have undergone the self-assessment process and concerns identified have been addressed using a locally developed action plan.

During 2011/12 the Trust has received a responsive review of compliance, as well as planned reviews of compliance by the Care Quality Commission.

The two units previously identified as having concerns relating to privacy and dignity were reviewed and found to be compliant – evidence of hard work by staff to improve care in challenging environments. The Trust's learning disability in-patient services have also been reviewed and were found to be compliant with essential standards, with the exception of the Birling Centre review in December 2011. The CQC carried out an unannounced visit at the Learning Difficulties Birling ward in December 2011, as part of a national Learning Difficulties review. On 16 March 2012 the Trust received the draft report from the CQC, which incorporated an assessment of the Birling Ward's compliance with two essential standards, (care and welfare of people who use services), and outcome 7, (safeguarding vulnerable people from abuse). The CQC deemed the Trust compliant with the Safeguarding standard, and non-compliant with the Care and Welfare standard. This largely related to a lack of evidence of information that had been used to plan care or manage people's behaviours in a way that focused on their individual needs. However, the CQC report also acknowledges the action plan, and the steps that were being taken to address these deficiencies, at the time of their visit.

We believe we have a positive and productive working relationship with the Care Quality Commission, which serves to ensure that services continue to improve.

The Hygiene Code

The Health and Social Care Act's (2008) Code of Practice for health and adult social care on the prevention and control of infections and related guidance (also known as the Hygiene Code) was revised and came into force in April 2010.

The Trust formulates an assurance framework so as to ensure that all relevant actions are being taken by the Trust to comply with the Hygiene Code. The infection prevention and control assurance framework provides the Trust with a simple but comprehensive method for the effective and focused management of the principal risks. It also provides a structure for the evidence in support of the Annual Governance Statement. This simplifies Board reporting and the prioritisation of action plans which, in turn, allow for more effective performance management. The Trust is fully compliant with the Hygiene code and will continue to monitor compliance at Trust Board meetings on a monthly basis.

Hospital Cleanliness and Food

Patient Environment Action Team (PEAT) assessments consider a range of cleanliness and patient environment issues relating to all areas of the Trust's wards and buildings. They also cnsider food service, assessing a hospital's progress with improving the quality and availability of food and the privacy and dignity that a service offers its users.

The assessments are a national initiative and are undertaken in partnership with service users, carers and a member of the Trust Board. Those carrying out the assessments are provided with guidance on how to calculate the assessment through a 'Scoring and Weighting' System, based upon the National Specifications for Cleanliness. All sites within the Kent and Medway NHS & Social Care Partnership Trust with 10 or more beds are included in the PEAT assessments. NHS organisations are each given scores from 1 (unacceptable) to 5 (excellent) for standards of privacy and dignity, environment and food within their buildings. After the PEAT assessments have been performed, the findings are reported back to the National Patient Safety Agency (NPSA). Any issues identified as needing attention will be addressed by the individual sites by producing a plan of action focusing on raising standards. The PEAT assessments were completed in March 2012 and we currently await our scores.

The NPSA publish these results every year to all NHS organisations, as well as stakeholders, the media and the general public. This is the last year that PEAT assessments will be undertaken in its current format and we are awaiting further details on how cleanliness and food will be assessed in the future. For further information about PEAT assessments and scores, follow this link: http://www.nrls.npsa.nhs.uk/patient-safetydata/peat/

Health and Safety

The Trust's Health & Safety Strategy has continued to be implemented during 2011/12. It sets out a programme of activities until 2013. The strategy sits with the Trust-wide Health, Safety and Risk Group for implementation and monitoring. This group, comprising representatives from each service line, receives and reviews reports on health and safety management activity from local groups throughout the Trust, identifying where improvements can be made and how best practice may be shared.

The year was dominated by the implementation of an electronic risk system, which enables risks to be assessed, monitored and reviewed in real-time across the organisation from local teams to the Board. Health and safety training has been enhanced with the development of e-learning programmes, providing access to training in the workplace and reducing the need for travel to and associated costs of centralised training. The number of reported incidents fell by approximately 13%, with reductions being seen in patient slips, trips and falls and violence to staff. A number of audits and reviews were completed to assess compliance with statutory requirements and Trust policies. Subjects included the management of hazardous substances, completion & quality of risk assessments, the investigation of Level 1 to 3 incidents and in-patient slips, trips and falls.

Emergency Preparedness

During 2011/12 the Trust has embedded the Major Incident Response Plan for its Kent and Medway operations in accordance with the requirements of the Civil Contingencies Act 2004 (CCA) and the Care Quality Commission (CQC) Core Standard 24. Additional corporate and service contingency plans to deal with a range of declared major incidents together with the impact of Severe Weather, Fuel Shortages, Heat Wave and Pandemic Influenza Contingency. The purpose of these plans is to ensure that all key services can be, as far as is possible, maintained throughout periods of disruption and to ensure that service users and carers are able to access services.

The plans are regularly reviewed and are provided for key staff to enable them to deal with such circumstances. The Trust has also participated in exercises with other NHS organisations across Kent and Medway, as well as agencies within the Kent Resilience Forum, to improve the ability to provide a partnership response.

Throughout the year the Trust has actively engaged within county-wide preparation and assurance work for the forthcoming 2012 Olympic and Paralympic games. The Trust has participated in KCC and NHS organisations forums and exercises across Kent and Medway to develop robust strategies and preparedness for the huge impact that the games bring to Kent.

Access to Services

Access to the Trust's services is primarily gained by referral from the wider NHS, including GPs and from other parts of the Trust. However, our community based mental health services will accomodate self-referrals.

If you are concerned about your mental health, your first stop should be your GP or your local community mental health access service. At a time of crisis, access to selected services can also be gained via out-of-hours GP services or A&E departments.

Early Intervention in Psychosis and Primary Care Psychological Therapy services can also be accessed directly by anyone. You do not need a GP referral to see these teams. A full directory of all the Trust's services is available on the Trust website: www.kmpt.nhs.uk

Services Leaving the Trust

Over the past year no services have moved away from the Trust. In fact, we have started to provide extra services in the shape of low-secure forensic mental health in-patient services.

Providing Information for Service Users and Carers

During the course of the year the Trust has published a large range of information leaflets on the services it provides. In addition, we have continued to provide patient information packs to all service users and to provide a wide range of information via the Trust website. The Trust works in partnership with the local Primary Care Trust Cluster to supply and deliver information to the general public via dedicated health service newsletters. We increasingly respond to requests to make material available in a range of formats and languages.

NHS Litigation Authority – Risk Management Assessment

The NHS Litigation Authority (NHSLA) is a part of the NHS that gives support to Trusts during the claims process by providing expert advice, learning from claims that would improve standards, and the financial support to meet claims made against NHS Trusts. The NHSLA has developed specific standards for Mental Health & Learning Disability Trusts. The Trust has maintained its achievement of meeting the necessary standards at Level 1, which means that we receive a discount on our insurance premiums. The Trust will undertake its Level 2 assessment in early 2012/13.

NHS Quality Accounts

Patients and carers receive information on the quality of care and services via the Trust's Quality Account. Quality is defined as safe, effective, personalised care and is now at the heart of the NHS.

Quality Accounts help demonstrate NHS commitment to quality, with providers reporting on the quality of their services, covering safety, outcomes and patient experience. Similar to financial accounts, Quality Accounts bring together all information on a provider's quality measures, such as Care Quality Commission survey data, with additional information to meet local needs and answer local questions on quality and improvement. They aim to help promote a focus by providers on quality improvement, and give patients information to support informed choice.

The Trust Board approved a Quality Strategy in January 2009 and the three-year strategy describes the processes the Trust will use to demonstrate improvement in quality. It includes details of how the Quality Improvement Team supports clinicians and managers to design and implement systems to measure quality, demonstrate improvement, share best practice, identify weaknesses and measure corrective actions. KMPT is publishing a Quality Account for the third time this year. It will detail progress against the priorities set for 2011/12 and outline the priorities for 2012/13.

Our Staff

The Trust's most valued asset, and greatest area of expenditure, is its 3,405 staff. The data below details the demographic make up of the Trust's staff.

Staff by Age Group

Group	Number
20 and under	8
21-25	127
26-30	221
31-35	332
36-40	400
41-45	455
46-50	571
51-55	539
56-60	430
61-65	275
Over 65	47
Grand Total	**3405**

Staff by Professions

Group	Number
Medical and Dental	214
Of which are Consultants	*111*
Managers and Senior Managers	40
Administration and Estates	751
Support Staff (Including HCA's And Other Support Staff)	817
All Qualified Nursing, Midwifery And Health Visiting Staff	957
All Qualified Scientific, Therapeutic And Technical Staff	592
Of which are Healthcare Scientists	8
Of which are Allied Health Professionals	198
Others (includes Non-Executives and students)	34
Total	**3405**

Staff by Ethnicity

Group	Total	%
White - British	2596	76.24
White - Irish	52	1.53
White - Any other White background	114	3.35
Mixed - White & Black Caribbean	1	0.03
Mixed - White & Black African	5	0.15
Mixed - White & Asian	14	0.41
Mixed - Any other mixed background	16	0.47
Asian or Asian British - Indian	110	3.23
Asian or Asian British - Pakistani	18	0.53
Asian or Asian British - Bangladeshi	2	0.06
Asian or Asian British - Any other Asian background	81	2.38
Black or Black British - Caribbean	32	0.94
Black or Black British - African	191	5.61
Black or Black British - Any other Black background	14	0.41
Chinese	5	0.15
Any Other Ethnic Group	62	1.82
Not Stated	92	2.70
Total	**3405**	**100**

Human Resources Key Performance Indicators

Staff turnover for 2011/12 was 15.83% of which 8.34% was related to planned turnover (Retirements, Fixed Term Contracts, Redundancies etc) and of which 7.49% was related to unplanned turnover (Voluntary Resignations etc). This is an increase on last year mainly in the area of planned turnover due to downsizing. We set a target of 4.5% staff absence rate for the Trust in 2011/12. We achieved a rate of 4.94%, an increase on the rate of 4.72% in 2009/10. A target of 3% has been agreed and introduced for 2012/13. We are committed to supporting staff when they are unwell and we must do all that we can to help them return to work.

The days lost through staff absence for the calendar year 2011 are shown in the table below.

Sickness Absence	2011-12	2010-11
	Number	*Number*
Total Days Lost	**33,453**	34,700
Total Staff Years	**3,080**	3,225
Average working Days Lost	**11**	11

Staff Survey Results

The national 2011 staff survey results were released in March 2012. The survey results provide the Trust with valuable feedback about our staff experience, perceptions and confidence in the organisation. There have been some improvements since 2010; however, overall the results are disappointing.

Scores have improved in two key areas, staff receiving training in health and safety and equality and diversity and staff receiving a well structured appraisal. This reflects a particular focus in 2010-2011, demonstrating that where we target efforts for improvement this is mirrored in results.

Disappointingly our national results are yet to mirror our local Pulse Surveys. All staff have the opportunity to complete this survey over the course of the year, where we have seen improvements in communication and engagement. We are very concerned that our staff are reporting that they are suffering greater work related stress than those working in similar organisations and are also very concerned that many of them feel that they are not encouraged to contribute towards improvements at work.

The Board has identified key areas to be addressed and associated actions to be taken to improve in these areas.

Engaging with Staff

The programme of staff engagement we started in 2010/11 has continued over the past year. The development of the branded Viewpoint communication events has enabled senior staff and front line staff to discuss the critical issues affecting their working lives. Notably the events:

- enable senior managers to hear the views of staff
- enable all staff to put questions to senior Trust staff
- enable all staff to share working practices and discuss ideas
- enable staff to engage with senior managers on key Trust issues
- enable staff and managers to provide input into the Trust's direction of travel
- enable staff and managers to hear key messages direct from Directors.

In 2011/12 these events have been used to drive the revision of the Trust's Vision and Values and discuss key issues that are affecting staff. This process has meant that staff have led the work to describe the values that matter to them and that they can relate to.

In addition to engagement events, the Trust has reviewed and updated its Communications Strategy, which includes a focus on employee communications. Staff routinely receive copies of the quarterly staff newsletter, *Partnership Matters*, a monthly staff briefing and also have access to the Trust's website and intranet. The topics covered are wide and varied including news, best clinical practice, finance information and performance data. In Autumn 2011 the Trust held its third Staff Excellence Awards to recognise and celebrate the work of Trust staff.

Work for us

If you are interested in becoming a member of our staff, please log on to our website for the latest vacancies: www.kmpt.nhs.uk

Reviewing Our Internal Structures

A review of the corporate posts across the Trust took place during 2011/12. This took place in two phases and included a 30 day consultation process for staff to comment on the proposed new corporate structures. A comprehensive feedback and response document, which summarised all of the feedback received and outlined the changes made as a result of the consultation, was published and subsequently some staff underwent a competitive process to apply for the posts in the new structure. Some redundancies were made during this process. A review of Administrative and Clerical staffing across the whole organisation commenced in 2011/12 and will move to consultation and completion during 2012/13.

Occupational Health

The Trust's Occupational Health Service aims to promote and maintain the health of staff by providing professional occupational nursing and medical advice. This helps the Trust to achieve the highest possible standards of health and safety. Occupational Health provide a confidential service for all employees of the Trust, offering advice on personal health, safety and welfare at work and immunisations specific to certain diseases. The team are a consultant led multidisciplinary team of doctors and nurses who are specially trained in Occupational Health. The team also carries out health surveillance, required under Health and Safety law.

Countering Fraud and Corruption

The Trust is committed to Countering Fraud in the NHS and achieved a Qualitative Assessment rating of 3 (4 being the highest) from the Business Services Authority NHS Counter Fraud and Security Management Service. The Trust's Staff Survey shows that 90% of staff are aware of the NHS Counter Fraud Service and 95% would report suspicions of fraud.

The Trust has a dedicated Counter Fraud Specialist to investigate concerns and raise awareness. During 2011/12, 27 cases were investigated that resulted in savings or recoveries of £67,419. Concerns about NHS Fraud can be reported to Andrew Ede on 01303 297044, the NHS Fraud and Corruption Reporting Line 0800 028 40 60 and online at www.reportnhsfraud.nhs.uk

Equal Opportunities

The Trust is an equal opportunities employer. Applications for employment are welcomed from disabled people and the Trust works to support people who become disabled during their employment. The Trust also has policies in place to support the training, career development and promotion of disabled people.

The majority of the Trust's workforce is white with approximately 12% from black and ethnic minority communities. In comparison, 5.6% of the entire population of Kent and Medway is from a black or ethnic minority community. This shows that the Trust's workforce is diverse with excellent representation from minority ethnic groups.

Sustainability Report

Introduction

The Climate Change Act 2008 is a key driver in reducing carbon emissions nationally and as a response the NHS (Sustainable Development Unit - SDU) developed the 'Saving carbon, Improving lives' document which sets out the Government's commitment to reduce carbon emissions of 10% by 2015.

The act is mandatory and as a result we have an overall aim to reduce our carbon footprint by 15% by 2014/15 based on 2009/10 baseline.

Following the commitment of KMPT to undertake a carbon management plan (CMP), the plan will stabilise and progressively reduce our environmental impact and ensure efficiency savings. The CMP is a formal deliverable to the Carbon Trust under the Carbon Management Partnership scheme which provides support to boost carbon reductions, achieve revenue savings through energy savings and reducing wastage and deliver sustainability benefits to the trust.

More importantly, the carbon agenda fits in perfectly with the synergy between the operational and strategic plans of the Trust by way of estate rationalisation, service redesign and cost reduction.

The main benefits the CMP will increasingly be provided to the public, partners, and other stakeholders and these include:

- financial savings;
- reductions in waste
- easier access to services for patients and visitors
- better staff working conditions;
- a better local employer
- a better local contributor to the economy

We continue to seek further cost reductions throughout the organisation. There are significant opportunities to maximise cost efficiencies around energy t and carbon reduction.

By stabilising and reducing our environmental impact, we will ensure that we can adapt well to the changing climate in ways that ensure efficiency savings for the KMPT, maximise benefits for the patients, staff and the wider community as mentioned above.

Background

Cutting carbon emissions as part of the fight against climate change is a high priority for KMPT as UK government has identified the NHS sector as key to delivering carbon reduction across the UK, in line with the Climate Change act targets.

The KMPT carbon management plan 2009/10 is designed to respond to this. It will assist the trust in saving money on energy and putting to good use in patient care, whiles making a positive contribution to environment by cutting carbon emissions.

Key Drivers

- NHS Carbon Reduction Strategy: Sets target carbon emissions reduction by at least 10% between 2007 and 2015
- NHS Good Corporate Citizenship Model: How organisations can embrace sustainable development and tackle health inequalities through their day-to-day activities
- Energy Performance Directive (EPBD): Legal requirement for all public sector buildings to display energy ratings
- Carbon Reduction Commitment (CRC): Mandatory emissions trading scheme being introduced by government.
- Climate Change Act 2008: Sets legally binding emissions reductions of 34% by 2020 and 80% by 2050

Key Benefits:

- Environment – Significant Carbon saving and reduction in environmental Impacts
- Organisation – financial savings and a good reputation
- Staff – improved working conditions, staff empowerment and healthy workplace
- Patients and the community – reduction in health inequalities and increased partnership working within the community.

Trust Footprint

The Trust's carbon footprint for 2009/10 was 10,168 tonnes of CO2e. Based on the assumption of the steady rise of carbon based fuel, if the Trust does not take any action to reduce its carbon emissions, they will increase over time potentially reaching 10,530 CO2e by 2014/15.

In contrast, if we take actions outlined in the plan to reduce carbon emissions and meet our 15% reduction target by 2014/15, our emissions will be 8,640 tCO2e. Therefore annual value at stake by the end of the lifetime of the carbon management plan is approximately 1,890 tCO2e.

Strategy

The CMP has identified opportunities for the reduction of carbon emissions. The projects can be grouped under the following headings:

- Improving Carbon Performance of existing buildings
- Developing low carbon new builds
- Tackling Transport and Travel emissions
- Information Technology
- Procurement
- Waste management
- Communicating about Carbon and working collaboratively

The success of the plan will be measured from the baseline position of 2009/10 which has been established from available data. This will form the datum point for Trust performance over the subsequent years.

While achieving the target is often focussed primarily on mechanical / engineering initiatives, there is even greater potential for savings from achieving workforce behaviour change, and through procurement. Currently, the plan is heavily skewed towards programmes such as boiler replacements and technical solutions.

We are to invest in a number of projects previously identified in the plan. Initially the organisation will look for 'quick wins' to ensure that targets are being met in the short-term. A regime of 'invest to save' will follow.

The Trust is also looking procure an energy partner to undertake energy efficiency projects across the Trust with guaranteed savings which will accelerate our carbon management progress towards our target.

The plan also outlines a definitive Communications Plan and Programme - this includes the roll out of a Trust-wide staff awareness campaign and the appointment of local green champions.

Monitoring

Monitoring of the CMP will be done mainly through ERIC returns, Display Energy Certificates and then in the near future the Trust will be utilising automatic metering infrastructure to for energy measurements.

Governance

Scrutiny of progress against CMP actions under the Governance structure will ensure that actions progress is timely. Reporting will be along the following structure:

- Annually to the Trust Board
- Quarterly to the Carbon Management Programme Board
- Bimonthly to the Carbon Management Project Team

Summary Performance

The Carbon Management Plan Update, which is separately circulated to the Carbon Management Programme Board, indicates a degree of progress. However, the plan requires greater focus and monitoring if the 2014 / 15 target is going to be met and exceeded.

We have also witnessed a decrease in utility bills over the past year; however, this can be attributed to the program of prpoerty disposals currently underway in the Trust.

AllUtilities:

Year	Cost '000
2009/10	£1,450k
2010/11	£1,220k
2011/12	£1,310k

In the meantime management tools provided by the Carbon Trust and the existing projects identified within the CMP will be utilised to progress existing projects on a priority basis based on ease of implementation and potential savings maximisation.

Waste: The continued move to recycling waste with the introduction of pilot recycling bins at Kings Hill and Abbey wood Offices has been implemented with good results. A waste awareness program such as the Waste Not week was really well received.

A proposal is being developed to make this permanent and to roll out the recycling scheme in areas where this is lacking in the Trust. Primarily, the benefits will include the following:

- maximise cost saving by:
  1. Maximising recycling as a proportion of all waste
  2. Minimising the quantities of clinical waste
- Improve awareness of the Trust's achievement and demonstrate our commitment to sustainability.
- Improve compliance and management control

Sustainable Travel

The Trust continues to encourage different modes of transport to and from the site for staff. The introduction of and active promotion of schemes such as, cycling to work, car sharing for staff should see a reduction in travel using traditional modes of transport.

As the St Martins Travel Plan initiatives are being implemented items that are being progressed include plans to introduce active or sustainable travel options to patients and visitors and the following:

- Travel web page
- Travel information in Patient Leaflets
- Travel Information Boards at sites
- Travel Survey to staff and visitors
- Relocation of Bus stops at St Martins Site
- Staff Travel awareness
- Car sharing
- Dedicated Travel Page
- Cycle showers and racks

Procurement

Procurement makes up approximately 60% of the NHS carbon footprint therefore it is essential to continue working with NHS Procurement sustainability teams and hubs.

A draft sustainable Procurement policy has been produced and the procurement team is currently reviewing the document to be included in the Trust procurement policy to be ratified.

Sustainability Minimum Mandatory Standards ('Quick Wins') 2008, OGC formerly buying solutions has been adopted for the St Martins purchasing team for the White goods. This will be adopted Trust wide.

Communications

The Communications department has supported the CMP in the development of posters to promote the improvement and awareness of carbon management in the Energy performance of the building.

The posters have been sent to all buildings and fixed in the buildings, drawing attention to the issue of Energy savings and Carbon reduction to all the building users.

Articles and events are still being promoted and included for the Trust publications

Green Champions

There have been a good number of respondents to the request for staff interested in becoming or joining the Green Champions initiative.

The respondents have been contacted to acknowledge their response. Workshops and initial meetings have being held at Dartford; Canterbury and Thanet.

The Green Champions are a key group for the 'bottom-up' response to the achievement of the Carbon Reduction Plan, complimenting the top down, established project approach.

Future Priorities and Targets

As noted, there will be some key actions required to give the plan the best chance to succeed in the future. Challenges for the Trust in reducing carbon revolve around two key areas that need consideration.

- Technological innovations that reduce carbon usage such as those highlighted within the plan and to be mainly achieved by having an energy partner on board

- Behaviour related usage changes (e.g. lights/computer - 'turn off Friday' campaigns, sustainable travel options, Green champions, recycling, how people travel etc).

To address these areas, the technological innovation aspect will be mostly addressed through having an energy strategy in place which will utilise external expertise in this area for the Trust.

The behavioural aspect will also be addressed through ongoing communications within the Trust, and a key emphasis on business travel. Programs within the Trust such as the cluster programme could have a detrimental effect on staff travel but there is an ongoing dialog to address this in time.

Performance Against Objectives

Each quarter, the Board receives an update on the achievement of its objectives, as detailed in the Trust's 2010/11 Annual Plan, together with a statement of any significant risks that may prevent these objectives being accomplished and the actions being taken to ensure this does not happen.

More details about each of these objectives, together with those for corporate services, can be obtained from the Trust Board papers online at www.kmpt.nhs.uk

In 2012/13 an Annual Plan is being published that will detail the objectives for service lines and corporate departments, in line with the Trust's objectives (see page 25).

Key Performance Indicators (KPIs)

The Trust is monitored against a number of Key Performance Indicators set by our local commissioners (the PCT Cluster). The Trust also tracks performance against KPIs used by regulatory bodies such as Monitor and the Care Quality Commission.

We have set out below our performance against a number of our most significant KPIs. These KPIs are regularly reported to the Trust Board as part of a performance dashboard. There are other KPIs which apply to a range of Trust services. These are regularly monitored by commissioners.

Key Performance Indicator	Year End %
Admissions gatekept by CRHT (%)	97%
CPA 7-day follow-up (%) Enhanced Only	96.9%
Delayed transfers of Care (Monitor/ CareQuality Commission)	5.8%
MHMDS completeness (as CQC guidance, %)	99%
Ethnicity DQ (%valid) CQC definition	85%
Adults with CPA care plans (%)* 18 - 65 year olds	91%
Adults having received a 12 month CPA review (%)* 18 - 65 year olds	62%
Emergency readmissions within 28 days (younger, %)	4%
Emergency readmissions within 28 days (older, %)	3%
Length of stay (younger, days)	33.00 *
Length of stay (older, days)	59.80 *
Bed occupancy (younger, %)	98% *
Bed occupancy (older, %)	92% *

* latest position figures as at March 2012

Compliments and Complaints
Principles for Remedy.....

The Trust welcomes feedback on the services we provide, via compliments, enquiries, feedback, comments or complaints, which helps us to learn and continuously improve our services. The Trust is committed to a fair, effective and accessible complaints system that meets the needs of the complainant and an integrated Health and Social Care Partnership Trust, in accordance with the NHS Complaints Procedure. The Trust has adopted Good Practice in complaint handling as outlined in the Parliamentary and Health Service Ombudsman's documents – Principles for Remedy (October 2007) and Principles of Good Complaint Handling (November 2008).

Being customer-focused
Consultation takes place with the individual to agree the way forward, which offers the opportunity to listen and understand their complaint and the outcome that they are seeking. In recognising the more 'customer care' orientated approach to complaint handling, the complaints function is now provided within the Patient, Public and Community Involvement Department, working alongside Patient Advice and Liaison Services (PALS). Further consideration is being given as to how this department and the whole Trust might best meet the needs of our service users and the public to ensure that we are taking all reasonable and proportionate steps to act on and resolve any concerns raised and to ensure, where appropriate, that concerns raised lead to service improvement.

Getting it right
The Trust aims to ensure that all complaints are treated fairly and in a timely manner in accordance with the law and relevant guidance and with due regard for the rights of those concerned. During the year 2011/12 the Trust worked to the NHS Complaint Regulations 2009, which offers a single two-stage complaints system within a flexible approach that focuses on the complainant and seeks to resolve the specific concerns being raised. Where appropriate, the Trust will consult with other agencies to adopt a joined up approach to help to resolve the complaint for the individual.

Being open and accountable
Apologies and explanations are provided where shortfalls have been acknowledged. Any learning is identified, both to remedy the situation and to continuously improve the services provided by the Trust.

Acting fairly and proportionately
The Trust treats each complaint impartially, ensuring that complaints are investigated thoroughly and fairly to establish the facts of the case, ensuring that decisions are evidence-based, proportionate, appropriate and fair.

Putting it right
The Trust is committed to the 'Being Open Concept', acknowledging where things might have gone wrong or could be done differently and apologising where appropriate. Local managers meet with complainants to ensure they are kept up to date with the process and with changes in practice taking place to improve services.

Patient, Public and Community Involvement

The past year has been a year of innovation and consolidation for Patient, Public and Community Involvement within the Trust. The Patients Councils, Service User/ Carers Forums and Locality Planning & Monitoring Groups have continued to work in partnership with the Trust to ensure that service users and carers have a structure which allows their views and concerns to be taken into account in the governance and planning processes within the Trust. This now includes the opportunity for a service user or carer to give a 10 minute presentation to the Board about their experience of KMPT services. The presentations, which take place on a bi-monthly basis, are proving very beneficial both to the Board and the presenters.

The Patient Consultative Committees continue to meet in the three geographical areas of the Trust – East, Medway and West – providing a good opportunity for the exchange of information regarding secondary mental health services and for speakers from KMPT to explain and discuss service provision with members of the group.

During 2010/11 the Experts by Experience Group; service users who have had training in research methodology, carried out eight service user-led evaluations. The recommendations from these evaluations are now being followed through into service delivery.

This year the Group; were commissioned by KMPT to assist in delivering a service user evaluation of KMPT discharge processes and have been working with the forensic service to develop a user-led service review of the Trevor Gibbens Unit.

An important piece of work carried out within the organisation during the past year has been the co-production of a Community Engagement Strategy; this piece of work was led by a steering group made up of service users, carers, members of community organisations and staff from KMPT. This is a very exciting piece of work culminated in the launch of the strategy at a community centre in Maidstone attended by many stakeholders. The steering group will now monitor the implementation of the strategy that is 'owned' by the community which it is there to serve.

Patient experience continues to be at the heart of service provision for KMPT and as we move into the new financial year we will continue to strengthen our links with the community and the people who use our services.

Data Loss & Confidentiality

In 2011/12 the Trust had three incidents, four less than in 2010/11, relating to data loss or confidentiality breaches.

Charging for Information

When responding to requests for information under the Data Protection Act, we charge in accordance with legislation for those who are requesting copy records. This is a minimum of £10 and maximum of £50 dependent on the number of copies. This is fully in line with the Information Commissioner's Office guidelines. Freedom of Information Act charges are laid out in the publication scheme documents on our website. Our policies regarding charges for information requests are detailed in the relevant letters/literature relating to each type of legislation.

Our Governance

In this section you will be able to learn about how the Trust uses its committees and formal groups to monitor how the Trust is being run, together with the risks associated with the running of services.

Through a comprehensive governance structure of committees that scrutinise and monitor the work of the Trust, we can ensure that our services are being as effective and safe as possible.

The Trust Board leads the governance processes and the Annual Governance Statement in this section gives a comprehensive overview of the issues monitored through governance processes in 2011/12.

Governance Structure and Board Committees

Board committees and membership of committees changed during the year but all functions in current committees have been covered throughout 2011/12.

The Terms of Reference for all committees and a complete structure chart, showing all of the Trust's committees and formal groups, can be found online at www.kmpt.nhs.uk

Committee Membership at 1 April 2012:

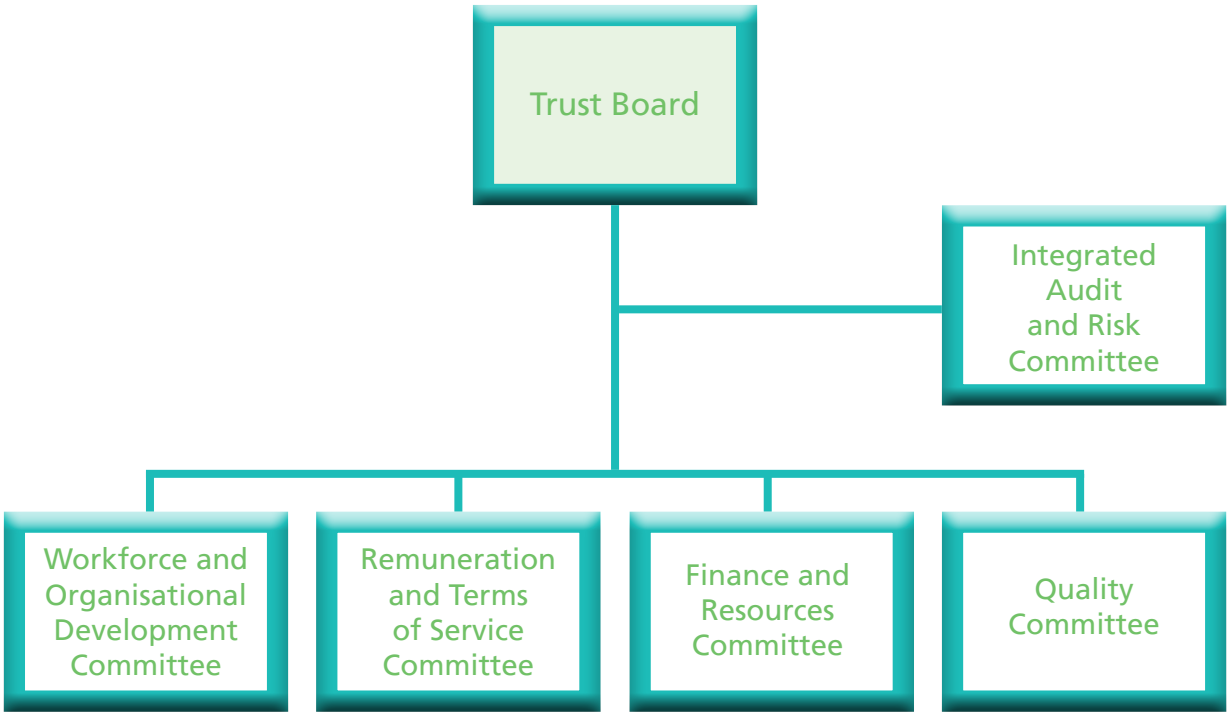
Integrated Audit and Risk Committee: Members include Ian McBride (Chair) and Guy Foster

Workforce and Organisational Development Committee: Members include Paul Godwin (Chair) and Michael Sander

Remuneration and Terms of Service Committee: All Non-Executive members of the Board are members of this committee.

Finance and Resources Committee: Members include Guy Foster (Chair) and Michael Sander.

Quality Committee: Members include Valerie Hale (Chair) and Margaret Andrews



Governance structures are in place and have been reviewed during the year to ensure they continue to work effectively. The Trust's structures are already suitable for use when Foundation Trust status is achieved. The Trust's governance structure is detailed below A more extensive list of all Trust groups is available online at www.kmpt.nhs.uk

Clinical Governance

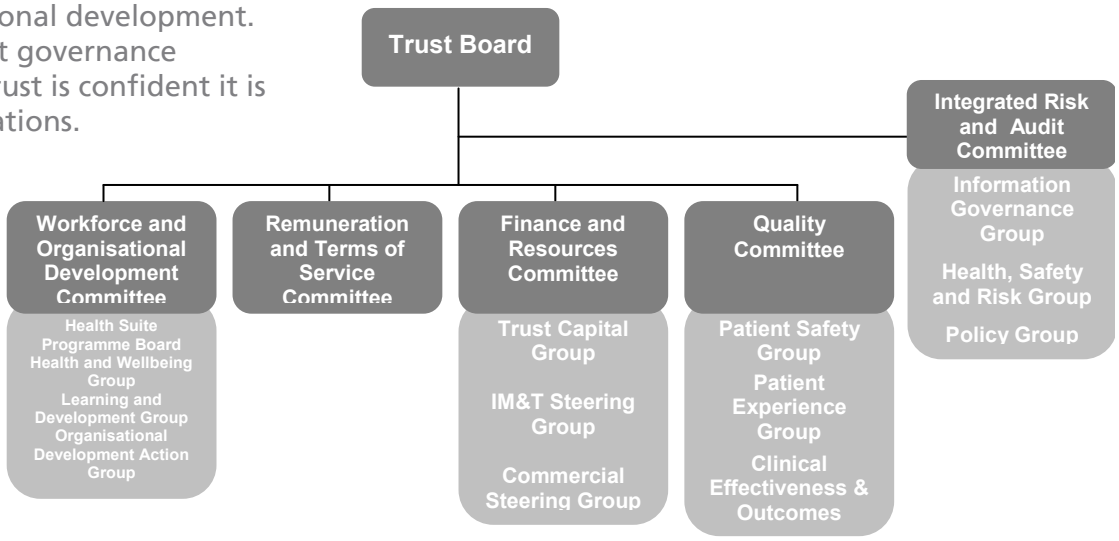
Clinical governance is the system by which NHS organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care by creating an environment in which clinical excellence will flourish. This key part of the Trust's work is central to patient care.

The purpose of governance is to ensure that service users and carers receive the highest level of NHS care possible. It covers the organisational systems and processes for using information, monitoring and improving services, including service user and carer experience, risk management, clinical audit, clinical effectiveness, staff focus and valuing staff, education, training, practice and professional development. In establishing robust governance arrangements, the Trust is confident it is meeting these obligations.

Integrated Audit and Risk Committee

Audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services. The Codes of Conduct and Accountability and the Integrated Governance Manual set out the requirement for every NHS Board to establish an Audit Committee. That requirement reflects established best practice in the private and public sectors and the constant principle that the existence of an independent Audit Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit Committee provides a form of independent check upon the executive arm of the Board. The Trust's Committee is the Integrated Audit and Risk Committee.

The Committee also sets the strategic direction for managing governance and risk and implementing a framework to ensure risk and governance issues are managed effectively throughout the organisation.



Annual Governance Statement Summary 2011/12

1 SCOPE OF RESPONSIBILITY

1.1 In my role as Accountable Officer, and Chief Executive of this Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with my responsibilities as set out in the Accountable Officer Memorandum. I am also responsible for ensuring that the NHS Trust is administered prudently and economically and that resources are applied effectively and efficiently.

1.2 In fulfilling my responsibilities to the Chief Executive of the NHS, in his capacity as Accounting Officer, I am directly accountable to the Chairman of the Trust Board and the Non-Executive members of the Trust Board for the operation of the Trust and for the implementation of the Board's decisions.

I am accountable to the Accounting Officer through the NHS South of England Strategic Health Authority for the performance of the Trust's functions and for meeting its statutory duties.

2 THE GOVERNANCE FRAMEWORK OF THE ORGANISATION

2.1 The Board implements its roles and responsibilities with the aid of a structured and focussed Annual Board cycle, which takes into account the setting of strategy and the monitoring of key risks, performance, governance and quality issues. Service user engagement is embedded within the Annual Board cycle through regular service user presentations on clinical services on alternate months.

2.2 Board attendance for the 2011/12 period averaged a rate of 86%, and formal Board meetings were held monthly.

2.3 The Board has a robust committee structure, which is enhanced by Non-Executive Director chairmanship, enabling the Board to focus on its core business whilst receiving regular assurance. There is an established mechanism to maximise the effectiveness of its Committees through comprehensive workplans as well as the alignment of the Board's meetings and that of its Committees. This ensures timely monitoring of areas of responsibility delegated by the Board to the Committees through receipt of Chair assurance reports and minutes.

2.4 The Board has used the Board Governance Assurance Framework to assess its performance and has produced an action plan to address areas for improvement. This assessment also informs the Board's compliance with the provisions of the UK Corporate Governance Code.

2.5 The Board undertook a formal and rigorous review of its committees in December 2011, which resulted in a revised committee structure.

2.6 The Committees of the Board are the:

- Integrated Audit and Risk Committee
- Quality Committee
- Finance and Resources Committee
- Workforce and Organisational Development Committee
- Remuneration and Terms of Service Committee

2.7 The Integrated Audit and Risk Committee supports the Board in reviewing the effectiveness of the system of internal control, through a structured annual work plan. The main role of the Committee is to seek assurance that the Trust's governance and risk management systems are fit for purpose, adequately resourced and effectively deployed. To aid this assurance, the coverage of the Committee's work plan incorporates the review of the organisation's risk management processes, and associated risk registers, from service to corporate level. The Integrated Audit and Risk Committee takes assurance from the Internal Audit function, by setting the Internal Audit plan and monitoring its delivery regularly, as well as overseeing the implementation of audit recommendations. The Committee also assessed the effectiveness of the financial controls during 2011/12, whilst taking assurance from the independent reviews of the Internal Audit and External audit functions

3 RISK ASSESSMENT

3.1 The organisation has a wide range of internal processes which facilitate the identification and assessment of risks.

3.2 Local teams have the facility to assess organisational, clinical, environmental, financial and activity related risks against the care they are responsible for delivering.

3.3 The risk register is populated at a local / operational level as well as at a corporate level for those risks which are deemed to be corporate risks.

3.4 The risk register informs the business planning process and is a key consideration in the general operational management at service line, directorate and corporate level.

3.5 The organisation has processes in place for the identification and assessment of key risks that are based on legislative and regulatory requirements, which are used by the Trust to inform policy and practice. These areas include financial,safeguarding, health and safety, Climate Change Act adaptation, information risk and infection control.

3.6 As outlined in the Risk Management Strategy, strategic risks are identified and assessed in relation to the achievement of the Trust's strategic objectives. In general terms, 'bottom up' risks are identified through local staff incident reporting and risk assessments whilst organisational risks will be identified through business planning, serious untoward incidents and HR processes such as recruitment. 'Top down' risk assessment is undertaken through the ongoing development of the Board Assurance Framework, strategic business planning and contract management.

4 THE RISK AND CONTROL FRAMEWORK

4.1 The Trust Board has overarching

responsibility for risk management. As Accountable Officer I ensure that sufficient resources are invested in managing risk and I am supported in undertaking this role by the Executive Director of Nursing and Governance.

4.2 The Non-Executive Committee members of the Integrated Audit and Risk Committee play a key role in the internal control assurance processes by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Board Assurance Framework and risk register.

4.3 In addition, the Board Committees all have responsibility for elements of the risk management system, with the Integrated Audit and Risk Committee providing assurance on its effectiveness.

4.4 The Trust Risk Management Strategy provides the framework for the continued development of the risk management process, building on the principles and plans linked to the Trust's Assurance Framework, the Risk Register, the requirements of the Care Quality Commission and national priorities.

ELEMENTS OF THE ASSURANCE FRAMEWORK

4.5 The Board Assurance Framework document has been established by the Board and is reviewed on a quarterly basis. The Executive Management Team retains ownership and maintenance of the Board Assurance Framework. Its key elements include:

- Board agreed organisational objectives and identification of the principal risks that may threaten the achievement of these objectives
- Identifying the design of key controls intended to manage these principal risks
- Setting out the arrangements for obtaining assurance on the effectiveness of key controls across all areas of principal risk
- Identifying assurances and areas where there are gaps in controls and / or assurances
- Putting in place plans to take corrective action where gaps have been identified in relation to principal risks
- Maintaining dynamic risk management arrangements including a well founded risk register

5 REVIEW OF THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL

5.1 The Risk Management framework is supported by the processes in place to identify, assess, treat and monitor risks that materialise within clinical and corporate areas of the Trust. The Trust has established processes for managing risks that impact on the quality and safety of information, staff and patients.

5.2 The Head of Internal Audit provides an opinion on the effectiveness of the system of internal control, which is informed by the delivery of the Internal Audit programme and a specific review of the risk management arrangements and controls within the organisation. In the 2011/12 period, Internal Audit carried out a Trust-wide review of the risk management arrangements and Assurance Framework. The outcome of the review was an audit opinion of significant assurance, indicating that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied

consistently. Recommendations were also made about further improvements to enhance the system of internal control, which are either being implemented, or have been completed.

5.3 The systems and controls in place to ensure the delivery of quality account obligations, and associated evidence also inform my assessment of the effectiveness of the risk management and internal control framework, in relation to risks to quality.

5.4 The performance management framework provides a structured approach to monitoring the delivery of the Trust's contractual and national obligations, and associated mitigations to risks to safety.

SIGNIFICANT CONTROL ISSUES

5.5 There are three significant control issues related to a lack of assurance to support compliance with CQC Outcome 14 : Supporting Workers, due to the staff survey results, as well as CQC Outcome 4: Care and welfare of service users. This was due to the major concern following the Birling Centre review. In addition, there were three information governance serious incidents that occurred during the 2011/12 financial period .Action plans associated with these incidents had been fully implemented by the end of the financial year.

5.22 The table below summaries these incidents and the actions undertaken to mitigate the associated risks:

Information Governance Breaches
Level 3 Information Governance Serious Incidents
Nature of breach: Patient information found fly-tipped by member of the public. Actions taken: Joint incident with neighbouring NHS Trust Reported to Information Commissioner and local Council investigated criminal element.
Nature of breach: Minutes from internal meeting were located within grounds of Medway Maritime Hospital, with personal information of 19 patients and summarising their care Actions taken: Investigated by KMPT and determined that information was not shared outside of office, believed to have been lost as part of confidential waste removal
Level 4 Information Governance Serious Incidents
Nature of breach: Archiving records were transmitted in error to wrong courier and delivered to a private company address Actions taken: • Enhanced courier collection arrangements • Increased awareness training for staff involved

5.23 I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board which is supported by:

- the Integrated Audit and Risk Committee which considers the annual plans and reports of External and Internal Audit
- the Quality Committee which ensures that comprehensive and robust systems and processes are in place for clinical governance and quality within the Trust
- the Executive Management Team which oversees the implementation of the strategic direction of the Trust.

5.24 In addition, the Head of Internal Audit has a mechanism for identifying and recording in Internal Audit reports gaps in controls that need to be addressed. Action plans have been agreed with senior managers and further details are recorded in the Internal Audit progress reports presented to the Integrated Audit and Risk Committee. Internal Audit maintains a system to monitor the implementation of all agreed recommendations and report back to the Integrated Audit and Risk Committee on a regular basis. This is a well established process and continues to operate effectively.

5.25 The Trust is reliant upon information system controls operated by third parties under contracts negotiated by the Department of Health and under which the Trust has no contractual or other influence over the managed service providers. For the ESR Payroll and HR system, the Department of Health has put in place arrangements under which the Trust received formal assurances about the effectiveness of internal controls.

5.26 My review confirms that Kent and Medway NHS and Social CarePartnership Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

On behalf of the Trust Board

Angela McNab
Chief Executive

DATE: 31st May 2012

The Trust's Full Annual Governance Statement can be found online at www.kmpt.nhs.uk .

Managing Finances

In this section you will be able to learn about how Trust is funded and how it manages its finances. This section contains the Operating Financial Review and Summary Financial Accounts.

You will learn how much funding we receive and where it comes from, as well as how we spend it on providing services. You can also learn about the remuneration of our most senior staff, how we pay our bills, our investment in capital projects and learn whether we have met our financial targets for 2011/12.

About the Trust | Our Year in 2011-12 | Our Governance | Managing Finances | Our Future

Glossary

This glossary explains some of the technical terms that are used within this section of the report.

Technical Term	Plain English description
Public Dividend Capital	The finance (PDC) made available to the Trust to pay for its assets, including all its buildings at its start.
Fixed assets	Assets held for use by the Trust rather than for sale or conversion into cash, e.g. buildings, equipment, fixtures and fittings.
Current assets	Items such as stock held by the Trust, cash in the bank and in hand and monies owed to the Trust.
Payables	Amounts of money that the Trust owes other organisations or individuals.
Provisions	Amounts of monies that the Trust has a liability to pay in the future that can be reliably estimated.
Capital Resource Limit	A limit that controls the amount of capital expenditure the Trust can incur in a year. The Trust must have a capital resource limit to cover all capital expenditure it incurs and should maintain expenditure within the limit.
External Financing Limit	A limit set by the Department of Health used to control and manage the cash expenditure of the Trust. It covers all sources of finance available to the Trust, internal, external or from the Department of Health.
Capital Cost Absorption Duty	This duty measures the Trust's ability to ensure that the Department Of Health receive a return on their investment (PDC). It measures the Trust's Dividend against average relevant assets held.
Management Costs	The total cost of corporate administration plus the cost of management of the operational services of the Trust, including support functions.
Liquidity	The ability of the Trust to pay all its debts when they fall due.
Benefits in Kind	Goods or services provided by the Trust to an employee for no cost or a greatly reduced cost.
Intangible Assets	Assets that have no physical substance e.g software licences.
Tangible Assets	Assets that have physical substance e.g. a building.
Investments	Money placed to generate a return over a period of time.
Receivables	Entities or individuals who owe the Trust money.
Taxpayers' Equity	Bottom half of the Statement of Financial Position which shows the taxpayers' investment in the Trust.
Fixed asset impairment losses	Impairment losses arise when an asset is recorded in the Trust's books at more than its current value. This difference between what the Trust can sell the asset for and the historic value in the Trust's books is an impairment loss.

Earlier in this report the Trust's performance against non-financial targets is set out. On page 25 details of performance against the Trust's main objectives are highlighted.

The following pages summarise the Trust's financial performance. The Operating Financial Review has been prepared in accordance with Reporting Standard 1 (RS1).

This year reflects the results of the changes and developments that the Trust had put in place to respond to the needs of our stakeholders – both patients and commissioners. We have continued to strengthen our financial governance processes, with a particular focus on cost control and service redesign, whilst maintaining patient safety.

There were a number of changes in the Trust's service portfolio during 2011/12.

- In line with the Government agenda the Trust continues to divest itself of the provision of services to people with learning disabilities. The final stage of transferring the service for Kent community teams to the Kent Community Trust concluded on 1st May 2011. The Medway team transferred to the Medway unitary authority on 30th March 2012. Our core business remains as the provision of mental health services which are available to all, including those with learning disabilities.

- The Trust was successfully in its tender for provision of 20 low-secure forensic in-patient beds.

- The Trust was commissioned to provide adult mental health social care services to the people in Medway by Medway Local Authority through joint commissioning arrangements with the Medway Primary Care Trust. This ceased in February 2012 when the service transferred back to Medway Local Authority

- Personality Disorder Services were expanded into Kent during the year.

- To enable the reduction of the reliance on beds in East Kent the Trust received additional funding to provide home treatment to older persons. This enabled 18 beds to be closed.

The new build at Canterbury for the provision of acute adults of working age in-patient facilities commenced during the year and is on track to complete in November 2012.

The Trust continues to earn the majority of its income from the three local Primary Care Trusts (PCTs) in Eastern and Coastal Kent, West Kent and Medway under a single block contract. The partnership arrangement with Kent County Council, which enables single management of the workforce for the provision of adult services, has also continued during 2011/12.

Introduction

This section summarises the financial performance for 2011/12 and the position of the Trust as at 31 March 2012. The accounting policies adopted follow International Financial Reporting Standards (IFRS) and HM Treasury's Resource Accounting Manual to the extent that the Department of Health has directed it as being appropriate to NHS Trusts. The two most significant accounting policies, which require the exercise of judgement and which can potentially have a material impact on the Trust's accounts, are FRS11 – Impairment of Fixed Assets and Goodwill and FRS12 – Provisions, Contingent Liabilities and Contingent Assets.

The Trust's summarised accounts for 2011/12 have been examined by our external auditor, The Audit Commission, and their report is set out on page 50.

Financial Performance

The Trust has four main financial targets;

- Break-even or achieve surplus if an FT Applicant. If a deficit occurs, to recover the position over a three-year period.
- To remain within its external financing limit (a target on the amount of cash resource the Trust can utilise).
- To remain within its capital resource limit (a target on capital spending).
- To achieve its capital cost absorption duty (a rate of return on assets).

During 2011/12 the Trust successfully achieved these targets, despite a number of challenges. The Trust recorded a minor surplus of £32k against a plan of break-even. This result was achieved despite the Trust being unable to implement recurrent cash releasing efficiencies. Non-recurrent measures identified by the early implementation of a financial recovery plan included funding earned under the Commissioning for Quality and Innovation (CQUIN) agenda, utilisation of contingencies and recruitment controls.

Summary of Financial Targets

Target	Achieved?
Break-even £32k surplus	Yes
Remain within External Financing Limit £1,807k underspend	Yes
Remain within Capital Resource Limit £1,692k underspend	Yes
Achieve a 3.5% Capital Cost Absorption Duty	
(with a margin of +/- 0.5% flexibility) 3.5% achieved	Yes*

Audit

The Trust's external auditor is The Audit Commission. It conducted work during the year on audit services at a cost of £120k (excluding VAT). This work included accounts, governance and performance work.

Provision of Information to Auditors

As far as the Trust's directors are aware, there is no relevant information of which the Trust's auditor is not aware and the directors have taken all reasonable steps that might properly be taken as directors to make themselves aware of any material audit information and to establish that the Trust's auditor is aware of that information.

Going concern

After making enquiries, the directors have a reasonable expectation that the 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.

Capital Expenditure

The Trust spent £9.3m on capital expenditure in 2011/12, which represented an under-spend against its original plan. This was mainly due to deferrals of spending to next year required to support services redesigns. The Board also agreed to sell the surplus properties that had been identified as part of the estates strategy to mitigate the costs of retention and their reducing market value. The under-spend has been carried forward into the next financial year.

The most significant expenditure was on the following items:

1. £1m to refurbish the building used to provide the new low-secure unit in Dartford.
2. £4.3m for building works on the Canterbury inpatient services to full business case status.
3. £0.9m on the refurbishment of Heathside as part of a joint project with West Kent PCT to provide a single children's services site.
4. £1.7m on information technology to enable the workforce to have access to robust tools which will provide valuable information and free-up clinician time for patients. An element of the IT spend reflects investment in a number of systems that commenced in 2011/12 and completed in 2011/12:
    - • RiO - a patient activity system that will replace the ePEX system.
    - • PLICs - a patient level costing system that will enable costs by patient to be calculated.
    - • BI – a business intelligence system that enables robust reporting from the ePEX and RiO systems.

The remainder of the capital expenditure was for smaller building and engineering projects.

Private Finance Initiative (PFI)

The use of private finance gives the Trust more access to funding for capital developments than would otherwise be available. The Trust has five PFI buildings that were built over a number of phases and were all part of the old Stone House hospital reprovision.

Phase 1 was the building of an adult inpatient unit on alternative land at Stone House. This was completed in 2000.
Phase 2 was in two stages. Stage 1 was not a PFI and was for the construction of a mental health assessment centre and a renal dialysis

unit on the Darent Valley Hospital site by the PFI contractor of the Darent Valley Hospital. This scheme was completed in April 2005 at a cost of £5.4 million. The scheme was funded by public dividend capital. Stage 2 was a scheme with four units – a 20-bed continuing-care unit, a 20-bed medium-secure unit and a 12-bed rehabilitation unit all completed in September 2006 and a 16-bed inpatient addiction unit completed in July 2007.

All the PFI schemes are currently 'on Balance sheet' and therefore the monthly payments are treated as payments comprising interest payable, long term loan repayment and provision of facility services where applicable.

Payment by Results

In the acute sector the NHS operates a charging mechanism called 'Payment by Results' (PbR). Under PbR, organisations that provide healthcare charge commissioners for the activities they undertake based on a national tariff price for that activity. This is part of a planned move away from the old system of commissioning on block contract agreements and will eventually apply to most NHS services. Currently, mental health services are excluded from these arrangements and as a result most of the Trust's income is still earned from the old style block contracts, where there is neither reward for extra activity nor penalty for reduced activity. However the Trust can incur penalties for non-achievement of key performance or quality indicators.

Mental health services are being brought into these arrangements via local implementation of a proposed tariff structure based on clusters. These clusters are the result of the North East pilot work and the clusters are based on diagnosis and care pathways within the cluster. The Trust is working with the lead commissioner, Medway PCT, to calculate and compile local tariffs. The early results have produced diverse ranges of prices for each cluster and work continues throughout 2012/13 to ensure service users are clustered appropriately and tariff calculations are more robust. The clinical services review the output and work continues in agreeing the standard packages of care for each cluster that will be delivered.

The Department of Health is expecting the Trust to be commissioned and paid via local tariffs by 2013/14 and state of readiness is monitored by the Strategic Health Authority.

Management Costs

	£'000
Management costs	10,439
Total Income	178,468
Management costs as a percentage of total income	5.85%

Liquidity

The Trust operates with very low levels of liquidity which is acceptable under the current financial regime. Under the present arrangements the bulk of the Trust's income is contracted to be received on the 15th of the current month, which allows the Trust to meet its main expenditure obligation (payroll) on the 24th of the month. The Trust has a loan of £4.2m.

The Trust has increased its cash holding as a result of an under-spend on capital and this is consistent with the cash management strategy that requires the cash position to be increased over the next few years. This improvement in cash holding is required as part of the Trust's FT application and recognises the risk to cash flow when the Trust receives payment via tariff.

Local Strategic Partnership (LSP)

The government encourages local strategic partnerships as formal expressions of the more integrated service planning and delivery that has been taking place in recent years, for example across NHS, local authority and voluntary services.

The Trust has been an active partner in LSPs. It aims to co-ordinate private, public, voluntary and community organisations working together to improve the social, economic and environmental well-being of the local area and its residents.

Income

The Trust's income in 2011/12 totalled £178,468k. The sources of income were:

	£'000	%
Primary Care Trusts	161,990	90.77
Local Authorities	3,274	1.83
Education and Training	2,994	1.68
Non-patient care services	7,691	4.31
Other	2,519	1.41
Total	**178,468**	**100**

Better Payment Practice Code

The NHS Executive requires that Trusts pay their non-NHS trade creditors in accordance with the Confederation of British Industry (CBI) prompt payment code and Government Accounting Rules. The target is to pay at least 95% of non-NHS trade creditors within 30 days of receipt of goods or a valid invoice (whichever is the later) unless other payment terms have been agreed with the supplier.

The Trust's payment policy is consistent with this requirement and the measurement of compliance is:

Total trade bills paid 2011/2012	27,466
Value of total trade bills paid 2011/2012	£40.353m
Total trade bills paid within target	25,294
Value of total bills paid within target	£37.933m
Percentage of bills paid promptly - number	92%
Percentage of bills paid promptly - value	94%

Expenditure

Operating expenses in 2011/12 totalled £173,259k. The analysis of this expenditure is:

	£'000	%
Staff costs	133,300	76.94
Supplies and services	11,442	6.60
Premises	7,064	4.08
Services from other NHS Trusts	1,806	1.04
Services from NHS FTs	4,064	2.35
Establishment	5,317	3.07
Depreciation	5,351	3.09
Impairments	449	0.26
Other	4,466	2.58
Total	**173,259**	100

Statement of Accounting Officer's Responsibilities

The Chief Executive of the NHS has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as the Accountable Officer.

Angela McNab
Chief Executive
31 May 2012

Remuneration Committee

The Remuneration Committee is a formally appointed Committee of the Board of Directors. Its Terms of Reference comply with the Secretary of State's 'Code of Conduct and Accountability for NHS Boards'. The membership of the Remuneration Committee for the period April 2011 to January 2012 comprised the Chairman and three Non-Executive Directors. From January 2012 the membership was revised to include the Chairman and all Non-Executive Directors. The HR Director and Chief Executive are in attendance at all meetings (excepting those circumstances where their own remuneration is under consideration) to advise the Committee and ensure that an appropriate record of proceedings is kept.

The Remuneration Committee met five times during 2011 and once in March 2012.

Remuneration of Senior Managers

In determining the pay and conditions of employment for Senior Managers, the Committee takes account of national pay awards given to the Pay and Non-Pay Review staff groups, together with HAY grading.

The highest paid employee salary figure for 2011/12 was approximately £148k (Mr Deans's salary whilst in post). This is 7 times greater than the median salary.

The highest paid employee salary figure for 2010/11 was £150k; this was also 7 times greater than the median salary.

The median salary of the workforce for 2011/12 was £21,798.00 and in 2010/11 the median salary of the workforce was £21,176.00.

Assessment of performance

All Executive and Non-Executive Directors are subject to individual performance review. This involves the setting and agreeing of objectives for a 12-month period running from 1st April to the following 31st March. The Executive Directors are assessed by the Chief Executive, the Chairman undertakes the performance review of the Chief Executive and Non-Executive Directors.

Duration of contracts

All Executive Directors have a substantive contract of employment with a three- or six-month notice provision in respect of termination. This does not affect the right of the Trust to terminate the contract without notice by reason of the misconduct of the Executive Director.

Early termination liability

Depending on the circumstances of the early termination the Trust would, if the termination were due to redundancy, apply redundancy terms under Section 16 of the Agenda for Change Terms and Conditions of Service or consider severance settlements in accordance with HSG94(18) and HSG95(25).

Salary and pension entitlements of Senior Managers

The definition of a Senior Manager for disclosure purposes is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body'. This means those who influence the decisions of the entity as a whole rather than the decision of individual directorates or departments. The Chief Executive has confirmed that, for 2011/12, the definition applies only to those listed in the table of salaries and allowances overleaf.

Remuneration Report

Salaries and Allowances of Senior Managers

	2011-12			2010-11		
Name and Title	Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind
	£000	£000	£000	£000	£000	£000
Mr E Millar - Chief Executive. Retired 30-6-2011	35-40	-	0-5	140-145	-	5-10
Mr R Deans - Chief Executive. In post from 11-07-2011	140-145	-		-	-	-
Mrs A Foreman - Interim Executive Director of Finance	100-105	-	0-5	5-10	-	0-5
Mr J Sinclair - Executive Director of Social Care. Employed by KCC and seconded to the Trust. Resigned 30-09-2011	45-50	-	0-5	90-95	0-5	0-5
Mrs P Barber - Executive Director of Nursing and Governance	90-95	-	-	-	-	-
Mrs N Prince - Director of HR. In post from 01-01-2012	20-25	-	-	-	-	-
Dr K White - Executive Medical Director	125-130	35-40	-	120-125	30-35	-
Ms M Dodd - Executive Director of Operations	105-110	-	-	105-110	0-5	-
Mr P Smallridge - Chairman. Resigned 31st October 2011	10-15	-	0-5	20-25	-	0-5
Mr A Ling - Chairman. In post from 1st November 2011	5-10	-	0-5	-	-	-
Mr P Godwin - Non-Executive Director	5-10	-	0-5	5-10	-	0-5
Mrs V Hale - Non-Executive Director	5-10	-	0-5	5-10	-	0-5
Mr M Sander - Non-Executive Director	5-10	-	0-5	5-10	-	0-5
Mr I McBride - Non-Executive Director	5-10	-	0-5	5-10	-	0-5
Mr G Foster - Non-Executive Director	5-10	-	0-5	5-10	-	0-5
Mr B Sharp - Non-Executive Director. Resigned 31st January 2012	5-10	-	0-5	5-10	-	0-5
Mr P Martin - Non-Executive Director. Resigned 31st August 2011	0-5	-	0-5	5-10	-	0-5

Pension Benefits of Senior Managers

Name	Real increase in pension at age 60	Real increase in pension lump sum at aged 60	Total accrued pension at age 60 at 31 March 2012	Lump sum at age 60 related to accrued pension at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2011	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
E Millar Retired from 30/06/11	-	-	70-75	205-210	-	1639	-	N/A
R Deans From 11/07/12	0-2.5	2.5-5	50-55	150-155	999	880	92	N/A
K White	7.5-10	25-30	55-60	175-180	1137	868	243	N/A
M Dodd	-	-	20-25	60-65	403	363	28	N/A
A Foreman	5-7.5	15-20	20-25	70-75	406	267	131	N/A
P Barber	0-2.5	2.5-5	20-25	65-70	379	297	73	N/A
N Prince From 01/01/12	0-2.5	0-2.5	10-15	30-35	194	156	8	N/A

Cash Equivalent Transfer Values

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 disclosure applies. The CETV figures and the 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.

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 scheme or arrangement). A key input into the system is the Government Actuary's Department (GAD) factor tables used to calculate the CETVs, which are different to those used as at 31 March 2011. In the Budget on 23 March 2011, HM Treasury confirmed that they were considering a review of the basis for the calculation of CETVs payable from public service schemes, including the NHS Pension Scheme. That review is now complete and revised guidance was issued on 26 October 2011. NHS Pensions are using the most recent set of actuarial factors produced by GAD with effect from 8 December 2011. The impact of the new factors will differ depending on the age of individuals and their normal retirement age.

Exit Packages

	2011-12			2010-11		
Exit package cost band (including any special payment element)	***Number of compulsory redundancies**	***Number of other departures agreed**	**Total number of exit packages by cost band**	*Number of compulsory redundancies	*Number of other departures agreed	**Total number of exit packages by cost band**
Less than £10,000	17	6	23	-	-	-
£10,001-£25,000	5	12	17	-	1	1
£25,001-£50,000	12	3	15	2	-	2
£50,001-£100,000	5	1	6	-	2	2
£100,001 - £150,000	4	-	4	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
>£200,000	-	-	-	-	-	-
Total number of exit packages by type (total cost)	43	22	65	2	3	5
Total resource cost (£000s)	**1,395**	**389**	**1,784**	**57**	**150**	**207**

This note provides an analysis of Exit Packages agreed during the year. Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Agenda for Change Redundancy Scheme. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS Pensions Scheme. Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

Independent auditor's statement to the Board of Directors of Kent and Medway NHS and Social Care Partnership Trust

I have examined the summary financial statement for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income; Statement of Financial Position; Change in Taxpayers Equity and Statement of Cash Flows.
This report is made solely to the Board of Directors of Kent and Medway NHS and Social Care Partnership Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

My responsibility is to report to you my opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statement.

I conducted my work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. My report on the statutory financial statements describes the basis of my opinion on those financial statements.
Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2012.

Andy Mack
District Auditor
Audit Commission,
1st Floor, Millbank Tower, Millbank, London
SW1P 4HQ
31 May 2012

Statement of Comprehensive Income for the year ended 31 March 2012

	2011-12 £000	2010-11 £000 (restated)
Employee benefits	**(133,300)**	(137,650)
Other costs	**(39,959)**	(39,644)
Revenue from patient care activities	**165,414**	168,626
Other Operating revenue	**13,054**	13,522
Operating surplus	**5,209**	4,854
Investment revenue	**68**	58
Other gains	**215**	374
Finance costs	**(1,657)**	(1,522)
Surplus for the financial year	**3,835**	3,764
Public dividend capital dividends payable	**(3,803)**	(4,052)
Retained surplus for the year	**32**	(288)
Other Comprehensive Income		
Impairments and reversals	**(13)**	(1,266)
Net gain on revaluation of property, plant & equipment	**0**	21
Net (loss) on other reserves	**(207)**	-
Total comprehensive income for the year	**(188)**	(1,533)

Financial performance for the year	
Retained surplus/(deficit) for the year	**32**
Prior period adjustment to correct errors	**-**
IFRIC 12 adjustment	**1**
Impairments	**449**
Less adjustments in respect of donated asset reserve elimination	**(56)**
Adjusted retained surplus	**538**

The reported performance of NHS Trusts differs from the financial performance due to allowable technical
Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS
The donated reserve adjustment is shown as a negative as it has an adverse impact on the financial
therefore increases the adjusted retained surplus.

PDC dividend: balance receivable at 31 March 2012	**89**

Statement of Financial Position as at 31 March 2012

	31 March 2012	31 March 2011 (restated)	31 March 2010 (restated)
	£000	£000	£000
Non-current assets:			
Property, plant and equipment	**134,563**	140,872	148,627
Intangible assets	**3,367**	864	904
Trade and other receivables	**2,325**	2,365	3,771
Total non-current assets	**140,255**	144,101	153,302
Current assets:			
Trade and other receivables	**3,397**	3,977	3,220
Cash and cash equivalents	**17,365**	12,797	7,395
Total current assets	**20,762**	16,774	10,615
Non-current assets held for sale	**5,892**	425	-
Total current assets	**26,654**	17,199	10,615
Total assets	**166,909**	161,300	163,917
Current liabilities			
Trade and other payables	**(13,646)**	(13,539)	(8,870)
Provisions	**(1,493)**	(837)	(1,550)
Borrowings	**(650)**	(656)	(628)
Capital loan from Department	**(1,600)**	-	-
Total current liabilities	**(17,389)**	(15,032)	(11,048)
Non-current assets plus net current assets	**149,520**	146,268	152,869
Non-current liabilities			
Provisions	(2,249)	(2,959)	(4,164)
Borrowings	(17,335)	(17,985)	(18,641)
Capital loan from Department	(4,800)	-	-
Total non-current liabilities	**(24,384)**	(20,944)	(22,805)
Total Assets Employed:	**125,136**	125,324	130,064
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital	114,218	114,218	117,425
Retained earnings	8,620	7,910	7,858
Revaluation reserve	6,999	7,715	8,605
Other reserves	(4,701)	(4,519)	(3,824)
Total Taxpayers' Equity:	**125,136**	125,324	130,064

Changes in Taxpayers' Equity

	Public Dividend capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
Balance at 1 April 2011	114,218	7,910	7,715	(4,519)	**125,324**
Opening balance adjustments	-	-	-	-	**-**
Restated balance at 1 April 2011	114,218	7,910	7,715	(4,519)	**125,324**
Changes in taxpayers' equity for 2011-12					
Retained surplus/(deficit) for the year	-	32	-	-	**32**
Impairments and reversals	-	-	(13)	-	**(13)**
Movements in other reserves	-	-	-	(207)	**(207)**
Transfers between reserves	-	678	(703)	25	**-**
Net recognised revenue/(expense) for the year	-	710	(716)	(182)	(188)
Balance at 31 March 2012	**114,218**	**8,620**	**6,999**	**(4,701)**	**125,136**
Changes in taxpayers' equity for 2010-11					
Balance at 1 April 2010	117,425	7,858	8,605	(3,824)	130,064
Retained surplus/(deficit) for the year	-	(288)	-	-	(288)
Net gain / (loss) on revaluation of property, plant, equipment	-	-	21	-	21
Impairments and reversals	-	-	(1,266)	-	(1,266)
Transfers between reserves	-	340	355	(695)	-
PDC Repaid In Year	(3,207)	-	-	-	(3,207)
Net recognised revenue/(expense) for the year	(3,207)	52	(890)	(695)	(4,740)
Balance at 31 March 2011	**114,218**	**7,910**	**7,715**	**(4,519)**	**125,324**

Statement of Cash Flows for the year ended 31 March 2012

	2011-12 £000	2010-11 £000
Cash Flows from Operating Activities		
Operating Surplus	**5,209**	4,854
Depreciation and Amortisation	**5,677**	5,789
Impairments and Reversals	**449**	245
Interest Paid	**(1,588)**	(1,239)
Dividend paid	**(3,718)**	(4,232)
(Increase)/Decrease in Trade and Other Receivables	**529**	829
Increase/(Decrease) in Trade and Other Payables	**(1,866)**	4,919
Provisions Utilised	**(2,702)**	(2,005)
Increase/(Decrease) in Provisions	**2,579**	(196)
Net Cash Inflow/(Outflow) from Operating Activities	**4,569**	8,964
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	**68**	58
(Payments) for Property, Plant and Equipment	**(5,648)**	(4,773)
(Payments) for Intangible Assets	**(1,698)**	(377)
(Payments) for Investments with DH	**(611,800)**	(479,500)
Proceeds of disposal of assets held for sale (PPE)	**1,527**	5,365
Proceeds from Disposal of Investment with DH	**611,800**	479,500
Net Cash (Outflow)/Inflow from Investing Activities	**(5,751)**	273
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING	**(1,182)**	9,237
CASH FLOWS FROM FINANCING ACTIVITIES		
Public Dividend Capital Repaid	**-**	(3,207)
Loans received from DH - New Capital Investment Loans	**8,000**	-
Loans repaid to DH - Capital Investment Loans Repayment of Principal	**(1,600)**	-
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	**(650)**	(628)
Net Cash Inflow/(Outflow) from Financing Activities	**5,750**	(3,835)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,568**	5,402
Restated Cash and Cash Equivalents at Beginning of the Period	**12,797**	7,395
Cash and Cash Equivalents at year end	**17,365**	12,797

Our Future

In this section you will be able to learn about the Trust's plans for the future and its priorities for the year ahead.

We have a clear set of objectives for the year ahead and a clinical strategy that is central to all that we do. This is underpinned by other strategies that will, when implemented, enable us to deliver the clinical strategy and its four key aims.

As we implement these plans we will continue to ensure we meet our carbon reduction objectives .

We are also applying to become a Foundation Trust and believe that the freedoms this will bring will enable us to offer the very best possible services for local people.

2012/13 Objectives

improve patient experience:

work with patients, carers, staff and our partners evidenced through national and local patient surveys.

become a better employer:

ensuring all staff are valued, motivated, listened to and have pride in everything they do reflected in continuous improvement in human resources KPIs and an improvement in the staff experience survey.

be value for money:

increase our productivity reducing expenditure by £13m, effective deployment of resources measures of productivity.

improve our clinical models, including the quality and safety of services:

working with our partners, to further develop innovative and integrated health and social care services, underpinned by a focus on the recovery model all cluster pathways mapped by 31st March 2012 and 95% of eligible patients to be receiving care against mapped pathways by end of 31 March 2013).

become business focused, as well as being patient focused:

maintaining and growing our business by being the provider of choice as a result of the quality of our services and our commercial activities, including: implementing Payment by Results; mapping of income and expenditure; identifying and growing core business whilst recognising other opportunities for increasing income; defining our marketing approach; further cost apportionment to service lines; and finish implementation and ensure sustainability of business intelligence functions.

maintain and improve standards:

by continuing to support patients, and improve quality and safety, including: embracing change and continuing to deliver high standards of care, improving well-being and making improvements to services, continue to ensure robust governance during a time of significant organisational and external transformation as measured by delivery of Key Performance Indicators and monitoring of Serious Untoward Incidents and Complaints to ensure no deterioration in standards.

become a sustainable organisation:

through this become a Foundation Trust by 1st April 2013.

Clinical Strategy

Our Clinical Strategy is a clear statement for our service users and their carers, our partners and for our staff. It describes how we are going to deliver high quality care in response to user and commissioner requirements. It has been developed by our staff, and our partners including service users and carers, and reflects their joint consideration of the priorities for the organisation to develop in clinical services over the next five years.

Strategic Objectives

The four key aims of the clinical strategy , as set out below, are drawn from the feedback that we receive and our analysis of the Trust's purpose in delivering high quality health and social care.

1. To provide excellent community services close to home reducing the number of people who need in-patient care. Where such care is necessary our community services will support the length of stay being as short as possible.
2. To focus on the recovery model ensuring positive outcomes
3. To improve the quality and dignity in services including a better physical environment and improved use of technology
4. To expand some of our strongest specialist services where appropriate to potentially provide them across a wider geography

To achieve these aims we will build a culture of excellence within every part of our organisation, ensuring staff are supported, developed and valued and that clinical leadership drives improvements.

Our Commitment

Our overriding commitment is to providing safe, effective treatment. We are committed to a recovery orientated approach with equality of access, to working with a full range of partners, to dispelling stigma in all forms and to listening, responding and being accountable for the services we provide. We recognise that there can be:

'No Health without Mental Health'.

Maintaining and improving clinical quality
Clinical quality is what we are all about and the main purpose of our Strategy is to provide high quality care which we are proud to give and would recommend to others.

Measuring Success

Our success will be measured by the outcomes we help our service users to achieve and by a range of performance indicators. These include: reports required by regulators such as the Care Quality Commission, the Startegic Health Authority and, subsequently, Monitor; feedback through our Patient and Staff Survey results; evaluations of our better and safer buildings; and our excellent financial rating

Our Board will continue to scrutinise the performance of the organisation every month and to hold the Executive to account for the quality of our services. In the annual Quality Account we will publish data that enables the public to hold us to account, too. In addition, as a Foundation NHS Trust, the Board will be held to account by the elected Council of Governors.

We will provide our staff with the information they need to monitor and improve their performance in delivering high quality services.


Quality Strategy
Community Engagement Strategy
Workforce and Organisational Development Strategy
Clinical Strategy
Finance Strategy
Commercial Strategy
Estates Strategy
IM&T Strategy

Reducing our Carbon Footprint

We recognise the need to reduce our carbon emissions because carbon dioxide is one of the main contributors to climate change. Climate change is predicted to have serious consequences including increased global average temperatures, more floods and droughts and stronger hurricanes. Climate change will also have health impacts such as increased cases of skin cancer and more diseases carried by mosquitoes and other parasites.

Reducing our carbon emissions will help tackle climate change. National targets such as those introduced by the Government and the NHS, trade schemes such as the Carbon Reduction Commitment, as well as local schemes such as the Eco Island initiative, will encourage us to manage and reduce our carbon footprint.

The overall aim of the CMP is to reduce our carbon footprint by 15% by 2014/15 based on 2009/10 baseline.

Following the commitment of KMPT to undertake a carbon management plan, the plan will stabilise and progressively reduce our environmental impact and ensure efficiency savings.

More importantly, the carbon agenda fits in perfectly with the synergy between the operational and strategic plans of the Trust by way of estate rationalisation, service redesign and cost reduction.

By stabilising and reducing our environmental impact, we will ensure that we can adapt well to the changing climate in ways that ensure efficiency savings for the KMPT, maximise benefits for the patients, staff and the wider community.

Key Drivers

- NHS Carbon Reduction Strategy: Sets target carbon emissions reduction by at least 10% between 2007 and 2015
- NHS Good Corporate Citizenship Model: How organisations can embrace sustainable development and tackle health inequalities through their day-to-day activities
- Energy Performance Directive (EPBD): Legal requirement for all public sector buildings to display energy ratings
- Carbon Reduction Commitment (CRC): Mandatory emissions trading scheme being introduced by government.
- Climate Change Act 2008: Sets legally binding emissions reductions of 34% by 2020 and 80% by 2050

Key Benefits

- Environment – Significant Carbon saving and reduction in environmental Impacts
- Organisation – financial savings and a good reputation
- Staff – improved working conditions, staff empowerment and healthy workplace
- Patients and the community – reduction in health inequalities and increased partnership working within the community.

Objectives and Targets

- The prime objective is to reduce CO2 emissions from our activities and services by 15% from our 2009/10 baseline by March 2015.

Strategy

The strategy is to reduce our Environmental Impacts under the following headings:

- Buildings (Energy and Water)
- Waste Management
- Transport
- Procurement
- IT

The success of the plan will be measured from the baseline position of 2009/10 which has been established from available data. This will form the datum point for Trust performance over the subsequent years.

Success so far

- Appointment of a dedicated Carbon Manager
- Building Energy projects
- IT reduction projects
- Proposals for Cycle to Work Scheme and Car Sharing Scheme
- Strengthening of recycling Trust-wide
- Green Champions recruitment

Carbon reduction so far: 5.48%

Saving Carbon
Improving Health

Foundation Trust Status

What is a Foundation Trust?

Foundation Trusts are independent of Government control but remain part of the National Health Service and provide free care based on the needs of patients. Foundation Trusts are also required to meet at least the same standards of service and care as all NHS Trusts. However, perhaps the most important feature of a Foundation Trust is the way it involves local people and staff.

Local people and staff can become members and governors of a Foundation Trust. In this way Foundation Trusts become focused on meeting the requirements of the communities they serve. Foundation Trusts work in partnership with other NHS organisations. They also have a duty to co-operate with other local partners in the best interests of their health communities. They are accountable to Parliament through the independent regulator Monitor which oversees all Foundation Trusts. They are also overseen by the health inspectorates such as the Care Quality Commission.

Progress towards Foundation Trust status

The Board is confident that FT status brings numerous benefits for the whole organisation and has received testimony to this from organisations that have already achieved FT status. Although a long process, it has provided an opportunity to involve staff and local people in the work of the Trust.

The Trust has previously started but not completed two applications to become a Foundation Trust. However, the Trust has now, following a Board decision, restarted its application to become a Foundation Trust. Public consultation previously proved there is broad support for the move to Foundation Trust status and the Trust has recruited in excess of 10,000 members. The drive to recruit members is ongoing and you can find out more and sign up online at: www.kmpt.nhs.uk/membership. Over the Spring of 2012 we will re-engage with the public to update them with our plans and ensure there is support for us to become an FT.

The Trust is developing an Integrated Business Plan (IBP) and has already implemented Service Line Reporting, which means we organise our business into service groups rather than geographical areas. The IBP details the Trust's position in the market, its financial plans and the Trust's service development plans for the next five years. Support to proceed with our application must be gained by the local Strategic Health Authority and the Secretary of State for Health. Once received, we will proceed to Monitor, the independent regulator of Foundation Trusts. In this phase the Trust is scrutinised as to its fitness to operate as a Foundation Trust and also enables the election and appointment of Governors to take place.

If you want to know more about the Trust's Foundation Trust application or if you would like to become a member of the Trust please call 01732 520488, visit: www.kmpt.nhs.uk/membership or e-mail: ftoffice@kmpt.nhs.uk

Your Views

We want to know what you think. Therefore, if you have any comments to make about this Annual Report, or you would like further copies, please contact:

Communications
Trust Headquarters
35 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4AX

Tel: 01732 520441
e-mail: **communications@kmpt.nhs.uk**

This report can be downloaded as a PDF from www.kmpt.nhs.uk

You can also request a full copy of the Trust Accounts from the address above.

If you or someone you know cannot read this document, please advise us of your/ their specific needs and we will do our best to provide you with the information in a suitable format or language. Contact 01732 520441

If you require any information about the Trust, its services or your care, please ask our staff to arrange for some information to be provided in your preferred language.

Bengali

ট্রাষ্ট, এর সার্ভিসসমূহ, বা আপনার কেয়ারের (যত্নের) ব্যাপারে আপনি কোন তথ্য চাইলে, অনুগ্রহ করে আপনার পছন্দসই ভাষায় কিছু তথ্য সরবরাহের আয়োজন করার জন্য আমাদের কর্মীদের বলুন।

Chinese

如果你需要什麼訊息有關這個基金信託會、它為你提供的服務或你得到的照料，請向我們的工作職員要求將一些相關訊息翻譯成你能閱讀的語言。

Polish

Jeśli potrzebujesz informacji na temat Trustu, zakresu naszych usług lub otrzymywanej opieki, poproś kogoś z personelu o udostępnienie informacji w Twoim języku.

Punjabi

ਜੇ ਤੁਹਾਨੂੰ ਇਸ ਟ੍ਰਸੱਟ ਬਾਰੇ, ਇਸ ਦੀਆਂ ਸੇਵਾਵਾਂ ਬਾਰੇ ਜਾਂ ਤੁਹਾਡੀ ਕੀਤੀ ਜਾਂਦੀ ਦੇਖ-ਭਾਲ ਬਾਰੇ ਕਿਸੇ ਵੀ ਪ੍ਰਕਾਰ ਦੀ ਜਾਣਕਾਰੀ ਦੀ ਲੋੜ ਹੈ ਤਾਂ ਤੁਹਾਡੀ ਪਸੰਦ ਦੀ ਬੋਲੀ ਵਿੱਚ ਜਾਣਕਾਰੀ ਪ੍ਰਦਾਨ ਕਰਨ ਦਾ ਪ੍ਰਬੰਧ ਕਰਨ ਲਈ ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੇ ਕਰਮਚਾਰੀਆਂ ਨੂੰ ਪੁੱਛੋ।

Turkish

Trust (Vakıf), sunduğu hizmetler veya size verilen bakım hakkında bilgi edinmek istiyorsanız, lütfen personelimizden size tercih ettiğiniz dilde bilgi sağlanması için istekte