## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Content</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Summary</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td><strong>2</strong> Introduction</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>3</strong> Operating and Financial Review</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Introduction</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Financial Review</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Operating Review</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Our Strategy</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td><strong>4</strong> The Services We Provide</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td><strong>5</strong> Meeting Our Three Main Objectives</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>1 High Quality Value for Money</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Healthcare</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>• Focus on governance</td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>• Focus on learning from patients</td>
<td></td>
<td>13</td>
</tr>
<tr>
<td>2 Improving Links with the Local Community</td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>3 Becoming an Employer of Choice</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>• Focus on...HR for the future</td>
<td></td>
<td>18</td>
</tr>
<tr>
<td><strong>6</strong> Summary Financial Statements</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>
About this document

This document is the statutory Annual Report for Mayday Healthcare NHS Trust.

A summary document has also been produced and is available from The Communications Department at the address on the back of this report.

Both documents are also available on the Trust’s website: www.maydayhospital.nhs.uk

What the document says

Mayday is a busy hospital Trust providing acute healthcare services to the people of Croydon and its immediate environs from four sites: Mayday University Hospital, Purley War Memorial Hospital, an Emergency Minor Treatment Centre in New Addington and the Sickle Cell and Thalassaemia Centre.

In 2005/06 the Trust continued to establish itself as the hospital of choice for local people and made great progress towards its three strategic objectives:

- To deliver high quality, value for money healthcare
- To improve links with partners and the community
- To be an employer of choice

The document begins with an Operating and Financial Review which explains that Mayday met all bar one of the Government’s key access targets in 2005/06. These targets ensure that the Trust provides care to local people within set time limits. The only target that the Trust marginally missed was the requirement to see, treat, admit or discharge 98% of patients from its accident and emergency department within 4 hours. The Trust achieved this for 97.5% of its patients.

The Trust also did well in reducing the incidence of MRSA and the waiting times for elective and non-elective surgery and cancer waits.

The Review also explains why the Trust did not achieve financial break-even, ending the year with a £5.8million deficit. This was caused by a number of underlying cost pressures brought forward from previous years.

Although the Trust had some considerable success at becoming more efficient (winning a prestigious national award for this work) it did not resolve the emerging financial problems sufficiently quickly.

A much strengthened executive management team is being put in place and, with an agreed financial recovery plan, means the Trust is predicting a break-even position at the end of 2006/07.

The report goes on to explain the overarching clinical strategy being developed to tackle the range of challenges the Trust is facing including the impact of greater patient choice and the particular demography of Croydon. The strategy is one of focused growth (bringing back to Mayday that acute care currently provided for Croydon people elsewhere), improved responsiveness to the specific health needs of local people and closer collaboration with local GPs and other providers of care.

In essence this is about consolidating and expanding our role as the Croydon hospitals for Croydon people.

The next section describes the services Mayday provides. The report then describes the specific activities we have undertaken this year to meet the three objectives.

This section also includes more detail about service developments during the year, more about the way the Trust learns from patients and staff and more about the way we manage our staff.

The report concludes with some summary financial information including the Trust’s balance sheet and income and expenditure account. This section also includes a declaration by the Chief Executive on how the Trust Board assures itself that effective systems for internal control are in place.
Last year’s annual report focused on the ways in which the Trust was aiming to be a great place in which to be treated and a great place to work.

Our aim has not shifted and this is still the vision we have for the Trust.

2005/06 was a significant year for Mayday characterised by great change.

The Trust continued to develop as a high quality provider of accessible health services for local people.

This was recognised in 2005 when we received the first “Acute Healthcare Organisation of the Year” trophy awarded by the Health Services Journal.

We have continued to invest time and energy in becoming an employer of choice and this was acknowledged in 2005/06 when we achieved the Government’s Improving Working Lives “Practice Plus” status and were named “Employer of the Year” in the London and South East Best of Business Awards.

At the same time Mayday experienced its first significant financial overspend for eight years.

The reasons for this are explained in our first “Operating and Financial Review” which forms Section 3 of this report.

This position required the Trust to implement a robust financial recovery plan with the aim of breaking even by the end of the 2006/07 financial year.

We are confident we can achieve this by becoming more efficient and economic and at the same time delivering improved services.

Is this possible?

We believe it is and we are able to say this because of the commitment and quality of our staff and because of the support we have from patients, stakeholders and local people.

Our strategy is to continue to develop responsive services that meet the particular needs of local people - and to learn from other sectors about how to do that in the most appropriate and efficient ways possible.

We feel that, where it is appropriate, local people should receive local care and we are working to bring back to Mayday some services that are currently provided elsewhere.

Our new angioplasty service is a prime example of how this can work.

We remain committed to becoming a Foundation Trust. We recognise that the people of Croydon have a strong voice in the provision of local health services and that becoming a Foundation Trust is the best way to ensure that hospital services become “patient-led”.

There have been a number of changes in senior personnel this year with a new Chairman, a new interim Chief Executive (in June 2006) and other appointments which have strengthened, and continue to strengthen, the executive management team.

All of us at Mayday are dedicated to achieving health services of which local people and staff can feel proud.

We hope that when people are given the choice, they actively choose to come to Mayday.

We would like to thank all of our staff and volunteers for their dedication this year.

We would also wish to acknowledge again the support of the hundreds of thousands of patients, visitors, friends and stakeholders of Mayday who help us make these “Croydon Hospitals for Croydon People”. 

Brian Phillipott, Chairman

Helen Walley, Chief Executive
Introduction

Mayday Healthcare NHS Trust was formed in 1993 and provides acute health services for the people of Croydon and its neighbouring areas.

Croydon is London’s largest borough (of around 336,000) and has a transient, relatively young population with a high level of ethnic diversity.

Mayday is a large provider with over 130,000 attendances per annum to its main A&E department, 230,000 new and follow up outpatient appointments and 60,000 day cases/inpatient admissions.

90% of this activity is commissioned by Croydon Primary Care Trust (CPCT), and there is a strong history of partnership working.

The Trust is currently three-star rated in the national performance ratings.

A large proportion of activity is A&E and related emergency activity: Mayday has the second busiest single site Accident & Emergency department in London, and is situated in one of the more deprived boroughs in Croydon.

In 2005/06 the Trust had a turnover of £161 million, over 3,000 employees, and a strong local identity with the population of Croydon.

Financial Review

In 2004/05 the Trust made a small surplus.

However, a number of non-recurrent benefits (totalling £6.1m) masked the true underlying deficit position of £5.8m.

In 2005/06 this position was further exacerbated by unfunded recurring cost pressures in respect of:

- The Jubilee wing - where the costs were greater than the original plan
- EAU (Emergency Assessment Unit) - where the Trust received funding for 24 beds whilst the unit was built to accommodate 48 beds
- Additional spending to achieve waiting list targets
- The requirement to generate efficiency savings of £2.4m as set annually by the Department of Health
- Other cost pressures which relate to energy bills, nuclear medicine and pay rate increases - specifically the impact of the new NHS pay system; Agenda for Change

These cost pressures totalled £7.4 million. If they had been added to the underlying deficit, the Trust faced a potential overspend at year end of over £12m.

However, the cost pressures were partly offset by the £4.3m of savings we achieved. £2.3m of this £4.3m was saved through a rigorous process of service improvement.

Using techniques learnt from other sectors the Trust was able to deliver care in different ways (e.g. admission on the day of surgery and an increase in the use of day surgery). This, in turn, has led to reductions in the length of stay for patients which allowed the Trust to become more efficient; providing the same level of quality service in different ways.

This new efficiency allowed the closure of two operating theatres, two wards (Norwood 2 and Fairfield 2) and a reduction in expensive agency staffing coupled with an overall drop in the number of whole time equivalent staff.

This service improvement work saved the Trust £2.3 million and helped us win the Health Service Journal's prestigious “Acute Healthcare Organisation of the Year” Award.

The other £2m savings were achieved through other initiatives implemented as part of the agreed financial recovery plan.

In addition to the above £4.3m savings in 2005/06 there was net non-recurrent income of £2.1m (including a £0.4m rates refund, £0.8m of other non-recurrent support etc).
The Trust ultimately closed the financial year with an overspend of just under £5.9 million.

The Trust was unable to achieve the necessary cost reductions with sufficient speed to avoid the £5.9 million overspend in 2005-6, and has therefore taken urgent steps to improve the capacity of the Executive team so that the Trust will be able to respond with more rapid and decisive action if such a situation were to recur in future.

A department devoted to service improvement has been created under the leadership of a Board level director and its work is becoming embedded throughout the Trust.

The capacity of the Executive Team has been increased with the appointment of a Turnaround Director, interim Director of Human Resources and Organisational Development and acting Director of Nursing. In addition, the new Interim Chief Executive has a proven track record of financial turnaround.

With external support from Pricewaterhouse Coopers the Trust has developed a financial recovery plan for 2006/07 which is expected to save £7.8 million.

These planned savings would allow the Trust to deliver a small surplus prior to the application of the RAB (Resource Allocation and Budgeting) effect. The Trust's Board of Directors maintain a risk register for the Trust, in order to identify risks, assess the effectiveness of any controls used to address those risks and to take action to reduce the impact of any weakness in the control system. The Board has identified a number of risks that may affect its strategies and development:

- If the Trust does not succeed with its financial recovery plan
- If the Trust loses activity and therefore income through patient choice
- If failures in infrastructure and estate cause negative patient experience

Equity in the Trust is held entirely by the Treasury in the form of Public Dividend Capital (PDC). Each year the Trust must make a ‘dividend’ payment to the Treasury equal to 3.5% of the value of its average net assets.

This percentage can be varied by the Treasury. The Trust is not permitted to borrow from any other sources. To invest in new capital expenditure the Trust must seek extra PDC or lease the asset instead, if it has sufficient revenue to do so.

The Trust had net current liabilities in 2005/6, and was in a similar position in 2004/5. The Income and Expenditure deficit in 2005/6 put pressure on cash flows and the Trust had to borrow extra PDC from the Treasury in order to meet its cash flow commitments.

This is repayable in 2006/7, creating a situation whereby the Trust will be reliant on borrowing from Treasury again.

The Trust applies accounting policies set for it by the Department of Health (DH). There were no judgements made in accounting policy that had any material impact in 2005/6.
Mayday has a long history of achieving its key performance targets and this year was no exception.

Of the 158,000 attendances at A&E last year, (which includes people using the Walk-In Centre), 97.5% of people were seen and admitted, treated or discharged within four hours, just below the national target of 98%.

Of the 17,210 patients with planned admissions, no one had to wait longer than the national standard of 9 months (before November 2005) or 6 months (from December 2005.) The average in patient wait is 9.7 weeks.

45,855 first out-patient appointments were referred to Mayday by their GP. No one had to wait longer than the national standard of 17 weeks (before November 2005) and 13 weeks (from December 2005) before being seen. The average out-patient wait is 9.9 weeks.

By the end of the financial year 100% of planned operations and 100% of out-patient appointments were being booked electronically. This method gives patients flexibility, allowing them to choose a date and time they prefer.

The national standard is to carry out 75% of these procedures in day surgery units. In 05/06 Mayday achieved 77%.

By 2008 no patient should wait more than 18 weeks from referral by their GP to the start of their treatment. To meet this challenge Mayday is already working with Croydon Primary Care Trust (CPCT) to improve the system. Waiting times for diagnostic procedures are already reducing - for example no patient waits for longer than 20 weeks for a scan.

65% of people referred to the Genito-Urinary Medicine clinic were given an appointment within 48 hours. This is great progress towards the national standard (70% by March 2007 and 100% by March 2008).

The Audit Commission and the British Association of Day Surgery has put together a list of 25 procedures that Trusts should aim to do as day cases.

99.7% of all people with suspected cancer were seen within two weeks of their referral being received at the cancer centre.

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65% of people referred to the Genito-Urinary Medicine clinic were given an appointment within 48 hours. This is great progress towards the national standard (70% by March 2007 and 100% by March 2008).

The national incidence of MRSA is monitored by the number of recorded MRSA blood stream infections and this figure is expressed as the number of MRSA blood stream infections per 1000 bed days.

In 2003/2004 Mayday had 0.24 reports per 1000 bed days and by the end of 05/06 this had reduced to 0.20.

In absolute numbers, the recorded number of MRSA blood stream infections fell from 56 in 2003/04 to 48 in 2005/06; less than one per week. For the month of May ’06 the Trust had only one bloodstream infection.
Our strategy

In addition to the immediate financial situation Mayday faces a number of key challenges which necessitate a clear financial underpinning to strategy development for the future:

- Demand management work in primary care potentially impacting upon outpatient, elective and emergency activity
- Patient choice and the potential loss of secondary care work to local NHS and independent sector competitors
- Loss of specialist work via clinical networks to the surrounding tertiary centres

The local context underpins the strategy of Mayday.

Croydon is London’s largest borough in terms of population (336,000), and this number continues to grow.

The population is relatively deprived, multi-cultural and transient. 60% are categorised as White, 18% Black, and 16% Asian. There is high entrant ethnic population including asylum seekers, partly due to the presence of the Home Office in Croydon.

The population is relatively young, with more in the 0-49 age range than average, and a particularly high number in the 25-44 range. This gives rise to some acute and specific healthcare related issues that are faced by the people of Croydon, and Mayday has developed its service provision to meet these needs.

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As a result, there is strong support in Croydon for secondary care service provision at Mayday, due both to

- There is a negative financial net impact of stopping any of its current services. However, in order to thrive into the future joint work with primary care, social care and all members of the Healthy Croydon Partnership is required to ensure the most cost effective model of service provision is developed for the local health economy.

Therefore, the most financially robust strategy for Mayday is to provide a full range of secondary care services to the meet the specific needs of its well defined local population, within the context of a sustainable local health economy.

This is not a "no change" option. Service delivery across Croydon will follow the direction set out in the recent white paper, ensuring that effective prevention and primary care provision takes place.

Joint work at a clinician to clinician level will continue to ensure effective pathways are developed, which in turn will embed referral patterns into Mayday.

To mitigate any possible loss of activity there is a plan for focused growth, based largely upon the repatriation of Croydon secondary care activity to Mayday e.g. angioplasty, nuclear medicine. Direct provision of some primary care services is also being considered.
Mayday is building on its record of improvement to develop new, more productive ways of working, and to reduce the overhead cost burden of the organisation.

While it is not cost effective to stop whole services, case mix and service provision are being reviewed. Strategic alliances with tertiary providers continue to be developed to minimise the impact of the centralisation of specialist services.

Joint appointments and joint working arrangements enable the retention of clinicians and non-specialist and outpatient activity.

Delivering the strategy has been integrated into the delivery of financial recovery. At the end of 2005, the Trust Board identified seven key areas that form the cornerstones of the strategy (see box right).

Each Division was asked to develop specific projects against these areas of financial benefit to the Trust.

In January 2006 these initial ideas were presented to the Operational Management Group (OMG), which is made up of senior clinicians, managers and the Executive team.

These ideas were analysed using a matrix which assessed level of capital expenditure, difficulty of implementation, impact on the health economy and risk, and a decision was made as to which ideas to pursue. In addition, analysis of tariff at the individual specialty level identified key areas where further work was required (e.g. orthopaedics).

Further detailed work was carried out by the Divisions, and presented at an away day for the Operational Management Group at the start of February.

Final decisions were made at this event as to the specific pieces of work that were to be progressed and how this would take place. Detailed project pro formas for these strategic projects were developed, using the same format as those projects already in the Financial Recovery Plan.

These projects were then formally added to the Financial Recovery Plan. Each of the projects in the financial recovery plan has both a project proforma and project tracker.

This only represents the beginning of the delivery of the strategy. Working in partnership with the local health community, Mayday is continuing to develop new strategic projects that will be delivered through its existing robust delivery structures.

Mayday is and aims to continue to be the Croydon hospital for Croydon people, providing appropriate, efficient and high quality secondary care services, tailored to the unique needs of its local population. The organisation has had to go through significant upheaval to meet the new challenges it faces.

However, effective mechanisms and structures are now in place to continue to drive the necessary change through the organisation to deliver financial sustainability both this year and for many years to come.
The Services We Provide

Mayday University Hospital is a 674-bedded District General Hospital (with 45 day case beds) and a 24 hour Accident & Emergency Department. The hospital is based on a 19 acre site in Thornton Heath and the earliest buildings date from 1885. The most recent large building project was the new Jubilee Wing, opened in December 2004.

The Trust also provides services from Purley War Memorial Hospital (constructed in 1918 with later additions). Purley Hospital currently provides outpatient services and we have planning permission to rebuild the hospital to provide a first rate diagnostic and outpatient facility in the south of the borough.

The Trust also runs an Emergency Minor Treatment Centre at New Addington (afternoon and evening, 7 days a week) and the Sickles Cell and Thalassaemia Centre in Whitehorse Road, Croydon.

There is an independently run out of hours GP and minor injuries service on the Mayday site, which receives referrals from our Accident & Emergency Department.

90% of activity is commissioned by Croydon PCT, and there is a strong history of partnership working across the borough. A large proportion of activity is A&E and related emergency activity. The large black and minority ethnic (BME) group population (40% of Croydon population) creates a unique casemix that will differentiate further as this population ages.

The main groups of services are as follows:

**Accident and Emergency**

A&E attendances at the main department at Mayday for the year are more than 130,000, most of whom require urgent care. There is also a dedicated paediatric area providing a 24 hour service.

**Medicine and Elderly Care**

The Trust provides both inpatient and outpatient care for patients suffering from a wide variety of medical problems. This includes Cardiac Care, (including angioplasty) Endocrinology and Diabetes, Gastroenterology, Stroke Rehabilitation, Respiratory Medicine, Neurology, Nephrology, Dermatology, Rheumatology, Haematology and Genito-Urinary Medicine.

The Elderly Care Department is separate from the main outpatients department and is situated on the ground floor to facilitate easy of access for our patients. The Elderly Care Department was awarded a Charter Mark in February 1999, which it has maintained for the last 6 years.

**Surgery**

The Surgical Directorate has more than 30 consultants working across 10 surgical specialties, and treats approximately 11,000 day cases, 4,500 elective inpatients and 6,400 non electives (including emergences) each year. Admission on the day of operation for all elective surgery was introduced in 2005, as well as the establishment of a short stay ward.

**Critical Care**

This consists of Endoscopy, ITU/HGU, Theatres, Day Surgery, Surgical Pre Assessment and Anaesthetics. The Trust provides 24/7 anaesthetic and theatre cover. A Critical Care Outreach Team was introduced in July 2005 to deliver critical care outside the intensive care and high dependency units.

**Family Care**

The Trust has a Maternity Unit which recorded over 4,400 deliveries in 2005/06 and a new Birth Centre, staffed by midwives, opened in August 2006. Gynaecology outpatient and inpatient, both elective and emergency services, are provided. The Trust has an Early Pregnancy Assessment Unit that provides scanning and counselling services for women in the early stages of pregnancy. Fertility and col-
The Services We Provide

Poscopy services are also provided.

The neonatal unit is a 'Level Two' unit providing services to babies delivered in Croydon. The unit is also open to the Emergency Bed Service, which takes babies from as far as Eastbourne. The number of admissions to the unit averages over 400 per year. Close to 100 babies each year require intensive care services. The unit is part of the Southwest London Neonatal Network.

Paediatric services include a 12 bedded day surgery unit, a Kid's in Mayday (KIM) day care unit which cares for 350-450 children per month, paediatric A&E services, a 24 bedded paediatric ward, and a paediatric outpatient department. The Paediatric Unit also provides Social Services, a named nurse for Child Protection and a children's 'Hospital from Home' team.

Pathology, Radiology and Cancer

The pathology department includes cytology, histopathology, microbiology, biochemistry, and haematology. Most of the pathology departments are CPA accredited - this accreditation is full for cytology, and conditional for histology, microbiology and haematology. The cytogenetics and biochemistry departments are in the process of reapplying.

Radiology is well equipped with a new 16 slice CT scanner introduced in 2005. MRI in partnership with the private sector and new x-ray equipment. PACS went live in September 2005. Cancer has a central Trust focus and is part of the Directorate structure.

Therapies

There is a Therapies Unit which includes occupational therapy, physiotherapy and speech and language therapy. The Occupational Therapy Department and Physiotherapy services have been both been awarded a Charter Mark. There is a well-equipped gym, hydrotherapy pool and treatment areas throughout the hospital and on wards.

Outpatients

The main department contains a large suite of generic consulting rooms. There are also other outpatient departments around the site, notably ophthalmology, chest, paediatrics, trauma and orthopaedics, and dermatology.
Meeting our three main objectives

In the financial year 2005/2006 Mayday’s three corporate objectives were:

- To deliver high quality, value for money healthcare
- To improve links with partners and the community
- To be an employer of choice

Underpinning these objectives were the Trust’s vision, developed in partnership with our staff, of becoming a great place in which to be treated and a great place to work.

1. High quality, value for money healthcare

In delivering a quality service it is clear we performed well against the national access and quality standards (see Operational Review above) only narrowly missing out on the target for 98% of patients to be seen and admitted or discharged from Accident and Emergency in four hours.

Although we ended the year with a significant financial problem we were able to reduce this from a predicted deficit of more than £12m to one of £5.8m. This performance gives a strong platform for the Turnaround plan for 06/07.

Under the Clinical Negligence Scheme for Trusts (CNST) Mayday’s general services retained Level 2 and the maternity services were awarded a Level 3 - the highest level possible. Mayday is one of only 10 maternity units out of 158 in the country to achieve this level.

Planning patient journeys from admission to discharge has been a key area for development during this year.

A pilot scheme to admit patients on the day of surgery proved so successful it has been rolled out across the Trust. As a result, length of stay for patients recovering from surgery dropped by nearly two days and, even more importantly, patients reported feeling more relaxed. Staff benefit too with a more structured and organised day.

Streamlining the experience of patients attending as an emergency (a theme of last year’s annual report) has continued with the redesign of the Emergency Assessment Unit and the introduction of a short stay ward for people needing medical tests before deciding the appropriate treatment.

The service for critically ill patients has improved since the introduction of the Critical Care Outreach Team in July 2005. This service comprises a team of three critical care nurses and lead consultant. Their role is to help ward-based staff identify as soon as possible any patient at risk of developing a critical illness.

The timely treatment of these patients has prevented the need for admission to the critical care unit for many patients; for those admitted, it has been shown that early intervention reduced the length of time patients need to spend in either ITU or HDU.

A Cancer Peer Review was carried out early in 2006. Initial feedback was most encouraging with high scores everywhere. Outstanding performance was noted in imaging and breast cancer services. Mayday was also commended for its multi-disciplinary approach, the actual services, and the fact that commitment to cancer care was high on the Trust’s agenda.

The Trust has a dedicated research and development department which helps train staff in the ethics and statistical disciplines needed for accurate research and audit. With their support more than 50 research and development projects were carried out in 2005/2006, looking at ways to improve patient care. Among the highlights were:

- A “Skills Lab” for nurses to share good practice and learn from others’ success
- Awards for two junior doctors in the Eye Unit for their research work
- International recognition for two consultants for their work on glaucoma.
Learning from staff

Reporting incidents, holding regular staff meetings and inviting comments also help shape our support for staff and services for patients.

Following one of these discussions, a Site Practitioner team was introduced at the beginning of the year to provide seamless 24 hour a day clinical operational management support team.

These experienced nurses provide support to ward staff and patients across the whole hospital. The previous arrangement meant senior ward based staff had to spend a significant portion of their time elsewhere in the Trust; now they spend more time in their own areas.

The site practitioners help manage complex clinical situations, ease patients’ journeys through the hospital from admission to discharge, provide vital support in major incidents and have even helped deliver a baby at the front entrance.

An accidental needle stick injury can be a highly traumatic time for any staff member. A new system has been introduced following a staff suggestion. The message is simple: "In the event of a sharps/ splash injury contact the site practitioners for a BLUE card".

This blue card then gives staff instructions on how to get rapid access to any treatment or tests they may need, making the incident much less stressful.

To reduce the risk of drug errors the trust has introduced a YELLOW card - a postcard which allows staff to record and report medication incidents. These can be then reviewed and actioned by the medication alert term to make sure action is taken and any emerging trends reported quickly.

Meeting Our Three Main Objectives

Objective 1: High quality, value for money healthcare

Focus on... governance

Governance is the term we use to describe how we ensure that we are doing the right things, in the right way, at the right time to meet our objectives.

The introduction of the Standards for Better Health has focused attention on the need to monitor all Trust activities - clinical and non-clinical. The Trust has this year set up new governance arrangements, which includes three separate committees, each aligned to the relevant domains of the Standards for Better Health. These three committees (see below) report into an overall Governance Committee which is a sub-committee of the Trust Board. The three committees are:

1. Environmental Governance
2. Clinical Governance
3. Information Governance

The role of these committees is to:

- Oversee performance and improvement against the relevant core and development standards, and identify clear priorities for action
- Co-ordinate different work streams from across the organisation to ensure delivery against priorities
- Review existing structure of committees and leads, and ensure that a structure is in place that is fit for purpose
- Review the reporting mechanisms of committees and leads and ensure effective processes are in place
Meeting Our Three Main Objectives

Objective 1: High quality, value for money healthcare

Focus on... learning from patients

Listening to patients and reporting untoward incidents and “near misses” is a vital part of improving the quality of care we provide.

All staff, including junior doctors, are trained at induction on what to report, how and why. Existing staff receive refreshers at regular clinical governance half days and training sessions where anonymous cases are discussed.

Specialist training has also been given to senior nurses and managers to help them investigate incidents and identify the root cause. This work has been supported by the National Patient Safety Agency as well as the Trust’s own Risk Management Department. 76% of incidents last year were investigated within 20 days of being reported. In 2006/07 we aim to increase that to 80%.

Complaints

The Department of Health (DH) classifies complaints into 18 distinct categories by subject. At Mayday the four most commonly identified complaints were:

- Aspects of clinical treatment
- Nursing care
- Appointments, delay/cancellation
- Attitude of staff

In 2005/2006 the Trust received 535 complaints. Each complaint receives a response from the Chief Executive. Wherever appropriate the Trust learns lessons from these complaints and implements changes. This year the Trust has, as a result of complaints:

- Provided additional guidance and training for junior doctors, and medical staff on dealing with gastrointestinal bleeding.
- Introduced training on Customer Care for all reception staff.
- Introduced a Missing Person’s Policy after discussion with relatives and carers. We now have a clear, easy to follow pathway so staff can manage, document and act in the patients’ best interests should they leave the hospital.
- In addition use of the intranet to access the required forms means that staff need not worry about holding stocks of a form we hope they will rarely need.

The Trust strives to handle complaints as quickly and as simply as possible and to learn from them. However, people who remain dissatisfied with the way their complaint has been handled can request a Health Commission Review.

People may also ask the Health Service Ombudsman (HSO) to consider their complaint, if they believe it has not been dealt with appropriately at Local Resolution, or by the Health Commission. We received 2 Ombudsman referrals during 05/06.

Positive Feedback

In addition to complaints, the Chief Executive personally received 204 letters/cards of appreciation and praise during the year. This helps identify areas of good practice, which can be shared across the Trust.

Many more expressions of appreciation are received on wards and in departments. Some satisfied patients have had their good news stories featured in the pages of the local press.
2. Improved links with partners and the community

The local health economy has a history of successful collaboration. Mayday recognises the role it must play in this and has been working to improve links and relationships with stakeholders and local people. This year we have achieved progress in a number of ways:

With Croydon PCT

90% of Mayday’s patients are referred by GPs and health clinics run by Croydon Primary Care Trust (CPCT). Collaboration with CPCT has recently delivered several key projects including:

- Setting up a clinical assessment service
- Community matrons and a “virtual ward” providing care closer to home for people with long-term chronic conditions
- A ‘Meet and Greet’ nurse in A&E redirecting around 50 people a day to better and more appropriate treatment outside of hospital
- The development of a physiotherapist-run clinic for referrals for shoulder surgery
- Cardiac angioplasty for around 400 local people each year - saving them a journey to another London hospital.

Thorough Emergency Planning

Mayday is fully compliant with DH guidelines for major incident planning. All aspects of the plan have been tested including partnership working with other agencies. Training has been given to relevant personnel and the plan is readily available on the new staff intranet.

On July 7th 2005 the Trust tested the set up of its emergency response when we were put on alert following the bombs on public transport in London. We did not receive any casualties but, coupled with our role in a multi-agency test called Operation Malady, we learnt a number of lessons about how important communication is to our plans.

Public Consultation

Mayday made significant strides in developing improved links with local stakeholders on the back of its statutory public consultation around the Foundation Trust application.

In all, the Trust engaged directly with around 400 members of the public, stakeholders and staff via public meetings, staff forums and attendance at existing interest groups. The Trust collected around 100 verbal responses at open meetings and 40 written submissions; 11 on behalf of stakeholders and 29 from individuals.

Summary feedback of the outcome has been circulated to everyone involved. The Trust will not be able to apply formally for Foundation Trust status until we have proven our financial stability but the experience of consulting with the public has demonstrated a great deal of support for those plans.

Patient and Public Involvement

Mayday has a constructive relationship with Croydon’s Health Overview and Scrutiny Committee and Trust executives regularly attend their meetings.

The Trust has not had to formally submit any decisions for scrutiny and the Committee commented favourably on our recent FT public consultation.

Patient and Public involvement is recognised as an important part of Mayday’s commitment to put patient at the heart of its work. It is important for the Trust to have established a strong working relationship with its PPI Forum and that knowledge is shared between both parties to ensure the development of best practice.

Over the past year Mayday has worked closely with the
PPI Forum to ensure good communication is maintained.

The PPI Forum meetings hold bi-annually, and the Forum’s Public meetings, which have been well attended by the Chairman, Chief Executive, and the Executive Team of Mayday, have assisted this joint working throughout the year. At a Public meeting the PPI Forum’s work plan was discussed and agreed which will enable the joint working to continue in 2006/7.

A significant demonstration of the joint working in 2005/6 was the Trust’s submission of its draft and final declaration on the Annual Health check where the Forum was invited to comment on the declaration.

Forum Members have been a valuable resource on the Medical Divisions User Group, which meets every six weeks and has included a review of wards, care of patients and training of nurses and Forum members are now represented on several committees and working parties to ensure the views of the public are incorporated into Mayday’s work plans.

In 06/07 the PPI Forum will be represented on the Patient User Experience Group which will oversee the development and implementation of the Trust’s patient and public involvement strategy and on the Patient Improvement Steering Group which will co-ordinate the work which follows the patient survey results.

A series of Announced and Unannounced visits were undertaken by the Forum in 2005/6 which resulted in screens for the Emergency Assessment Unit which offer more privacy to both patients and visitors.

Mayday’s new website www.maydayhospital.nhs.uk was launched in February 2006. Staff and public influenced the design and content and it is regularly updated to reflect what users say they want. It is now visited by more than 16,000 people every month.

Taking social responsibility

The Trust manages waste wherever possible to minimise the risks to patients, staff, the public and the environment, in accordance with the Environment Agency. The Trust is registered as a waste producer under the hazardous waste regulations 2005.

The Trust is aware of the impending Waste Electrical and Electronic Equipment (WEEE) Directive (2002/96/EC) and has arrangements in place to ensure the proper disposal of this equipment is undertaken.

The Trust uses combined heat and power (CHP) for ‘island mode’ peak lopping for electrical energy requirements; the CHP waste heat is used for the production of low grade steam and heating water. The Trust is registered under the CHP QA scheme to ensure optimum efficiency of the CHP plant and minimises the impact of CCL (Climate Change Levy).

The Trust is not required to be registered under the EUETS (EU Emissions Trading Scheme) its potential carbon emissions being below the threshold, however, the environmental issues of all projects are evaluated to ensure any impact is minimised.
Meeting Our Three Main Objectives

Objective 3: Becoming an employer of choice

3. Becoming an employer of choice

Mayday has consistently and explicitly aimed to be, ‘a great place to be treated and a great place to work’.

This ethos is shared within the organisation by staff, patients, visitors, volunteers and the local population. This in itself has engendered a strong community atmosphere and the development of the brand of ‘Croydon hospitals for Croydon people’.

In November 2005 the Trust was named the “Employer of the Year” in the 2005 Best of Business Awards for London and the South East. Many things contribute to our aim to become an employer of choice and some of these are outlined below.

Recruitment and retention of staff

The Trust currently has a turnover of 11.67% and a vacancy rate of 12%. A national shortage of midwives has led to particular problems in this area, but Mayday has addressed the issue by giving a senior midwife responsibility for recruitment and supporting the learning and development of current midwives to ensure a high level of retention.

By the end of the year we had very few vacancies in maternity. In addition we have piloted the role of a maternity support worker who carries out tasks such as helping new mothers breastfeed and bathe babies, freeing up the qualified midwife to carry out more specialist tasks.

This has proved successful and Mayday is currently recruiting more maternity support workers.

Agenda for Change

As part of the national programme to modernise pay within the NHS all employees (apart from doctors and very senior managers) went through the Agenda for Change process. The Trust successfully completed this process in October 2006.

Equality and Diversity

One of the key considerations for the Trust is to develop a single equality scheme, which focuses on the 6 strands for the Equality and Diversity agenda: race, age, disability, sexual orientation, religion and gender.

We are currently reviewing the role of the Equality and Diversity Advisory Group (EDAG) and formulating a new set of terms of reference to ensure that the organisation has a robust strategy and action plan within this area that ensures equality for both staff and patients.

The Trust’s Race Equality Scheme has been in place since April 2005 and is currently being reviewed to ensure it is robust and embedded in the organisation. The Trust is working towards having a Disability Equality scheme, required by December 2006.

Reduction in agency staff

On occasion the Trust has to employ Agency staff to cover critical posts, at additional cost. In the last year we have reduced Agency usage from 6.8% to 5%.

This has been achieved by the implementation of new monitoring system and controls and the better use of internal bank cover (our flexible workforce). This provides greater continuity of care for patients and reduces our expenditure.

Improving Working Lives

Mayday achieved Practice Plus status in March 2006. The report praised the recent improvement in security for staff and patients, including the introduction of state-of-the-art CCTV cameras; the monthly Chief Executive Forum where staff can raise issues directly and the Trust’s excellent support for non-professional staff groups to develop. Overall the report said staff demonstrated a strong commitment to the organisation.

Equality and Diversity

One of the key considerations for the Trust is to develop a single equality scheme, which focuses on the 6 strands for the Equality and Diversity agenda: race, age, disability, sexual orientation, religion and gender.

We are currently reviewing the role of the Equality and Diversity Advisory Group (EDAG) and formulating a new set of terms of reference to ensure that the organisation has a robust strategy and action plan within this area that ensures equality for both staff and patients.

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..the Trust was awarded Improving Working Lives “Practice Plus” in 2005/06...
Meeting Our Three Main Objectives

Objective 3: Becoming an employer of choice

Since the launch the network has:

- Made plans for staff surgeries where BME staff can discuss their needs
- Given talks on motivation and goal setting to final year nursing students
- Reviewed how diversity training is introduced in the Induction Programme for Doctors - an ongoing project

In future the network will:

- Introduce development sessions based on needs of staff
- Hold social events
- Hold an anniversary celebration in January 2007

Relationships with Trade Unions

The Trust is currently working with staff side on the development of partnership principles to enable a productive and positive working relationship between the management and trade unions in the decision making processes of the Trust.

Training and development for staff

Mayday has a strong commitment to developing people and believes education, training and development are central to the Trust’s ability to provide high quality services to patients and their families.

Staff are encouraged to identify any development needs through the Knowledge and Skills Framework appraisal system and the Trust provides access to internal and external courses, conferences and study days, coaching, mentoring and formal training.

Major achievements in the year 05/06 include:

- Increasing the number of people taking up individual learning accounts to 345. This was a major factor in Mayday being named Best Employer in South London in the 2005 Best Of Business Awards

Communicating with staff

Developing relationships with staff starts with effective two way communication. This year we increased the frequency of open “staff forums” with the Chief Executive. This is an opportunity for staff to ask any questions relating to the organisation.

The Trust uses a system of monthly team briefing, enhanced by regular news letters, a virtual staff communications panel and ad-hoc focus groups.

We have redesigned the ‘Mayday’ staff magazine this year and given staff more opportunities to express their views in a ‘What Gets My Goat’ section and “for and against” debates. The magazine is developed each quarter by an Editorial Panel of staff.

In February 2006 the Trust launched a new staff intranet which provides an up to date method of accessing information on new, briefings, policies, job vacancies etc. The intranet also includes a Communication Toolkit developed by the communication team to assist staff on how to develop effective ways of communicating.

…the Trust launched a new quarterly staff magazine in 2005/06...
Meeting Our Three Main Objectives

Objective 3: Becoming an employer of choice

**Focus on...**

**HR for the future**

In July 2006 the Trust appointed an interim Director of Human Resources and Organisational Development to increase the capacity of the Executive Team and give renewed focus to people issues.

In the coming year a number of strands of our HR practices will develop:

- A new Equality and Diversity Group will agree terms of reference and action plans which reflect national and local requirements and service needs.

- A partnership model with staff representatives will be agreed and a new focus on open, honest dialogues with staff will be established as part of a wider Organisational Development strategy.

- We will continue to promote the flexible working policy and explore new flexible working arrangements which may benefit our operations and people.

- We will further promote flexible retirement options and introduce support for carers in addition to parents by enhancing the existing childcare co-ordinator role.

- We will develop a Wellbeing Policy to minimise stress in the workplace and continue to develop Occupational Health Services.

- We will develop policies and practices in line with national security management services to enforce zero tolerance of physical or verbal abuse of staff.

- We will implement a Workforce Development Strategy to meet learning and development priorities within a culture that values informal as well as formal approaches to learning and development.
Foreword to the summarised accounts

The summary financial statements set out on pages 22 to 28 are a summary of the information published in the full accounts for the year ended 31 March 2006 and they reflect the fully audited position.

These accounts for the year ended 31 March 2006 have been prepared by Mayday Healthcare NHS Trust under Section 98(2) of the National Health Service Act 1977 (as amended by Section 24(2), Schedule 2 of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

Statement of the Chief Executive’s responsibilities as the Accountable Officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers’ Memorandum issued by the Department of Health.

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

Helen Walley
Chief Executive
16 August 2006

Statement of Directors’ responsibilities in respect of the accounts

The directors are required under the National Health Services Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the directors are required to:-

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State.

They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

By order of the Board
Helen Walley
Chief Executive

and
Tony Leonard
Interim Director of Finance
16th August 2006

Independent auditor’s report to the Directors of the Board of Mayday Healthcare NHS Trust

I have examined the summary financial statements set out on pages 22 to 28.

This report is made solely to the Board of Mayday Healthcare NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsi-
Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board.

Opinion

In my opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2006.

16 August 2006

Philip Johnstone
District Auditor
Audit Commission
1st Floor Millbank Tower
Millbank
London
SW1P 4QH

Statement of Internal Control 2005/2006

Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible, as set out in the Accountable Officer Memorandum.

As Chief Executive I have overall responsibility for the governance process across the Trust. This includes a responsibility for ensuring that processes are in place to enable identification and management of current risk and anticipation of future risk.

The Strategic Health Authority (SHA) is responsible for the performance management of the Trust. A formal process is in place to report and discuss performance and achievements of Trust objectives to the SHA. Reporting of serious untoward incidents and action taken to identify root causes are subject to formal processes.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Capacity to handle risk

In 2005/6 the Trust had in place a Healthcare Governance Strategy, incorporating risk management, which is designed to assimilate the three separate strands of risks, i.e. financial, organisation and clinical with an approach to manage them in a seamless and holistic way.

The strategy further sets out the key roles and responsibilities of the Trust Board, its sub-committees, the Executive Directors, Managers and all employees within the organisation in respect of risk management.
Summary Financial Statements

A Healthcare Governance Support Unit provides essential risk management support and training to all staff.

All significant risks, identified through the local incident reporting system and risk assessments, are placed on the Trust Corporate Risk Register and reviewed appropriately.

The Director of Finance and Information and the Medical Director have delegated authority to manage financial, non-clinical and clinical risk respectively.

Both are supported by the Head of Risk Management to implement both non-clinical and clinical risk management programmes respectively.

Adverse event reporting information is shared widely through local clinical governance forums and newsletters, particularly though the monthly clinical governance half days.

In September 2005 the Trust Board agreed a review of the governance structures to further strengthen the accountability and integration of the existing internal arrangements, provide a clear alignment to the Standards for Better Health, and provide a framework for further improvement against the governance agenda.

The risk and control framework

All risks are identified, analysed, evaluated, and controlled through the Trust IRIS (Incident Reporting and Information System), the risk assessment reviews, clinical audits and other clinical and non-clinical reviews.

All significant risks are subsequently populated into the departmental and Trust Risk Register, which forms the basis and contributes to the business planning and clinical care management process.

The Trust Assurance Framework 2005/06 was reviewed and revised to more clearly link risks with corporate objectives and to Standards for Better Health. It sets out the corporate objectives, sub-objectives, and the principal risks.

It goes on to describe the key controls, any gaps, and sources of assurance, and any gaps in that. High level action plans are described.

Additionally, the Assurance Framework is complemented by the Corporate Risk Register which identifies substantive risks across all areas of the Trust with appropriate mitigating actions.

The Trust Assurance Framework was reviewed by the Trust Board during the course of the year. The Assurance Framework identifies some gaps in controls for risks including asset management, review of guidelines (e.g. NICE), and staff appraisal.

There were some gaps in assurance for risks including financial performance, patient risks, and recruitment. The Assurance Framework sets out the actions to fill the gaps identified, which include:

- The development of the financial recovery plan with the assistance of external consultants
- New arrangements for the operation of the asset register
- New governance structures
- Improvement in the recruitment of midwives
- Increased focus on completion of staff appraisals

Section 11 of the Health and Social Care Act 2001 places a duty on the NHS to consult and involve patients and the public in the planning and development of health services and in making decisions affecting the way those services operate.

The Trust has continued to strengthen closer working relationships with the public stakeholders, for example the Patient Forum, with the aim of providing information about issues relating to service provision. This is done through an environment of openness, transparency and accessibility in order to allow the public to engage with the Trust to make service improvements.
Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

Executive Managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by:

- Successful CNST General Level 2 and Maternity Level 3 accreditation in March 2005
- RPST Level 1 accreditation
- Data Quality Review by the Audit Commission
- Acute Hospital Portfolio
- Baseline assessment on the Information Governance Framework
- Internal Audit reviews of the Trust’s Assurance Framework and systems of internal control
- Financial reviews by external consultants

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Healthcare Governance Committee.

In last year’s Statement of Internal Control the Trust identified that there was a significant financial risk expected to be present in 2005/6.

In common with a number of other NHS organisations the Trust was unable to balance its books in 2005/6 and ended the year £5,847k in deficit.

During 2005/6 the Trust enhanced many of its financial controls and was reviewed extensively by external consultants and the SHA. The result of this work was the development of a financial recovery plan for the Trust.

The Trust also reviewed its governance structure towards the end of 2005/6, and began the implementation of a new Governance Committee and supporting committees in 2006/7.

The Trust Board developed its Assurance Framework and progress on filling any gaps is monitored by the Board.

The Audit Committee reviews the overall approach to risk management and receives a regular report from the Internal Audit thereon. The Governance Committee scrutinises and monitors all key activities of the operational sub-committees and reports to the Board.

On behalf of the Board
Helen Walley
Chief Executive
16 August 2006
## Balance sheet as at 31 March 2006

<table>
<thead>
<tr>
<th>31/03/06</th>
<th>31/03/05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FIXED ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>488</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>148,864</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Stocks and work in progress</td>
<td>1,907</td>
</tr>
<tr>
<td>Debtors falling due after one year</td>
<td>5,963</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>49</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>7,919</td>
</tr>
<tr>
<td><strong>CREDITORS: Amounts falling due within one year</strong></td>
<td>(16,679)</td>
</tr>
<tr>
<td><strong>NET CURRENT ASSETS (LIABILITIES)</strong></td>
<td>(8,760)</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td>140,104</td>
</tr>
<tr>
<td><strong>CREDITORS: Amounts falling due after more than one year</strong></td>
<td>0</td>
</tr>
<tr>
<td><strong>PROVISIONS FOR LIABILITIES AND CHARGES</strong></td>
<td>(2,386)</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS EMPLOYED</strong></td>
<td>137,718</td>
</tr>
<tr>
<td><strong>FINANCED BY:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>TAXPAYERS’ EQUITY</strong></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital</td>
<td>65,717</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>76,418</td>
</tr>
<tr>
<td>Donation reserve</td>
<td>4,888</td>
</tr>
<tr>
<td>Income and expenditure reserve</td>
<td>(9,305)</td>
</tr>
<tr>
<td><strong>TOTAL TAXPAYERS’ EQUITY</strong></td>
<td>137,718</td>
</tr>
</tbody>
</table>

## Income and expenditure for the year ended 31 March 2006

<table>
<thead>
<tr>
<th>2005/06</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income from activities</strong></td>
<td>148,453</td>
</tr>
<tr>
<td>Other operating income</td>
<td>12,649</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>(162,330)</td>
</tr>
<tr>
<td><strong>OPERATING SURPLUS (DEFICIT)</strong></td>
<td>(1,228)</td>
</tr>
<tr>
<td>Profit/(Loss) on disposal of fixed assets</td>
<td>0</td>
</tr>
<tr>
<td><strong>SURPLUS (DEFICIT) BEFORE INTEREST</strong></td>
<td>(1,228)</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>286</td>
</tr>
<tr>
<td>Interest payable</td>
<td>0</td>
</tr>
<tr>
<td>Other finance costs unwinding of discount</td>
<td>(30)</td>
</tr>
<tr>
<td>Other finance costs change in discount rate on provisions</td>
<td>(123)</td>
</tr>
<tr>
<td><strong>SURPLUS (DEFICIT) FOR THE FINANCIAL YEAR</strong></td>
<td>(1,095)</td>
</tr>
<tr>
<td>Public Dividends payable</td>
<td>(4,752)</td>
</tr>
<tr>
<td><strong>RETAINE](#)D SURPLUS (DEFICIT) FOR THE YEAR</strong></td>
<td>(5,847)</td>
</tr>
</tbody>
</table>
### Summary Financial Statements

**Cash flow statement for the year ended 31 March 2006**

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash inflow from operating activities</td>
<td>5,700</td>
<td>4,730</td>
</tr>
<tr>
<td><strong>RETURN ON INVESTMENTS AND SERVICING OF FINANCE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>286</td>
<td>218</td>
</tr>
<tr>
<td>Interest paid</td>
<td>0</td>
<td>(3)</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from returns on investment and servicing of finance</td>
<td>286</td>
<td>215</td>
</tr>
<tr>
<td><strong>CAPITAL EXPENDITURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Payments) to acquire tangible fixed assets</td>
<td>(6,129)</td>
<td>(8,164)</td>
</tr>
<tr>
<td>(Payments) to acquire intangible assets</td>
<td>(72)</td>
<td>0</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from capital expenditure</td>
<td>(6,201)</td>
<td>(8,164)</td>
</tr>
<tr>
<td><strong>DIVIDENDS PAID</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash inflow (outflow) before management of liquid resources and financing</td>
<td>(4,967)</td>
<td>(6,885)</td>
</tr>
<tr>
<td><strong>MANAGEMENT OF LIQUID RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Purchase) of current asset investment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sale of current asset investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from management of liquid resources</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net cash inflow (outflow) before financing</td>
<td>(4,967)</td>
<td>(6,885)</td>
</tr>
<tr>
<td><strong>FINANCING</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public dividend capital received</td>
<td>4,967</td>
<td>6,885</td>
</tr>
<tr>
<td>Public dividend capital repaid (not previously accrued)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net cash inflow (outflow) from financing</td>
<td>4,967</td>
<td>6,885</td>
</tr>
<tr>
<td>Increase/(decrease) in cash</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Statement of recognised gains and losses for the year ended 31 March 2006**

<table>
<thead>
<tr>
<th></th>
<th>2005/06</th>
<th>2004/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus (deficit) for the financial year before dividend payments</td>
<td>(1,095)</td>
<td>3,918</td>
</tr>
<tr>
<td>Unrealised surplus on fixed asset revaluations/indexation</td>
<td>4,859</td>
<td>35,750</td>
</tr>
<tr>
<td>Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets</td>
<td>193</td>
<td>364</td>
</tr>
<tr>
<td>Reductions in the donated asset/government grant reserve due to the depreciation, impairment and/or disposal of donated/government granted assets</td>
<td>0</td>
<td>(176)</td>
</tr>
<tr>
<td>Total recognised gains and losses for the financial year</td>
<td>3,957</td>
<td>39,856</td>
</tr>
<tr>
<td>Prior period adjustment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total gains recognised in the financial year</td>
<td>3,957</td>
<td>39,856</td>
</tr>
</tbody>
</table>
Summary Financial Statements

Breakeven performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>75,742</td>
<td>84,554</td>
<td>93,677</td>
<td>101,456</td>
<td>112,896</td>
<td>130,995</td>
<td>133,793</td>
<td>149,381</td>
<td>161,102</td>
</tr>
<tr>
<td>Retained surplus (deficit) for the year</td>
<td>107</td>
<td>31</td>
<td>(300)</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>(163)</td>
<td>252</td>
<td>(5,847)</td>
</tr>
<tr>
<td>Break-even in-year position</td>
<td>107</td>
<td>31</td>
<td>(300)</td>
<td>0</td>
<td>4</td>
<td>4</td>
<td>(163)</td>
<td>252</td>
<td>(5,847)</td>
</tr>
<tr>
<td>Break-even cumulative position</td>
<td>107</td>
<td>138</td>
<td>(162)</td>
<td>(162)</td>
<td>(156)</td>
<td>(154)</td>
<td>(317)</td>
<td>(65)</td>
<td>(5,912)</td>
</tr>
</tbody>
</table>

Materiality test:

- Break-even in-year position: 0.1% 0.0% -0.3% 0.0% 0.0% 0.0% -0.1% 0.2% -3.6%
- Break-even cumulative position: 0.1% 0.2% -0.2% -0.2% -0.1% -0.1% -0.2% 0.0% -3.7%

Remuneration report

The remuneration committee is responsible for appointing and setting the terms of service and remuneration of the Chief Executive and Executive Directors.

The remuneration committee is a sub-committee of the Trust Board and comprises all the non-executive directors. During 2005/06 the committee was chaired by:

Trust Chairman Sue Eardley (1st April 2005 - 30th September 2005)
Acting Trust Chairman David Jordan (1st October 2005 - 31st December 2005)
Trust Chairman Brian Phillpott (1st January 2006 - 31st March 2006)

Members during the 2005/06 year were:

Kathryn Bonds
David Jones
David Jordan
Jagdish Sharma
Elaine Wilde

The committee also monitors and evaluates the performance of the Chief Executive and Directors.

The performance of the Chief Executive is monitored through an appraisal system undertaken by the Chairman of the Trust using individual objectives agreed by the Remuneration Committee.

The Chief Executive monitors the performance of the Executive Directors in the same way. This approach is consistent with the overall performance management ethos of the Trust and ensures linkage to national targets and local priorities.

In future the Remuneration Committee will be working to ensure greater alignment between the individual objectives of the Directors and the corporate objectives of the Trust.

The Committee’s role is to ensure that the Executives are fairly rewarded for their contribution to the Trust, having proper regard to its circumstances and performance and to the provisions of any national arrangements for such staff where appropriate.

The current policy of the Committee on the remuneration of Directors is to pay cost of living increases only. This policy will continue until the financial situation of the organisation is improved.

Annual data comparisons will continue to be made with other Trusts of a simi-
lar size to ensure that Mayday continues to pay what is generally considered to be the market rate.

No part of the Chief Executive’s or Directors’ remuneration is subject to their performance (in other words they do not attract any kind of performance bonus).

None of the Directors have fixed-term contracts. Their contracts can be terminated by either side giving, in the case of the Chief Executive, six months notice and for the Executive Directors, three months.

**Pensions**

Mayday’s employees have the option of joining the NHS Pension Scheme. The scheme is currently a final salary scheme to which Mayday contributes 14% of an employees pensionable pay and employees contribute a further 6% (manual staff 5%).

Mayday’s pension fund contributions totalled £9,798,000 in 2005/06 and form part of the total pay expenditure shown in the Trusts Income and Expenditure account.

Full details of this scheme can be found in Mayday’s full accounts note 1.14.

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**Salary and pension entitlement of senior managers**

**Salary**

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Salary (Bands of £5000) £000</th>
<th>Other Remuneration (bands of £5000) £000</th>
<th>Benefits in Kind Rounded to the nearest £100</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive Directors:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms Vanessa Wood</td>
<td>Chief Executive</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Dr Syamala Thomas</td>
<td>Medical Director and Consultant Pathologist (left 31 May 2005)</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Mr Gavin Marsh</td>
<td>Medical Director (from 1 June 2005)</td>
<td>50 – 55</td>
<td>50 – 55</td>
<td>0</td>
</tr>
<tr>
<td>Mr Mark Jones</td>
<td>Director of Finance and Information</td>
<td>90 – 95</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ms Caron Hitchen</td>
<td>Director of Human Resources (left 27 May 2005)</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Mr Mahendra Hariram</td>
<td>Acting Director of Human Resources (from 31 May 2005)</td>
<td>55 – 60</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ms Paulette Lewis</td>
<td>Director of Nursing</td>
<td>70 – 75</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ms Nicola Luffingham</td>
<td>Director of Operations</td>
<td>85 – 90</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mr Ben Gowland</td>
<td>Director of Service Improvement &amp; Quality</td>
<td>75 – 80</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mr Stephen Wells</td>
<td>Director of Facilities (from 20 June 2005)</td>
<td>55 – 60</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Non Executive Directors:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs Sue Eardley</td>
<td>Chairman (left 30 September 2005)</td>
<td>5 – 10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mr Brian Phillipott</td>
<td>Chairman (from 1 January 2006)</td>
<td>0 – 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ms Kathryn Bonds</td>
<td>Non Executive Director</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Mrs Elaine Wilde</td>
<td>Non Executive Director</td>
<td>5 – 10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mr David Jones</td>
<td>Non Executive Director</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Mr David Jordan</td>
<td>Non Executive Director &amp; Acting Chairman (1 October 2005 – 31 December 2005)</td>
<td>5 – 10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dr Jagadish Sharma</td>
<td>Non Executive Director</td>
<td>5 – 10</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*consent to disclosure withheld
## Summary Financial Statements

### Salary and pension entitlement of senior managers

#### Pension benefits

| Name                  | Title                                                | Real increase in pension at age 60 (£2,500) | Real increase in lump sum at age 60 (£2,500) | Total accrued pension at age 60 at 31 March 2006 (£5,000) | Lump sum at age 60 related to accrued pension at 31 March 2006 (£5,000) | Cash Equivalent Transfer Value at 31 March 2006 (£000) | Cash Equivalent Transfer Value at 31 March 2005 (£000) | Real increase in Cash Equivalent Transfer Value (£000) | Employers Contribution to Stakeholder Pension | To nearest £100 |
|----------------------|------------------------------------------------------|--------------------------------------------|-----------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Executive Directors  |                                                      |                                            |                                               |                                                          |                                                          |                                                          |                                                          |                                                |                                                |
| Ms Vanessa Wood      | Chief Executive                                      |                                            |                                               |                                                          |                                                          |                                                          |                                                          |                                                |                                                |
| Dr Syamala Thomas    | Medical Director & Consultant Pathologist            |                                            |                                               |                                                          |                                                          |                                                          |                                                          |                                                |                                                |
| Mr Gavin Marsh       | Medical Director                                     | 0 – 2.5                                   | 2.5 – 5                                      | 10 – 15                                                   | 40 – 45                                                   | 202                                                       | 180                                                       | 10                                                            | 0                                              |
| Mr Mark Jones        | Director of Finance and Information                  | 2.5 – 5                                   | 5 – 7.5                                      | 25 – 30                                                   | 80 – 85                                                   | 396                                                       | 313                                                       | 25                                                            | 0                                              |
| Ms Caron Hitchen     | Director of Human Resources                          |                                            |                                               |                                                          |                                                          |                                                          |                                                          |                                                |                                                |
| Mr Mahendra Hariram  | Acting Director of Human Resources                   | 0 – 2.5                                   | 2.5 – 5                                      | 5 – 10                                                    | 15 – 20                                                   | 63                                                        | 56                                                        | 3                                                             | 0                                              |
| Ms Paulette Lewis    | Director of Nursing                                 | 0 – 2.5                                   | 2.5 – 5                                      | 20 – 25                                                   | 60 – 65                                                   | 346                                                       | 310                                                       | 20                                                            | 0                                              |
| Ms Nikki Luffingham  | Director of Operations                              | 2.5 – 5                                   | 10 – 12.5                                    | 20 – 25                                                   | 65 – 70                                                   | 306                                                       | 240                                                       | 42                                                            | 0                                              |
| Mr Ben Gowland       | Director of Service Improvement & Quality            | 0 – 2.5                                   | 2.5 – 5                                      | 10 – 15                                                   | 30 – 35                                                   | 98                                                        | 79                                                        | 12                                                            | 0                                              |
| Mr Stephen Wells     | Director of Facilities                              |                                            |                                               |                                                          |                                                          |                                                          |                                                          |                                                |                                                |

*consent to disclosure withheld

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member’s accrued benefits and any contingent spouse’s pension payable from the scheme.

A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The CETV figures and 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.
Summary Financial Statements

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) and uses common market valuation factors for the start and end of the period.

Audit

Audit services - the statutory audit and services carried out in relation to the statutory audit e.g. reports to the Department of Health - were provided to the Trust by the Audit Commission. The cost of those services in 2005/6 was £138,000. The Audit Commission supplied no other services.

The Trust has an Audit Committee, the members being:

David Jordan (Committee Chair)
Kathryn Bonds
Jagdish Sharma.

All were non-executive directors of the Trust in the financial year 05/06.

Directors’ interests

None of Mayday’s directors held company directorships or held significant interests in companies that did any business, or sought to do any business within the NHS, during the financial year ended 31st March 2006 that conflicted with their managerial responsibilities.

The Directors are not aware of any significant differences between the carrying amount and market value of interests in land.
Mayday Healthcare NHS Trust

Mayday University Hospital
530 London Road
Croydon
CR7 7YE
Telephone: 020 8401 3000

Purley War Memorial Hospital
856 Brighton Road, Purley
Surrey
CR8 2YL
Telephone: 020 8401 3000

Emergency Minor Treatment Centre
Parkway Health Centre
Parkway
New Addington
Croydon
CR0 0JA

Tel: 020 8251 7225

Sickle Cell and Thalassaemia Centre
316 – 320 Whitehorse Road
Croydon
CR0 2LE

Telephone: 020 8251 7229

Website:

www.maydayhospital.nhs.uk