NHS
Kent and Medway
NHS and Social Care Partnership Trust

Annual Report

2022-23






Brilliant care through brilliant people

2022-23 at a glance

20
quality improvement projects completed and **250** staff trained in QI

9,000 KMPT service users and carers took part in national research studies

Average physical observations compliance is at its highest ever on our inpatient wards at **80%**

Our people are engaged and report an overall engagement score of **6.9**

Launched a new, confidential and independent 24/7 **Freedom to Speak Up** service

Won the Platinum Award from Kent and Medway Healthy Workplace Programme, recognising us as a healthy place for people to work

Created **4** staff chill out spaces

Grown our service user and carer engagement pool from **50** to **144** members

Reduced the number of people being detained under Section 136 by two thirds

20
research publications in peer-reviewed journals

Recognised as **Veteran Aware** by the Veterans Covenant Healthcare Alliance

Recruited **50** new mental health practitioners

82 Green Champions and use **100 per cent renewable electricity** across all our sites

Our £7.6 million underlying deficit **nearly eradicated**

KMPT Annual Report 2022-23

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CEO's statement

Through this report we look back at another remarkable year. Set against the backdrop of a receding pandemic, the NHS has never faced such significant challenges. Mounting demand for services, a reduction in the vital voluntary sector and record vacancy levels across the country combine to make delivering the consistently high quality care that we aspire to, more difficult than ever. I am proud to report that in KMPT our unwavering focus remains doing the very best for those we serve. This year's annual report shares evidence of that focus and of the impact that it has had on our patients, their loved ones and carers, and our staff.

At times like this the role of the NHS has never been more vital. Not only in providing outstanding physical and mental health care to our local populations, but in using its role as an anchor in our local communities to help people live well. We can and are already working with partners to support people throughout their key stages of life – from early years through to adulthood – to spread opportunities, tackle inequalities and promote health and wellbeing. In the last year we have cemented our commitment to achieving this in Kent and Medway by signing up to the UK's levelling up goals and formally partnering with the Purpose Coalition.

In KMPT we have continued to experience significant pressure and changing demands on our services, and we have remained focused on ensuring the provision of safe, high quality care. We have invested in training, developing and expanding our quality improvement and research expertise to support excellence in these areas. It is our ambition to progress mental health research locally and nationally at pace so that we can make sure mental health is recognised as being equal in importance as physical health.

We could not have achieved as much as we have in the last year without the strong relationships we have with our partners, our service users, their loved ones and carers. Their voices and active involvement are key to us continuously improving and ensuring patients receive the care and treatment that they need, when and where they need it. We have played our part as a member of the Kent and Medway Integrated Care System, representing both mental health and community health on the Integrated Care Board from its inception in July 2022. Putting our service users at the heart of all we do, whilst playing our part in the system means that the quality of experience for our patients improves and the system is able to work more efficiently.

As I reflect on my final year at KMPT before I retire in the autumn, I can honestly say that I have been inspired and impressed every single day in my role as Chief Executive. People truly are at the heart of KMPT and it is its staff and volunteers who make it so.

For the last seven years they have remained true to our one simple mission – to provide brilliant care through brilliant people. They adapted quickly throughout the pandemic and to changes to our services, alongside adapting to necessary changes within KMPT such as our organisational restructure - Fit for the Future - our launch of hybrid working, changing shift patterns and implementation of new technology.

I have loved every single minute of my forty years working in mental health and my time at KMPT has been, by far, the absolute highlight. I would like to thank each and every KMPT colleague for their hard work, commitment and for what they have achieved during my seven, privileged years of working with them.

As I look to the future, I am excited that KMPT has launched its new strategy for the next three years. It will allow the organisation to respond to the opportunities and challenges ahead, and continue focusing on delivering brilliant mental health, learning disability and autism services to people living in Kent and Medway. I am proud of all that KMPT has achieved in the last year, and indeed the past seven years, and leave safe in the knowledge that the incoming Chief Executive, Sheila Stenson, will be supported by a talented and committed executive team and board who will drive this strategy forward and continue to make KMPT the very best place to both receive care and to work in.

Helen Greatorex
Chief Executive

> **"As I reflect on my final year at KMPT before I retire in the autumn, I can honestly say that I have been inspired and impressed every single day in my role as Chief Executive."**

Chair's statement

This has been a year of high demand for our services, with the need for mental health support being seen both locally and nationally. I am deeply grateful to our staff for their tireless work in providing high-quality care to those that needed it. The Board wishes to take this opportunity to thank everyone in the trust for the resilience and adaptability they have shown.

I am very pleased to report that we not only ended the financial year at break even, but we are on the verge of eradicating our financial deficit. At a time when the NHS is under immense pressure to deliver more for less, this is a significant achievement for KMPT.

Last year we set ourselves three key areas of focus to help our workforce provide brilliant care for all. The Board was pleased to see progress against these priorities over the last year, but was also clear there is more work to do. In April we signed off a new, three-year strategy which sets a clear vision for us to deliver outstanding care and to work in partnership to deliver this at the right place, for every service user, every time.

Our people are the beating heart of KMPT, demonstrating our values in action as they deliver quality services. We focused on actively supporting their health and wellbeing throughout 2022/23 and also on helping to address the areas that matter most to them. This has ranged from stepping up our efforts to reduce unacceptable incidents of violence and aggression on our wards, to creating more welcoming working environments and spaces for staff to work and relax in. We have also made progress on our commitment to making KMPT a fully inclusive, diverse, anti-discriminatory and anti-racist organisation in which individuals' differences are respected and valued.

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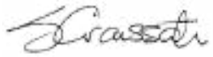
> **"I am very pleased to report that we not only ended the financial year at break even, but we are on the verge of eradicating our financial deficit."**

Last year also saw the inception of the Kent and Medway Integrated Care Board. KMPT's role on the ICB and our commitment to working more closely with system partners has stepped up and, together, we are working with a range of partners, including the voluntary sector and lived experience experts, to shape innovative new services for our communities. Our provider collaborative across the system – for mental health, learning disability and autism – has been key to realising this ambition, and we are excited by the opportunities for change that this collaborative has provided.

The Board was keen to hear more over the last year about our quality improvement (QI) projects to improve services and experiences for our service users and staff. Thanks to a significant increase in the number of QI projects undertaken last year, the Board has welcomed staff from across the trust to share their QI success stories and learnings at the start of every board meeting.

As I near the end of my statement, I must take this opportunity to extend my and the Board's thanks to Helen Greatorex in her final year at KMPT. During her seven years as CEO, she has made an outstanding contribution to the organisation, and leaves KMPT in a strong position for the future. We are grateful for all she has done and she will be greatly missed.

I would like to end by expressing my heartfelt thanks to all our staff, lived experience experts, engagement pool and council members, volunteers, and of course to our service users and their loved ones - without their active participation we cannot learn and continuously improve what we do. Together, a great deal has been achieved in 2022/23 and I look forward to the progress we make next year against our new three-year strategy with Sheila Stenson as our new CEO.



Dr Jackie Craissati
Chair

About Kent and Medway NHS and Social Care Partnership Trust

We are proud to have a workforce of over

3,700 people

from **66** nationalities,

ranging from **20–70** years old

Rated as

Good by the Care Quality Commission and

Outstanding

for Caring and Effective in February 2022

We provide a wide range of adult mental health and learning disability services to our local population of

1.8 million people

in Kent and Medway, as well as specialist services for adults in Sussex and Surrey

We are part of the Kent and Medway Integrated Care System, a partnership of organisations that come together to plan and deliver joined up health and care services to improve the lives of people across Kent and Medway

Each year we care for over

2,000

adults in our hospitals and

54,000

adults in the community

Performance report

People: improving employee recruitment, retention and wellbeing

KMPT staff are confident, skilled and deliver consistently brilliant care.

In 2022-23, we introduced a new strategic priority to recruit, retain and look after the wellbeing of our people.

We have recruited 354 staff in the last year, but we recognise there is more to do to close our vacancy gap. Our efforts over the last year have focused on our staff's wellbeing and creating an environment where people can bring their best.

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Our achievements

63%
of our people took part in the NHS annual staff survey

Staff who identify as non-white report a higher engagement score of **7.4**

&?#!
More staff feel able to report concerns about harassment, abuse or bullying

96%
of staff had an annual appraisal

78%
of staff feel their manager gives them clear direction on their work, well above the NHS average of 72%

Chosen as
1 of 14
national trailblazer sites to pilot the updated health and wellbeing framework

40
members of staff trained as health and wellbeing champions, bringing our total to
75

Hosted
4
'Schwartz Rounds' for staff to come together to discuss the emotional and social aspects of working in healthcare

79%
of staff feel they are able to show initiative in their role

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Focusing on employee wellbeing

Actively supporting the health and wellbeing of our staff was a priority for us last year. We know this positively impacts retention and ultimately improves the care we provide to our service users and their loved ones - enhancing safety, their overall experience and health outcomes.

In January 2023, we launched our staff health and wellbeing strategy and we have invested in a number of new wellbeing initiatives and programmes, including wellbeing days, to support our people to build a healthier lifestyle, both at work and at home.

Helping our staff with the rising cost of living

We introduced a number of financial initiatives to help our people. These included: increasing the amount that staff are reimbursed for business mileage; refunding staff for the initial cost of the Blue Light Card; and the introduction of our staff financial wellbeing app called Wagestream, which allows staff to draw down their earnings in advance, and have access to their wages at any time of the month. Through this service they are able to track their wages and save as well as benefitting from independent financial advice. Over 370 staff have taken advantage of these initiatives to date.

Wellness gift box and an extra day of annual leave for birthday celebrations

We know that sometimes it is the smallest of gestures that make all the difference to our staff and how valued they feel. As a thank you, we sent surprise wellness gift boxes filled with delicious treats and self-care products to all our staff and volunteers. Included in the box was a personal message from our CEO and Chair with an extra day of annual leave gifted in honour of people's birthdays. We have decided to continue the extra birthday day off in 2023 as it has been so appreciated by staff.

"The focus on health and wellbeing in KMPT is excellent. There is lots of support and I loved the gift box I received in the post and the bus visiting the sites. This isn't something that was focused on in previous organisations, or taken seriously - please keep it coming."

Staff chill out spaces

In 2021, our staff told us they wanted a space where they could relax and unwind when they were on a break. We have opened modern and vibrant staff chill out spaces across our main sites in Dartford, Maidstone and Canterbury. The spaces offer staff the opportunity to take a break as part of their working day in an environment that is relaxing, non-clinical and well-equipped. The spaces have been co-produced with staff to make sure they are comfortable, light and airy and meet their needs. In addition to the well-equipped kitchens, comfy chairs and smart TVs, there are outdoor spaces for our staff to enjoy too, so they can return to their roles feeling refreshed and recharged.

Menopause Café

We employ over 915 women over the age of 50. Our monthly Menopause Cafe was set up last year to support those staff who are experiencing symptoms of perimenopause or menopause, of which there are 34 symptoms. Through its regular meetings, the cafe encourages people to share and learn about what this period of change means for them. External organisations and guest speakers have joined to offer expert help, advice and signposting to menopause services. Our 170 cafe members also receive an information newsletter with top health and advice tips. We hope to create a more open and happier workforce resulting in better patient care, less sickness and absence, and a reduction in the need to employ temporary staff. We are also working towards becoming a Menopause Accredited Trust during 2023.

Case study:
talking wellness

talking wellness is one of 40 resilience hubs funded by NHS England to provide mental health wellbeing support to all NHS and social care staff across Kent and Medway working within the system. KMPT, as a lead provider of mental health services across the county, has supported the initiative.

KMPT staff have continued to lead on providing this support to NHS staff across Kent and Medway in partnership with Project Wingman, a charity founded by furloughed airline staff during the pandemic.

> **Thanks so much! A much-needed escape from the hospital. We really appreciated the kindness and support from the team here... I hope more colleagues are able to benefit from talking wellness. Thanks!"**

Over the last year, talking wellness has evolved and, in direct response to the needs of the people accessing it, now provides mental health assessment, support, signposting and intervention for staff. It also focuses on non-work-related mental health issues with the most common themes being high levels of stress, anxiety, low mood, burnout, and those with complex mental health needs.

Delivering mental health services in this way helps to reduce stigma associated with accessing more conventional mental health services. The talking wellness service demonstrates a positive impact on mental health disorders such as low mood, anxiety and trauma, as well as tackling burnout, reducing sickness levels and equipping staff with the tools to improve and sustain mental health wellbeing.

Aim of the service

To improve staff mental health wellbeing support through:

- Immediate and direct access to qualified clinicians
- Easy access to the service
- Self-help materials
- Bitesize taster therapy sessions
- Relaxed and attractive environment with free refreshments
- Stronger inclusion
- Representation from other partners including wellbeing leads from across Kent and Medway and Pets as Therapy

Success of the talking wellness bus over the last year

2,039
NHS staff members have accessed the bus

98%
of visitors would recommend the bus to a colleague

72%
would definitely access wellbeing services following their visit

33%
Referrals into talking wellness service increased by 33%

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Nigel Snow works at the William Harvey Hospital in Ashford.

"I took the opportunity of visiting the talking wellness Project Wingman wellbeing bus that was on site at the William Harvey Hospital. In part I was curious, but I also knew that, recently, I'd been struggling a bit and felt it would be good to talk to someone about it. I am so glad I did.

"Over a cuppa, I got chatting to one of the team, and during our conversation it became clear that I was struggling a little more than I thought I was, and they suggested it may help to complete an online assessment. There was no obligation to do so, but it felt right. The kindness of the person I was speaking with, the confidence of knowing I was in a safe space, and the general atmosphere of the bus all contributed to me feeling it was the right thing to do."

After completing an online assessment, Nigel was offered a series of counselling sessions. During his counselling he explored in more detail what was going on in his life, why that might be, if and how what was happening might be affecting his work homelife balance, and what they could work on together to help improve things.

"I cannot adequately put into words what hopping on that marvellous bus that day has meant to me. It has been one of the best personal mental health and wellbeing experiences, and I feel stronger because of it."

> **It has been one of the best personal mental health and wellbeing experiences, and I feel stronger because of it."**

Creating an environment for our people to be confident, skilled and their best

We have diversity of talent at all levels in the organisation and our workforce is made up of people from a culturally rich and ethnically diverse background between the ages of 20 - 71 years old.

We are committed to making KMPT a fully inclusive, diverse, anti-discriminatory and anti-racist organisation where individuals' differences are respected and valued. We encourage everyone to bring their whole self to work to make a full contribution to the care we deliver.

In 2022, we launched our independent Freedom to Speak Up service which has strengthened our commitment to encouraging staff to call out any incidents of abuse and discrimination in all of its forms.

Supporting our managers to lead effective, supported teams

This year we increased our focus on supporting our leaders, managers and teams through bespoke team building sessions. Our workforce and organisational development team facilitated 26 team days and delivered a variety of training days ranging from insight development days and team building to clarity sessions. One of the most popular sessions has been the team health days.

> **"I think as NHS staff it's not something we take for granted and it most definitely helped our health and wellbeing too."**

> **"I know my colleagues better, their strengths, and how to engage with them collaboratively. Thank you for such an engaging and fulfilling day in terms of content and format."**

Celebrating and embracing equality, diversity and inclusion

We have grown the size and capabilities of our equality, diversity and inclusion team. The team has focused on a number of key issues including working with our four staff networks - LGBTQ+, Faith, Black, Asian and minority ethnic and the Disability and Wellness network – to help ensure that the voices of minority groups are heard. Action plans have been developed to help promote membership and the aims of the groups, as well as encourage members and allies to thrive and participate in initiatives to improve equality, visibility, inclusivity and service user experience.

Each of the four networks plays a vital role in developing our approach to a range of issues, driving and supporting positive change and raising awareness amongst our staff. We will shortly be launching our fifth network in support of neurodiversity later this year which will be open to neurodivergent staff or those who have family members that are neurodivergent.

Calling out discrimination

We want to end discrimination in all forms in KMPT. We have an anti-bullying, harassment and abuse working group that is developing initiatives and working in partnership with Kent Police to combat and address incidents of violence and aggression towards our staff. One of the group's aims is to ensure staff feel confident they can raise issues in a safe, supportive and confidential environment and that we will investigate allegations quickly, sensitively and fairly. While we know there is more work to do, we are pleased that the number of ethnic minority staff reporting that they had experienced harassment, bullying or abuse from service users, relatives or the public in the last 12 months, has gone down from 35.4% to 34.7%.

KMPT has successfully adopted the NHS Equality Delivery System 2022 (EDS). The EDS is a system designed for NHS organisations to help improve the services they provide for their local communities and provide better working environments, free of discrimination, for those who work in the NHS, while meeting the requirements of the Equality Act 2010. KMPT completed all three domains of the audit covering patient, workforce and leadership. This has helped us understand where we are as an organisation so we can continue to make improvements to better support equality.

Case study:

Equality, diversity and inclusion champion award for Allied Health Professionals in Kent and Medway

In November 2022, we were delighted that employee Natalie Diab-Bale, clinical coordinator at the Kent and Medway Recovery and Wellbeing College, was announced the worthy winner of the equality, diversity and inclusion champion award for Allied Health Professionals in Kent and Medway.

Her commitment to her role and the expert support she provides, helping marginalised and diverse communities access services that help them reach their full potential, is outstanding. She has successfully recruited, inducted, trained and supported 14 new team members, proactively finding staff who have significant lived expertise of mental health, physical health and neurodivergent challenges. She has also highlighted essential changes to remove barriers and enable an inclusive environment for service users.

I want to make sure individuals within the local community have their voices heard and that they can participate in activities they want to get involved in. All of this gives them the opportunity to regain control over their own lives.

I am always supported by my wonderful team at the Recovery and Wellbeing College who have the same principles and mission that I do – to ensure that equality, diversity and inclusion practices are embedded within our practices at the college for the benefit of all our students."

Natalie Diab-Bale
Clinical coordinator at the Kent and Medway Recovery and Wellbeing College

Recruitment and training opportunities

Attracting a talented and skilled workforce as well as retaining excellence within our existing staff has been a key focus in the last year.

We have actively participated in the Integrated Care System (ICS) de-biaising recruitment training programme. Through this, managers attend a session to understand how biases have an impact on recruitment and how they can play an active role in encouraging a more diverse pool of candidates to apply and successfully be recruited.

In 2022, we introduced a Workforce Race Equality Standard action plan which included positive initiatives to encourage Black, Asian and minority ethnic employees to embark upon developmental and leadership programmes.

We have been successful in supporting 12 Band 5 nurses to undertake the ICS Aspiring Development Programme that will ensure they are developing the right skills to be ready to take the next important step in their careers.

KMPT has also established strong links with the new medical school in Kent (KMMS) to pave the way for medical students to receive excellent training with a view to choosing psychiatry as their career.

Dr Afifa Qazi announced as Psychiatrist of the Year 2022

We were delighted that Dr Afifa Qazi, KMPT's Chief Medical Officer and Consultant Psychiatrist, was awarded Psychiatrist of the Year by the Royal College of Psychiatrists (RCPsych) in 2022. These prestigious awards, held annually, recognise the very highest level of excellence and achievement within the field of psychiatry.

Quality: accelerating an empowered culture to improve the quality of services

Everyone in KMPT is responsible for creating and finding ways to improve the quality of our services

We have invested in building our Quality Improvement (QI) and research and innovation capabilities and have made progress in building a culture of innovation, learning and continuous improvement to make sure we are at the forefront of developing new ways of supporting and engaging with those who need us, as well as making sure our staff embed learning to constantly improve the services we offer.

Quality improvement (QI)

Quality improvement (QI) has become the backbone of NHS efforts to improve its services. We have grown our QI capability and this year saw a significant step forward in the number of projects completed with tangible improvements delivered by staff and for staff, and for the people we care for.

Highlights

Completed **20** QI projects, more than doubling the seven projects completed the previous year

Delivered QI training to more than **250** staff

Graduated our **1st** cohort of QI pioneers who will take forward important learnings to drive further QI project across the organisation

Engaged in **3** national QI collaboratives, gathering expertise and sharing learning with peers from other organisations to drive better outcomes in future work

Presented **7** projects to our public board, which helps to drive cultural change by making improvement work transparent and bridging the gap between frontline staff and our most senior leaders

Case study:

Driving down waiting times in Maidstone

Staff working in the Maidstone community mental health team (CMHT) were concerned about delays to service users' first appointments with medics after their initial assessment.

Taking a QI approach to solving the problem allowed them to realise that understanding of the booking system had dipped across the team, meaning processes were being inconsistently followed. This had led to appointments being made that then had to be cancelled and rebooked, which in turn was contributing to increased waiting times.

As a result of their work the number of mandatory assessments not completed prior to a service user's first assessment has significantly decreased by 70 per cent

Using QI techniques allowed the team to create an efficient approach to redesigning and standardising the appointment booking process, something that would have seemed outside of their professional expertise without this support.

As part of this they completed an exercise that allowed them to identify the key drivers of the problems being experienced. This highlighted that, as well as the booking process not being well-understood, it was also not being rigorously applied in practice, which included limitations to the recording of relevant assessment data, and communication between practitioners, to inform judgements around appointment needs.

The team solved this by working together to design a new, more succinct appointment booking process, with communications about how to use it built into the fabric of how they worked. They also made it easier to access data on the number of mandatory assessments not being completed prior to booking a first appointment, to help them understand if the new process was being correctly followed. As two neighbouring CMHTs were in the process of merging they shared their learnings with them to help those teams build efficient processes and ways of working from day one.

As a result of their work the number of mandatory assessments not completed prior to a service user's first assessment has significantly **decreased by 70 per cent**.

Case study:

Improving physical observations on our wards

There were concerns about incidents related to delayed completion of physical health observations on our inpatient wards. This was highlighted through clinical quality audits and lessons learnt from patient safety incidents.

Staff groups from across the organisation came together to look at what was working well, where they could improve, the barriers faced and discussed strategies to overcome these. The objective of the QI project was to improve the overall compliance of physical health observations within our inpatient units and sustain this over consecutive clinical quality checks.

The team adopted the plan, do, study, action (PDSA) framework to resolve their concerns, as this enables us to test changes on a small scale, building on learnings in a structured way before we fully make changes. This way the process of change is safer and less disruptive for service users and staff.

By July 2022, there was a **56 per cent reduction in overall physical observation non-compliance episodes** and clinical quality checks have also seen significant improvements. The **missed opportunities for physical health observation repeats have reduced by 72 per cent** and the **average physical health observations compliance is the highest ever at 80 per cent**.

Results have so far been sustained and the project has helped to further promote the importance of physical health care within our mental health acute wards. It has had a positive impact on staff noticing and understanding early signs of a service user deteriorating, improving their experience and outcomes during their stay on our wards. It has also helped support education, competence and confidence for the staff that carry out these observations on a daily basis. To sustain our improvements, we will be continuing to review compliance through our physical health audits and clinical quality checks.

By July 2022, there was a 56 per cent reduction in overall physical observation non-compliance episodes

Continuously improving our services and embedding learning

We work closely with colleagues and partners in Kent and Medway and beyond to develop innovative programmes, initiatives and practical solutions that drive up the standards of care and support on offer for everyone.

We have also focused on increasing our visibility, and the recognition of excellent work completed by the Kent and Medway system more generally, by presenting at 20 international conferences attracting attendance from high-level colleagues from around the world.

Case study:

Developing better care for people who self-harm

A significant proportion of people who repeatedly attend A&E departments for mental health reasons sadly do so because of problems associated with deliberate self-harm.

Unfortunately, there is currently no treatment delivered in mainstream mental health services that works well for individuals with a history of repeated self-harm. As many of them do not require the ongoing services of secondary mental health care, which is the type of care KMPT provides, they have been going without the specialist support or care they need.

To address this, KMPT's liaison psychiatry team, based in Dartford, began participating in a study, FReSH START, led by Leeds University to develop and evaluate a new therapeutic approach for people who repeatedly self-harm.

The study gives people who present at hospital with repeated incidents of deliberate self-harm the opportunity to enrol on a course of psychotherapy, either cognitive behavioural therapy (CBT) or acceptance and commitment therapy (ACT). This is delivered by a member of the liaison psychiatry team who has been specially trained for this purpose.

The team screen every person who attends their local A&E department because of an episode of deliberate self-harm. If they are suitable and happy to consent to being involved in the study, they are then given 12 therapy sessions by our staff.

We are very proud to say that in March 2023, the **liaison psychiatry team received a research support award from the National Institute of Health Research (NIHR) Clinical Research Network in Kent, Surrey and Sussex**. They were commended for going above and beyond their usual clinical activity to proactively recruit to, and deliver the interventions that are part of, the FreSH START trial.

Despite our liaison practitioners already working in fast-paced roles, they were recognised for their energy, time and compassion talking about research with service users, making it a core part of their service, and showing an exceptional level of initiative and commitment to improve the services offered to some of the most vulnerable people in our communities.

As the study is still live, the benefits of it are being examined and the results will be made public when it concludes in 2024.

When the Liaison Service was approached by the research and innovation team, we were excited to be part of a trial that has the potential to create better outcomes for our patients. This has also opened doors for clinicians who want to develop their skills in delivering evidence-based therapeutic interventions. Being part of a research project transcends beyond the care that we deliver on a day-to-day basis. We look forward to continuing our research work to support innovation within our field!"

Amy-Louise Payne
Dartford liaison team manager

Case study:

Improving the support available for neurodivergent people in Kent

We are proud to be a fundamental part of a Kent and Medway effort – the Transforming Neurodiversity Support (TNS) programme – to help autistic people, people with a learning disability and/or ADHD live the lives that they want and need.

Our goal is to improve how healthcare workers support and engage with neurodivergent people, their families and carers to better meet the holistic needs of all individuals, and ensure they are treated with compassion and dignity and in a way that responds to their unique requirements.

Over the last year we have co-produced several projects with our TNS board members and system colleagues. These include top tips for ward staff, supporting our neurodivergent staff, and some bitesize webinar sessions to raise staff awareness across a range of themes.

KMPT also launched its STOMP pledge to stop the overmedication of people with a learning disability, autism, or both. This is an important step to providing better care for people with complex needs, and we are hosting a specialist pharmacist to help us bring about the changes we need to make.

We have also trialled a new toolkit across our early intervention in psychosis service – called the Green Light Toolkit – to improve the way mental health services support autistic people and people with learning disabilities, which we are now looking at rolling out across the trust over the coming year.

Alongside this, we continue to place a strong emphasis on training for our staff. We have launched mandatory specialist training for all staff on learning disabilities and autism and are educating our future nurses by running a series of education sessions for mental health student nurses at Canterbury Christ Church University.

It feels good to be making even the beginnings of a positive difference for several groups of people who all very much need systems and attitudes improved in order to be fit for purpose in serving both their health and neurodiversity needs.

It is also wonderful to have a space and a group of people in which I feel accepted, valued as a contributor and paid for my time. This is something sorely lacking in much of society due to needless stigma associated with autism."

Felicity Head
TNS board member
and expert by experience

Case study:

Continuing to improve perinatal care

Around one in four women experience mental health problems in pregnancy and during the 24 months after giving birth. The NHS is committed to providing them with high quality perinatal mental health care and KMPT was chosen as an early implementer of a new dedicated Maternal Mental Health Service (MMHS).

KMPT rolled out its programme called 'Thrive', which provides access to assessment and psychological treatment for those women experiencing moderate, severe, or complex mental health difficulties arising from trauma or loss in the maternity, neonatal or perinatal context.

Thrive was developed in close consultation with people who had lived experience of the issues. We held online discussions with support from local charities, including Make Births Better and Making Miracles, and liaised with our local maternity and neonatal service through the Maternity Voices Partnership.

The service offers NICE (National Institute for Health and Care Excellence) recommended therapies, such as eye movement desensitisation and reprocessing, and trauma-informed cognitive behavioural therapy. It has robust pathways into reproductive health, psychosexual health, NHS Talking Therapies, primary care and third sector and voluntary services. In addition to this, the service offers reflective practice group sessions to all specialist mental health midwives across Kent and Medway, and promotes trauma-informed care.

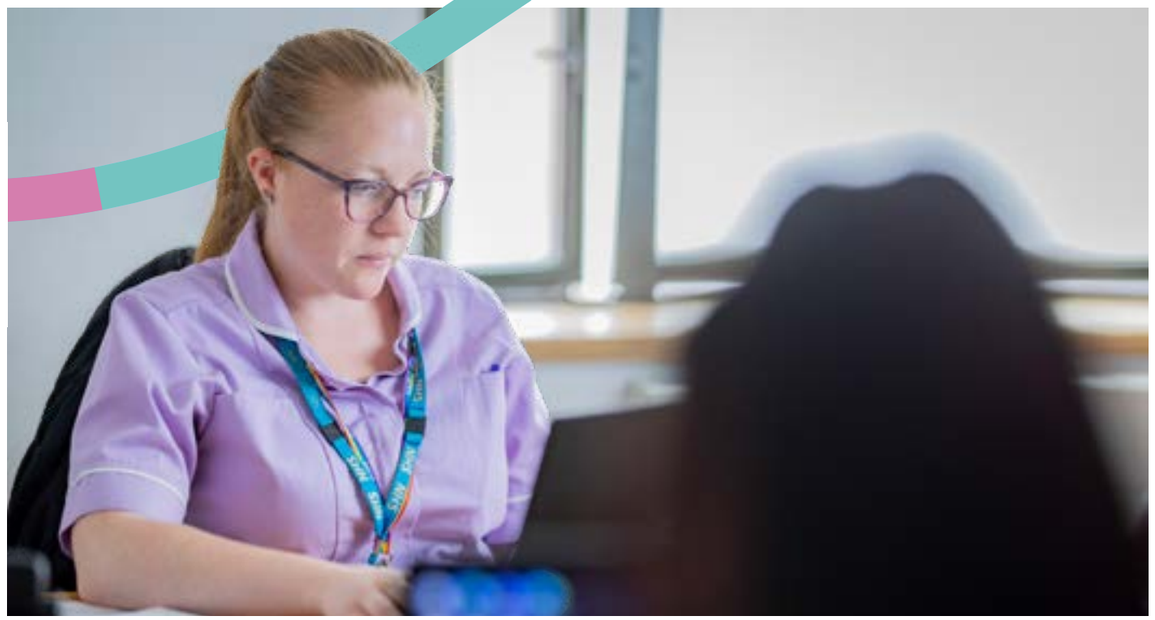
Thrive plans to collaborate with Lancaster University, Oxford University and Kings College London on upcoming national research on state intervention at birth.

"I genuinely believe Thrive has given us hope again for our future. Not only has it made a vast difference to my wife's quality of life but it has also allowed me to better support her at home. It has also promoted me to seek my own therapy for birth trauma and PTSD."

Anonymised service user

"My treatment sessions with (psychologist) were fantastic, non-judgemental and so understanding. She's a wonderful lady who I owe my new love of life to and I can't thank her enough. My journey wouldn't have been so successful throughout without the constant support of my peer support worker. I feel privileged to have been one of the first service users of Thrive and would recommend the service highly. Thank you to all involved in my treatment, it really has been life-changing."

Anonymised service user



Research

NHS organisations that carry out research routinely and regularly have been shown to offer better care, and greater choice, to patients and service users. Research activity means patients and service users have access to the latest innovative treatments. Staff benefit too, as they learn new skills that give them better career opportunities and promotion prospects, and they can apply for funding to test their own ideas for new methods of care and new ways of organising services.

We continued to invest in our research capabilities and are seeing important results. Our director of research and innovation is jointly positioned within the Kent and Medway Medical School, which bolsters our collaborative academia relationships.

Last year we recruited 550 participants to 21 portfolio studies covering areas such as self-harm, dementia, depression and anxiety, psychosis, open dialogue service, bipolar and intellectual disability.

Over 9,000 of our servicer users and their carers have taken part in high quality national research, and we had over twenty research publications featured in peer reviewed journals. These are detailed at the end of this chapter.

We continued our exciting collaboration with the Royal Literary Fund (RLF) to offer writing support to our clinical staff through a series of free online workshops. The RLF funds professional writers to work in universities, with businesses, charities and the NHS to develop their people's writing and this has helped to improve the quality of publications we have had published in peer review journals.

Our work next year (2023/24) will support our ambitions to increase the number of research studies we carry out, boost our research grant income, strengthen our relationships with our neighbouring universities and the Kent and Medway Medical School.

Over 9,000 of our servicer users and their carers have taken part in high quality national research

Case study:

Breaking down barriers to research for underserved communities

It is estimated that a fifth of the UK's population have some form of neurodiversity, which means that their brains function, learn and process information differently to neurotypical people.

Yet neurodivergent adults are all too frequently excluded from research projects due to the fact that the teams running them are not aware of their needs and how to support them to participate. KMPT is dedicated to improving the specialist services it offers to all our communities in Kent and Medway, as well sharing best practice with all partners – locally and throughout the NHS.

Our research and innovation team focused on breaking down barriers to research for neurodivergent adults. This included opening studies that would benefit them, creating new research opportunities and sharing knowledge about how to better engage with these individuals more widely.

The team pioneered a new approach by employing experts by experience for the duration of the project, rather than consulting with them on an ad hoc basis. This has allowed KMPT to better understand what prevents them participating in clinical research and to gather useful insights about how individuals prefer to be approached about research and made to feel valued.

These findings have been used to create "help me help you" guidance for researchers to improve inclusion in clinical research; a short "top tips" flyer to support clinical and research staff when speaking to neurodivergent adults about research; and helped recruit more neurodivergent participants to existing studies and to sign up to our 'consent to contact' database to take part in future research. It also allowed the team to train two nurses in a therapeutic intervention for PETAL feasibility.

KMPT staff have been given the opportunity to develop their skills more broadly, share good practice with local and national stakeholders, and make stronger links across the community. This has led to more service users and members of the public being given the opportunity to engage with and shape new research being developed.

Importantly, the projects have provided further opportunities for lived experience experts to develop their skills, work as valued, paid members of the project team, and use their experiences to influence how we engage with underserved communities going forward.

Case study:

Dementia, Sexuality and the law

Led by KMPT's chief investigator, Dr Deji Sorinmade, we launched an ongoing study to give a voice to people living with dementia and their partners and carers on whether the current law (Sexual Offences 2003 and Mental Capacity Act 2005) has the right balance between protecting people with dementia and supporting them to express their desires.

Research shows that what is most important to people living with dementia is that they feel "of value", "of use" and that they do not lose relationships with others. Older people continue to enjoy intimacy and active sex lives, including people living with dementia. 59 per cent of older men and 51 per cent of older women are sexually active.

However, current laws require "here and now" consent to engage in sexual relations, meaning that people who have lost the ability to consent to engage in sexual relations are dissuaded, or even excluded, from intimate relations, which can extend to contact designed for comfort, such as hugging.

Being diagnosed with dementia does not necessarily mean that individuals have lost their ability to consent to intimate contact or sexual relations, and there is public support for sexual expression for individuals living with dementia (68.3 per cent).

Little is known about preferences for sexual and intimate expression across different situations, and the effects of stopping people living with dementia from engaging in sexual relations is seldom recognised. This study has been launched to address that and give an underserved section of our population the chance to have a voice. Using focus groups and interviews, it will collate important evidence and information and let us understand whether the law could do more to support older people, and people living with dementia, to have more fulfilling lives.

Being diagnosed with dementia does not necessarily mean that individuals have lost their ability to consent to intimate contact or sexual relations

Partnerships: Building partnerships with a purpose to improve key pathways of care

KMPT and its partners work together to reduce mental health inequalities and improve services and outcomes for our service users and their loved ones

Over the last year we have continued to use our expertise to lead and partner with our service users, their loved ones and carers, as well as wider NHS system colleagues and private and voluntary organisations to improve our care and services.

In July 2022, the Kent and Medway Integrated Care System (ICB) was established. Its aim, as set out in the NHS long term plan, is to bring NHS organisations and local councils closer together to make health and care better for everyone. We have remained focused on playing our part in this system and putting the right systems and relationships in place to support the NHS ambition to deliver truly integrated joined-up care to service users and to deliver the ambitions of the long term plan together. KMPT's Chief Executive is a partner member of the ICB board, representing both mental health and community services.

Mental Health Learning Disability and Autism Provider Collaborative

KMPT has been driving the development of the Mental Health Learning Disability and Autism Provider Collaborative (MHLDA PC) to bring together a range of partners – including from social care and the voluntary sector - to tackle some of the biggest challenges in mental health service provision across the county.

Established in May last year, with an emphasis on putting people using services at the heart of what it does, the MHLDA PC has focused on nine key programmes of work. These include reducing out of area placements, improving urgent and emergency pathways of care, providing faster diagnostic services for people with dementia and improving the treatment offered to people with learning disabilities, with the end goal of fewer admissions to mental health settings.

Engagement with our service users and their loved ones

To deepen our understanding of our service users' needs, we accelerated our efforts to better capture the insights offered by lived experience experts when designing or developing services and creating information about their care.

We have built on our existing efforts to encourage a more diverse range of people with lived experience of mental health to be involved in improving and actively developing our services.

"Our voices are being heard and we are influencing every level of the organisation from day to day services, through to the triangle of care and patient safety meetings to future service provision. We are both a fresh pair of eyes and able to provide immediate quality feedback. We are invested, through ourselves and our loved ones, to influence the standards of care so they are the best they can possibly be. We aren't constrained by culture or politics, and consequently free staff to speak openly so that care provision is able to be elevated to the highest level."

Sam Robinson
Engagement council and engagement pool member

We increased membership of our award-winning engagement pool, established in early 2021, to 144 individuals.

58 per cent of our engagement pool are service users and almost 20 per cent are carers. The lived experience they provide has been crucial in helping us shape our services and ensure we continue to deliver brilliant care. Over the last year we have also grown the number of engagement pool members from minority ethnic backgrounds. This now stands at 19 per cent, and our representation from younger adults aged 18-24 has grown to 7 per cent.

In 2021, we drew 13 participants from the engagement pool to create a new engagement council to work with the trust's board, engagement pool and our care group services to suggest ways we can improve and develop. In the last year, they have made a positive difference to our work by forming strong strategic leadership and oversight of our efforts to more consistently involve people with lived experience in our work.

This has included establishing regular meetings with our board and the creation of a strategic workplan, aligned to trust and service user priorities.

KMPT staff who have co-produced work with our lived experience experts have reported multiple benefits, including increased confidence, knowledge and capabilities and a sense of purpose. They said they found the information provided by our engagement pool and engagement council both useful and a key challenge to their professional thinking.

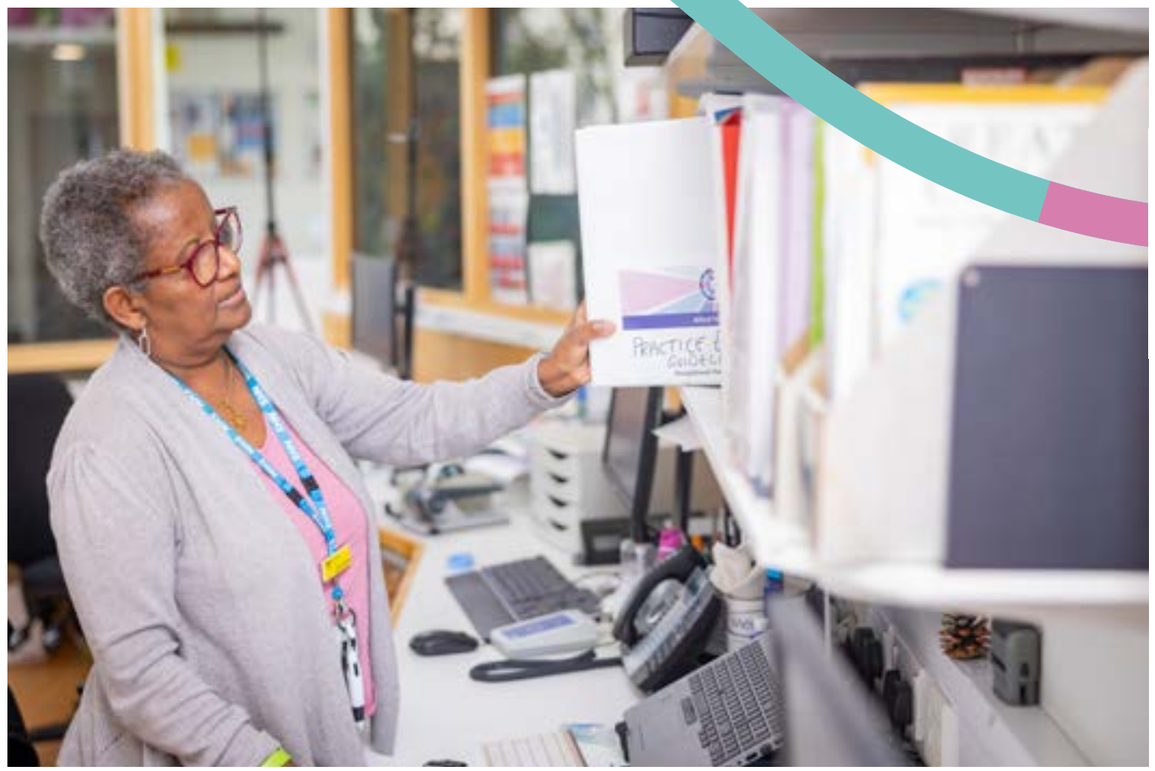
We have also been able to support the wider healthcare system in Kent and Medway with their development of co-production approaches through our work. We shared our training and approach with the Integrated Care Board (ICB) engagement team and they have attended our pilot session to inform their own approach. We are also working with Health and Care Partnerships (HCPs), providing a training session for West Kent HCP in May.

Two patient safety partners from our engagement pool provided lived experience input to our patient safety initiatives, supporting and contributing to our governance and management processes that oversee patient safety.

Reaching underserved members of our community

As the largest provider of mental health care in the Kent and Medway system we recognise the vital role we have beyond delivering brilliant care, and are acutely aware that we support diverse communities with a range of needs. We also know that some of our communities are among the most deprived in the country.

We have therefore worked closely with partners to introduce new support and service offers to provide care people to vulnerable people with specific needs, who require bespoke services as a result.



Carers conference

To mark National Carers Week in June 2022, we jointly hosted a carers conference with Kent Community Health NHS Foundation Trust (KCHFT). The event was co-produced by our carers, who helped plan and deliver the event.

The conference provided an opportunity for families and unpaid carers to access support from health and social care services across Kent and Medway, and hear about the experiences of other carers. It included workshops, presentations and a marketplace of stalls. Attendees rated the event and activities as excellent or good. We have used feedback from the listening exercise to improve the way we work with carers.

Case study:

Bridging the mental health gap for rough sleepers

People who sleep rough experience some of the most severe health inequalities and report much poorer health than the general population. Many have co-occurring mental ill health and substance misuse needs, physical health needs, and have experienced significant trauma in their lives.

Estimates say 40 to 80 per cent of the rough sleeping population are living with mental illness, and this is a major contributing factor to them not being able to find or maintain a home. With rough sleepers' average age of death put at just 43 years old, this was a clearly underserved community who required significant help.

In partnership with the five district councils - Maidstone Borough Council, Sevenoaks District Council, Tonbridge & Malling Borough Council, Tunbridge Wells Borough Council and Medway Council - we have developed a new specialist mental health provision for rough sleepers in West Kent & Medway. It enhances existing rough sleeping support by ensuring specialist access to clinical mental health support is available in the areas where it is most needed.

The West Kent and Medway rough sleeper initiative provides the opportunity to tackle the ongoing needs of vulnerable rough sleepers who have fallen out of services, or who will not engage with traditional pathways of support and housing. They often have chaotic lives and a history of offending, drug and alcohol use, which leads to them being excluded from mainstream services.

The service is based on an outreach model and is delivered through a range of outreach activities and venues, and it links up with other key health, social and voluntary agencies. Its work has included specialist meetings and assessments, offering treatment interventions for those in need, providing drop in sessions within the hostels housing rough sleepers to support outreach workers, and providing trauma informed therapy and solution focused brief therapy to those who need it.

In November 2022, the West Kent and Medway rough sleeper initiative mental health service was recognised as "Highly Commended" at the annual Kent Housing Group (KHG) Excellence Awards.

Estimates say 40 to 80 per cent of the rough sleeping population are living with mental illness

> **"Thank you for everything you have all done plus all the help you all are giving me. It really means so much to me. It has given me hope to put trust into people, to understand me and actually listen instead of just dropping me."**
>
> Anonymised service user

> **"I have been able to express myself more than I could before instead of building it up. I am now on medication. I'm glad I finally got people helping me after so many years."**
>
> Anonymised service user

KMPT accredited as Veteran Aware

In December 2022 we were formally recognised as 'veteran aware' by the Veterans Covenant Healthcare Alliance (VCHA), a group of NHS healthcare providers in England committed to providing the best standards of care for the armed forces community, based on the principles of the Armed Forces Covenant.

The Armed Forces Covenant - which recently passed into law - is a promise by the nation to ensure that those who serve, or who have served, in the armed forces, and their families, are treated fairly. The aim is to develop, share and drive the implementation of best practice that will improve armed forces veterans' care, while at the same time raising standards for everyone across the NHS.

Dr Carolyn Harbert, KMPT principal clinical psychologist, is the lead for veterans work south east region high intensity service & Veterans Aware. She commented:

> **"This demonstrates our commitment to supporting veterans that come to the trust, either working across Kent and Medway as a member of our amazing team or as a service user requiring support for their mental health needs."**

It has been an absolute privilege to have been part of the newly established mental health rough sleeper team for West Kent and Medway. As a team, we have had the opportunity to work with colleagues who are experts in this field from borough councils, other NHS trusts and partner agencies to develop a model that we hope can be offered to everyone who needs it in Kent one day. The roles we undertake in the day-to-day job are inspiring, frustrating, challenging and at times heart-breaking but always rewarding and we would like to thank everyone at KMPT that has supported us."

Dr Nigel Ashurst
KMPT consultant psychiatrist who works as part of the initiative

Case study:

Supporting victims of domestic violence

Over the last year, 100 victims of domestic violence and abuse have received additional emotional support thanks to a new initiative being delivered in partnership between KMPT and Kent's Police and Crime Commissioner (PCC).

Research carried out by the charity SafeLives found there is a strong association between having mental health problems and being a victim of domestic abuse, and those experiencing mental health conditions are more vulnerable to domestic abuse.

It said that 42 per cent of people accessing support from a domestic abuse service reported mental health concerns in the same year, and that such services were not always equipped to best support their mental health needs.

To strengthen the support available for Kent and Medway residents, KMPT created a new, dedicated role - a health independent domestic violence and abuse advocate (HIDVA). The role is funded by the Office of the Kent Police and Crime Commissioner and sits within KMPT's safeguarding team, with a focus on identifying service users at risk of domestic abuse.

Kerry Wallace took on the role in 2021 and leads on providing enhanced training for KMPT staff as well as offering practical, emotional support to those in need. This helped support 100 people in 2022/23.

"Domestic abuse can have an enormous effect on your mental health and, due to the complex mental health needs of many of our service users, they can be more vulnerable to abuse in the first place. My role is to work closely with staff and our service users to help identify people at risk in the first place, and then make sure they have the right safety plans and support in place. This helps them make a faster recovery."

Kerry Wallace

In February 2023, the Kent Police and Crime Commissioner, Matthew Scott, visited KMPT to hear from Kerry about the difference the service is making to vulnerable people living in the county. He said:

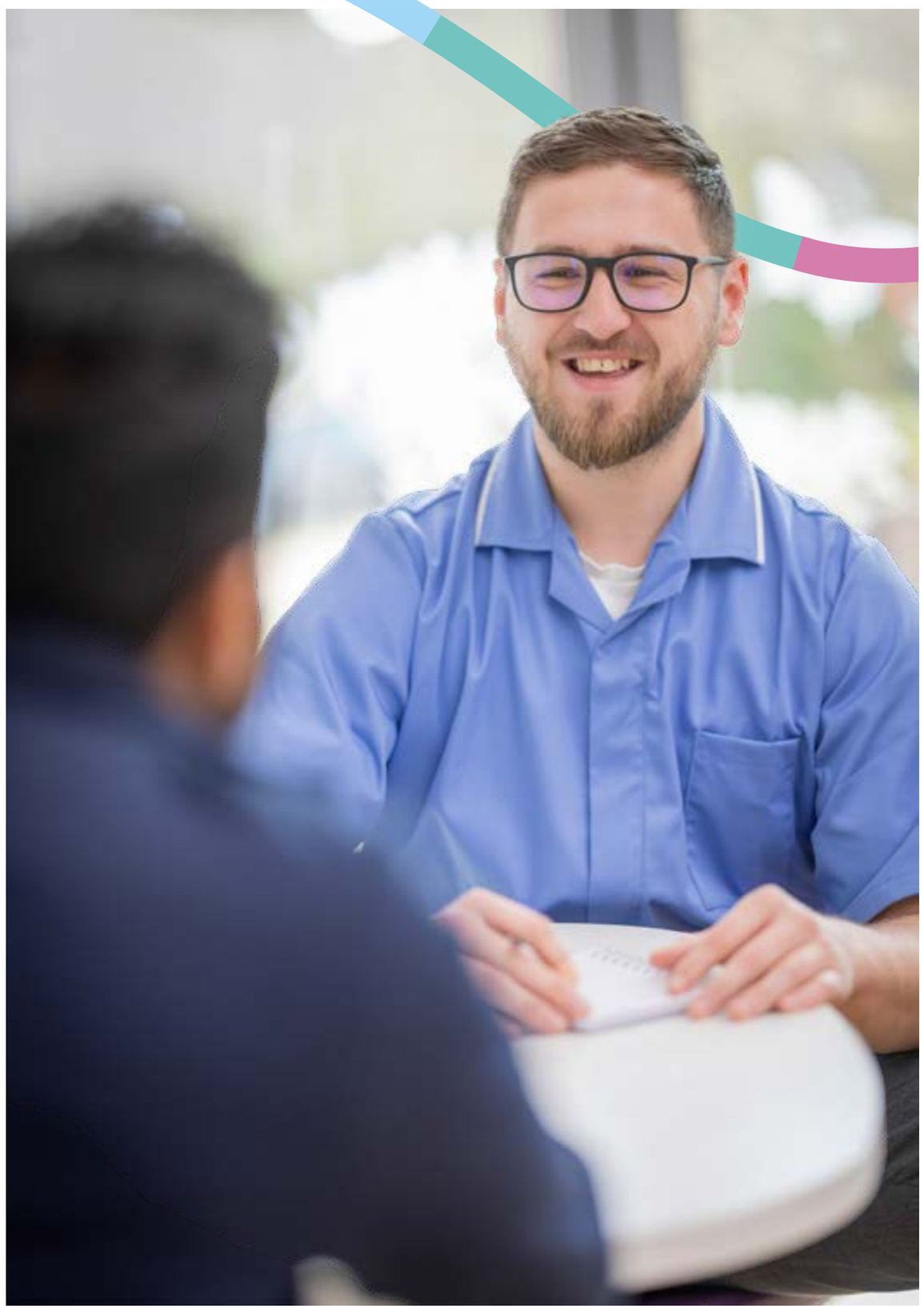
“I’m really impressed with the work going on in KMPT. The team is protecting really vulnerable people from two of the most serious crimes, domestic abuse and sexual violence. It’s clear the staff have a really strong focus on safeguarding and helping people in their time of need. They’re really delivering some impressive results, proving they’re making a real difference to people’s lives. They’re also building people’s confidence so they feel able to report and disclose. I would like to congratulate the trust in its safeguarding provision.”

Due to Kerry’s success in the role, funding for the service has also been extended for a further two years.

Working with Kent Police to provide mental health expertise

In December 2019 we launched a dedicated telephone helpline called the “836 line” – this is a direct number for police officers to speak to KMPT mental health professionals about people they may otherwise detain. The line is staffed by KMPT colleagues, including mental health nurses and support staff, and available 24 hours a day, 7 days a week. Staff provide expert guidance to police officers to help support someone in need.

This has led to a consistent reduction in the number of people detained under Section 136 within Kent and Medway and those needing emergency assessment and support in one of our health-based places of safety. **The number of people being detained under Section 136 has reduced by almost two thirds since the line was introduced**.



Continuing to improve access to mental health support in the primary care network

KMPT continues to be one of the most successful trusts in supporting the delivery of a new programme to improve the services offered by general practices, and this has been recognised by NHS England.

Expanding general practice capacity is of enormous benefit to service users as it provides the opportunity to be seen near to home and swiftly. In 2019 the government introduced the Additional Role Reimbursement Scheme (ARRS) to allow primary care networks (PCNs) to claim reimbursements for the salaries of new roles created within their team, selected to meet the needs of the populations they serve.

Our collaborative approach involved KMPT staff, the ICB and all 42 primary care networks in Kent and Medway to recruit new mental health practitioners, with KMPT acting as the host for the new roles.

To date we have successfully recruited 50 new mental health practitioners and mental health practitioners are now present in more than half of our primary care networks.

Mental health practitioners deliver important benefits for service users by

- Delivering integrated pathways for people
- Providing access to specialist mental health support
- Reducing waiting times
- Preventing referrals into higher intensity services
- Providing a positive service user experience

Enhancing our efforts to tackle social and health inequalities in Kent and Medway

Due to our unique position as a healthcare provider engaging with communities across large areas of Kent and Medway, we were swift to act on the opportunities offered by the establishment of the Kent and Medway Integrated Care Board, and their associated Integrated Care Systems, last summer to help deliver the NHS's long term plan to provide properly joined-up care, eliminate health inequalities and improve care quality and outcomes for all.

“I'm delighted to have played a part in this important programme to enhance primary care mental health, resilience and workforce. The programme really demonstrates the ability and willingness for primary and secondary care to collaborate and find a good outcome.

I'm delighted to say that practices' experience of these mental health workers, supported by KMPT has been very positive. Patients have fed back high levels of satisfaction, a reduced need for onward referral, and a more holistic service offered. This is exactly the type of collaboration that we need to progress, and I hope the transformation will help us do that.”

Jihad Malasi
GP and ICB Mental Health Clinical Lead for Mental Health and Dementia

System integration

Reorganising KMPT to better serve our local population's needs

A large and important focus of our partnership work over the last year has been playing our role in the NHS's new, integrated way of working and supporting the delivery of truly joined-up, innovative care.

With the formation of the ICB in July 2022, KMPT chief executive, Helen Greatorex, took on the community and mental health partner member's place, representing both KMPT and Kent Community Health Foundation Trust on the board.

It was also vital that the way KMPT was organised supported the ICS's new way

of working and its four local areas each of which has an integrated health and care partnership (ICP).

We therefore took forward a bold programme to reorganise our services with the four ICPs so that we can work together to improve outcomes in population health, tackle inequalities, enhance productivity and support broader social and economic development.

We have retained our inpatient forensic services and our highly specialist mental health treatments, as both of these services are driven by national needs.

Over the course of 2022 we created this new structure, consulted with our staff, recruited to new roles and designed and implemented the systems and training needed to make our new directorates a success. The new structure took effect from 1 April 2023 and the next step in the journey will be empowering our teams of highly skilled mental healthcare professionals to be at the centre of each community and geographical area across the county.

Key benefits of the new reorganised and aligned directorate structure

- This structure gives us greater opportunities to design and deliver joined up care with our partners that makes a difference to the needs of our local people.
- It enables us to standardise our leadership, nursing and governance roles to ensure continuity, equity and consistency in the way we deliver our services.
- It creates clearer pathways for our people to develop and progress in their profession within KMPT with clearer job roles, key responsibilities and areas of development and growth.

Improving community mental health services for everyone in Kent and Medway

In 2021 NHS England set out new standards to transform how community mental health services support adults and older adults, called community mental health transformation. Locally this work is being led by the Kent and Medway Integrated Care Board (ICB) in strong partnership with KMPT.

The new service, called Mental Health Together, brings together partners, including the voluntary sector and lived experience experts, to deliver an innovative new approach to support people with a serious mental illness whose needs cannot be met by NHS Talking Therapies.

There are many factors that can affect people's mental health. These can include relationships with others, employment, debt, housing, physical health or loneliness. Everyone responds to these stressors in their own unique way. Recognising that someone's mental health is impacted for a variety of reasons is crucial, and bringing mental health and other professionals together to offer joined-up care is essential in meeting the needs of people who experience poor mental health and wellbeing.

Over the past year we have worked in partnership to develop the structures, skills and people needed to deliver this new support. KMPT is delighted to be the first partner to roll out early phases of Mental Health Together from April 2023. Our Swale and Medway community mental health team (CMHT) and community mental health service for older people (CMHSOP) will start delivering this service in phases, as a trailblazer to test and refine this exciting new programme. It will eventually be available to all our communities across Kent and Medway.

Strategic enablers: enabling us to deliver our strategic priorities

Our strategic enablers play a vital role in supporting our work, enabling us to deliver our priorities and ultimately support our mission to deliver brilliant care through brilliant people.

Transforming the way we work digitally and using technology more effectively is fundamental to us performing routine work quickly, freeing-up our people to spend more time patient facing and delivering value. We also know it plays a key part in our staff and service user's experiences.

We also aim to be financially and environmentally sustainable and have demonstrated high standards of financial management, as well as strong action to reduce our carbon emissions.

Case study:

Understanding staff challenges with our electronic patient records system

We carried out research among our people to understand the scale of the challenges that our staff are facing when using our electronic patient record system, Rio. Staff from across all services and care groups were involved in providing extensive feedback to help decide where we needed to focus our immediate improvements.

We have used this feedback to inform our plans to transform our use of digital and technology and have begun work to make improvements to our electronic patient record system which will be ramped up in the coming years.

As part of this, we trialled giving our crisis resolution (rapid response and home treatment) and teams the opportunity to update clinical data and information on Rio 'on the go'. The project provided teams with a reliable, touchscreen, lightweight and portable laptop that could be taken wherever they needed to go to care for service users. The trial was successful so we will be rolling these devices out across all community settings in the coming year.

The benefits of this project include:

- Improved access to clinical information for team working the community staff to review, record and send clinical information digitally at the point of care
- Supporting our paperless practice at all stages of care delivery and ability to share/access in real-time
- Reduction in work duplication, thereby leading to more appointments per day/week
- Improved compliance in online Patient Reported Experience Measure (PREM) & Family, Friends, and Carers survey forms on the service users' record
- Reduction in travel for teams

› The trial was successful so we will be rolling these devices out across all community settings in the coming year

Case study:

Improving the prescription of medication for our service users

> **I particularly like the fact that pro re nata medication 24-hour times are clear and you are not spending time like in the past with paper meds cards, trying to decipher the handwritten times"**
>
> **Nurse, Forensic Service**

We began the implementation of a brand-new system, called eMeds, to allow our clinical staff to prescribe and administer medication more efficiently and safely.

eMeds allows clinicians to prescribe medication remotely, without having to handwrite a prescription. This reduces the potential for errors caused by deciphering hand-written prescriptions, and by automatically sending the required information to our dispensing partner, it reduces the time taken to receive medication. It also provides fast access to potentially lifesaving information, as well as reducing duplication of information gathering.

The new system has been implemented in all of our rehabilitation, forensic and acute adult inpatient wards. The mother and baby unit in Dartford and Bridge House in Maidstone will complete our rollout by the end of May 2023.

eMeds has also had a positive impact on the percentage of "blank boxes" (boxes not being completed) on prescription charts, and has significantly improved completion rates with the average number of boxes being left blank now reduced to 1 per cent.

> **There are now very slim chances of omitting a drug as all un-administered medication will be in green as due"**
>
> **Nurse, Forensic Service**

Making sure we are financially sound and make best use of public money

At the start of the year KMPT was faced with an underlying deficit of £7.6 million. While historically we were able to put in place short term measures to address this, it was not a long-term solution. As an NHS trust committed to making sure we use public finances responsibly, we were determined to reduce our deficit, and do so in a sustainable way.

We are pleased to report that we have **eradicated our financial deficit and achieved a break-even position for 2022/23**.

To do this, we undertook a trust-wide deep dive to understand the underlying deficit, and worked with our individual care groups to identify solutions. As part of the deep dive, each care group received a pack to help them see the costs and anticipated financial requirements of each service. This allowed them to see where services were contributing to the deficit, and then work in close collaboration with the financial team to agree plans to resolve it.

As part of the resolution we were careful to analyse important issues like service capacity, waiting lists and safety to ensure that our plans did not impact negatively on service users. Instead we focused on where we could operate more efficiently.

We also developed more robust training packages for non-finance managers. We **have trained in excess of 70 clinicians in finance** to better equip them leading care groups and clinical services as clinical directors.

This approach has not only helped us ensure that we have robust financial controls in place to make best use of valuable public money. It has also enabled all teams involved, regardless of their professional expertise, to better understand how finance can help support our service users and enable KMPT to deliver brilliant care.

Making KMPT greener and more efficient

Making KMPT greener for the benefit of the environment, our people, and service users has been a continued focus over the last year as part of our Green Plan

We have made positive progress against the targets set out in our Green Plan which focused on three key areas: improving our Green Spaces, promoting different and more sustainable ways for travel and transport and having an improved corporate approach trust-wide training on sustainability.

This past year we focused on three key areas of our Green Plan: improving our Green Spaces, promoting different and more sustainable ways for travel and transport and having a corporate approach to improve trust-wide knowledge and education of sustainability.

Green spaces

We've improved the quality of our outdoor green spaces for staff and service users to unwind and de-stress when taking part in therapeutic interventions. This will have a positive benefit on their mental health and wellbeing.

Our volunteers have been working tirelessly in our gardens to grow produce and plants, which are sold to create funds that allow us to further enhance our green spaces. We have also planted trees, undertaken ecological surveys, habitat restoration and wildflower planting to improve the natural habit and biodiversity at our sites.

We are equally committed to creating beautiful inside spaces to provide cleaner air, noise reduction, and support biodiversity through the installation of living and green walls and utilisation of plants in increasing numbers in indoor spaces.

We're also pleased to announce that the trust has also commissioned the Human Nature Partnership (HNP) to explore the feasibility of improving more of our outdoor spaces at ten pioneer locations. This is will help us create additional safe, accessible, sensory spaces, that have a positive impact on recovery and overall service experience as well as staff.

Travel

KMPT has a Green Plan target to reduce the emissions associated with our business travel by 25% in 2025.

We commissioned support from the Energy Saving Trust to help us identify opportunities to transition to lower carbon forms of fleet transport and improve the efficiency and necessity of business travel.

We completed a study at our three main sites to assess the potential for EV charge point installation. Installing these charge points is a priority for us next year.

To encourage staff to take up the Cycle to Work scheme, KMPT has increased the loan value to accommodate the rising costs of bikes and make the scheme more appealing to a wider audience.

Corporate Approach (Training)

The corporate approach is about how we embed environmental and sustainability themes into day-to-day practices and thinking across all aspects of the trust's work and contract agreements.

To help facilitate this, KMPT has rolled out dedicated Net Zero training to all staff (induction and e-learning) to provide and improve skills, knowledge and support and to drive behaviour and culture change across the trust.

Green plan update – June to December 2022

26 additional recycling bins distributed across the trust

23 successful gas meter upgrades and 6 new electricity AMR installed

70 young trees donated to KMPT by NHS Forest

So far, we have used **15% less** gas and electricity than this time last year

100% renewable electricity since April 2022 across the trust

Food waste trials rolled out to **4** sites

20 surplus MFD's removed from sites contributing to energy reductions

3 habitat surveys have been carried out in support of the Green Spaces Project

Approx. **128,237kWh** of solar power generated from KMPT sites

10 sources of single use plastic removed from Webb's Garden

Successfully moved **3** sites away from orange offensive bags and on to less expensive tiger bags

We now have **82** green champions across the trust

Staff who have completed the Building a Net Zero NHS training: **135**

16 more people have joined the cycle to work scheme

19 energy audits have been completed by the Green Champions

over 34 tonnes of CO2 saved by staff using Warpit (Furniture Reuse Scheme)

Next year we will be building on what we have achieved so far by working more closely with clinical colleagues in the trust to help them understand what they can actively do to help us achieve our green aims.

Our new charity – Health Heart Hope

Our new charity, Health, Heart, Hope (HHH) celebrated its first birthday this year by gaining its charity registration status. This officially recognises HHH as a charitable fund, and means sustained efforts to raise funds to support our service users and our people can now be a focus in the coming year.

HHH's core purpose is to enhance the quality of care KMPT provides, improve service user experience and offer additional support to staff, particularly wellbeing support.

While waiting for charitable status, HHH has focused its activities on improving the green spaces we offer to everyone across our sites, supporting our people's wellbeing and providing financial support to delivering pioneering research.

Improving our green spaces

We are grateful to our volunteers and partners for their tireless work and support in cultivating and improving our gardens and green spaces. With help from our volunteers, and financial support and donated time from local companies including primary sponsor Taylor Wimpey, KMPT's Webb's garden has benefited from newly re-laid footpaths, the installation of a new shed and a set of furniture which now stands pride of place in the space. Our award-winning Garden of Hope at the Rosewood Mother and Baby Unit in Dartford is now maintained by a team of local student volunteers, thanks to the efforts of our charity.

Keeping our service users connected

Health, Heart, Hope was delighted to receive 50 free SIM cards from Computers 4 Charity and Vodafone to allow our service users to stay connected with their loved ones, as well as allowing us to support our carers, volunteers, and staff.

Enhancing the wellbeing of our staff

Over the year, HHH has supported the opening of our four new staff chill out spaces with different activities for our staff to enjoy including offering plants and fresh produce to buy. HHH also secured a Laughtercise workshop for staff provided free by Aaron Betesta at Laughtercise online. Staff who joined the session on World Mental Health Day commented positively and valued the opportunity to take some time for themselves on this day.

KMPT Annual Report 2022-23

Fundraising activity, sponsorship and donations

Health, Heart, Hope has been the grateful recipient of a number of grants and donations this year, raising a total of £7,943. These much-appreciate donations included:

£1,285 for Eureka Place, Ashford from one of our service user's families to thank us for our brilliant care. This enables us to improve the provision of services to support and treat adult between the ages of 18-65 who are experiencing a mental illness in the community

£366 from staff and volunteers for our Dementia Fund from our public awareness events during Dementia Week last year. The fund is available for people who access our dementia services or to support funding research projects into treating dementia

£200 from a service user's family for a bench at Tarentfort Centre, a rehabilitation inpatient unit catering for men from the age of 18

£200 as an unrestricted donation from Pineapple Contracts to support our efforts

£1000 Kent County Council and Dartford Borough Council have provided corporate volunteer days, plus £1000 each, where their personnel have worked alongside our volunteers to improve green spaces

£3,892 trading income from our sales of home-grown fruit, vegetables, and plants at Webb's Garden

Our strategy for the next 3 years

Our mission is what we set out to do every day – to deliver brilliant care through brilliant people.

In April 2023, we launched our new three-year strategy which sets out our vision for the future. We want to provide outstanding care and to work in partnership to deliver this in the right place, for every service user, every time.

To achieve this, we have is built our strategy around three pillars – or as we like to call them, the three Ps – the people we care for, the people who work for us and the partners we work with. It's shaped by the voices of all of these people, their changing needs and our own strengths.

Summary of financial performance in 2022-23

During 2022-23, the NHS moved away from the arrangements put in place during the Covid-19 pandemic and returned to a more normal contracting approach. The Trust saw a change in its commissioning environment with the introduction of the new Integrated Care Boards (ICB) in July 2022.

The Trust's main commissioner is now Kent and Medway ICB who have taken over commissioning responsibilities from Kent and Medway Clinical Commissioning Group (CCG).

The table below sets out the final financial position against our plan.

Statement of Comprehensive Income	Plan	Actual	Variance
	£000s	£000s	£000s
Income	232,795	258,916	26,121
Expenditure	(227,008)	(257,880)	(30,872)
Operating Surplus	**5,787**	**1,036**	**(4,751)**
Finance Costs	(5,787)	(5,328)	459
Surplus/deficit	**0**	**(4,292)**	**(4,292)**
Impairments and impact of peppercorn leases	0	4,337	4,337
Surplus/(Deficit) for Control Total Purpose	**0**	**45**	**45**

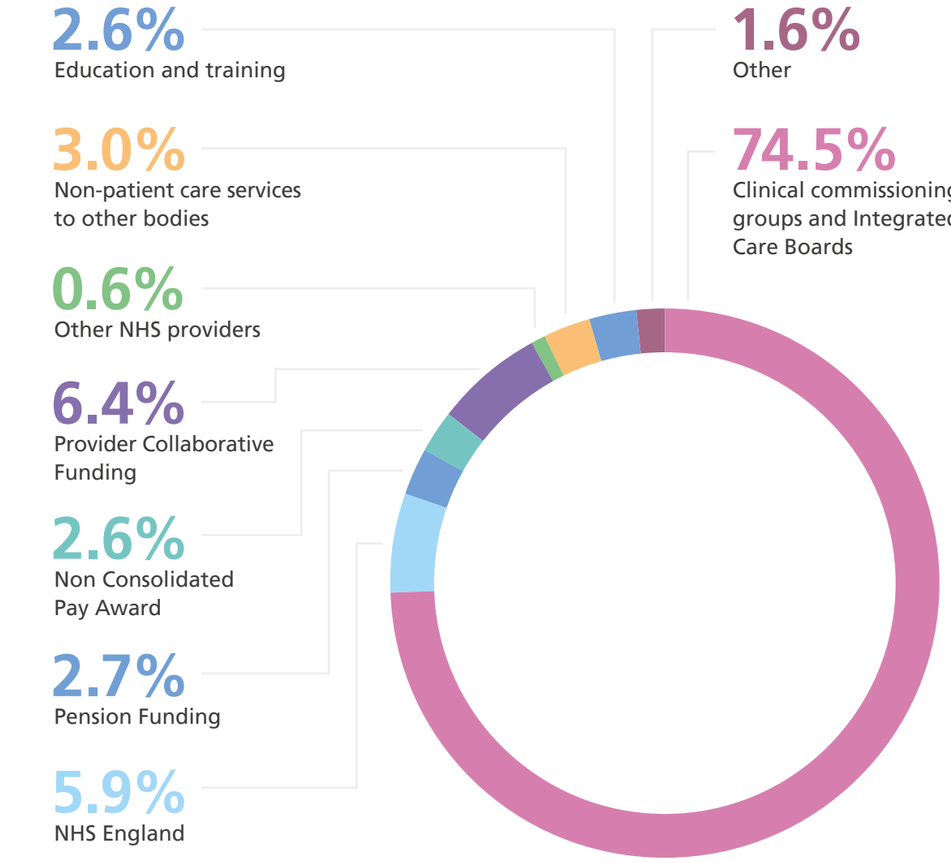
Income - £258.9m

The Trust received the majority of its income from Kent and Medway ICB/CCG under a block contract, accounting for 74.5% of total income.

Specialist Services were commissioned by NHS England and make up 5.9% of our total income.

The Trusts other main source of funding (6.4%) relates to our forensic inpatient and community services from Sussex Partnership Trust as the host of the Kent, Sussex and Surrey Adult Secure Services provider collaborative.

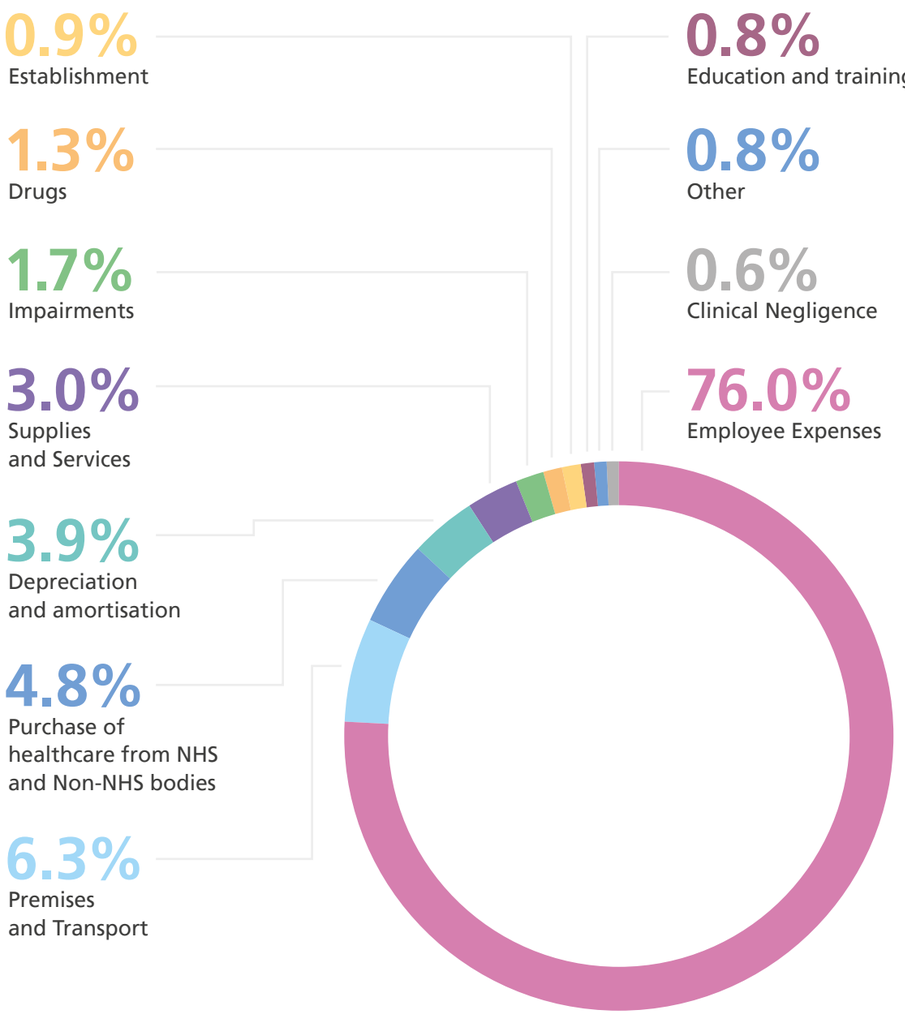
Additionally, the Trust received funding for NHS pensions and the non-consolidated element of the Agenda for Change pay award. Further details regarding income are identified on pages 112,117,127 and 128, notes 1, 3 and 4 of the accounts.



Expenditure - £257.9m

Operating expenditure in 2022-23 was £257.9m, £31.3m higher than the previous year. The largest area of spend for the Trust is employee expenses which accounted for 76.0% of total operating expenditure. Employee expenses increased £18.1m in year, due to the impact of investment in mental health services including the Crisis and Home Treatment Service, and the impact of the 2022-23 NHS Pay Award.

The graph below provides a summary of how we spent our money in 2022-23, with further details in Notes 1 and 5 of the annual accounts, pages 112, 113, 114 and 129.



Cost Improvement Programme

The Trust set a £7.0m cost improvement programme target for 2022-23. We delivered £6.1m of the planned savings with a gap of 0.9m at the year end. Of the savings delivered, £3.9m have been delivered recurrently and £2.2m on a non-recurrent basis.

Full details are shown below.

Pillar	Plan	Actual	Variance
	£000	£000	£000
Back Office	816	1,435	619
Workforce	938	206	(732)
Service Line Reporting	2,905	794	(2,112)
Patient Pathways	905	694	(211)
Procurement and Purchasing	300	137	(163)
Commercial Development	1,130	2,851	1,721
Total	**6,995**	**6,117**	**877**

Capital Expenditure

The Trust spent £20.2m on capital expenditure in 2022-23, this included significant investment for:

1. £6.6m on improving mental health services through the eradicating dormitories project (new Ruby ward).
2. £3.9m on IT infrastructure to support delivery of our clinical technology strategy and IT devices replacement.
3. £9.7m on estates and backlog maintenance schemes.

Summary of Financial Risks

Summaries of the financial risks are outlined within the annual governance statement.

Audit

Our external auditor is Grant Thornton. They conducted work during the year on audit services at a cost of £74k + VAT.

Provision of information to auditors

The directors have taken all reasonable steps that might properly be taken as directors to make themselves aware of any material information and to establish that the auditor is aware of that information.

Going concern

International Accounting Standard 1 (IAS 1) requires the directors to assess, as part of the preparation of the annual accounts, the Trust's ability to continue as a going concern.

In accordance with the Department of Health's Group Accounting Manual, the accounts have been prepared on a going concern basis as the directors do not intend, nor consider that it will be necessary, to apply to the Secretary of State for the dissolution of the Trust without the transfer of the services to another entity, in the foreseeable future.

KMPT's accounting policy regarding going concern (note 1.2 to the accounts) contains further detail.

Looking forward to 2023-24

The Trust has submitted its financial plan for 2023-24, where it is forecasting to deliver a breakeven position. This has been done in conjunction with the Kent and Medway Integrated Care System and is not without risk due to the impact of rising inflation still being felt. Costs need to be closely managed internally and collectively across the healthcare system to ensure delivery of the plan.

Following the work done in year, the Trust exited 2022-23 on the verge of eliminating its underlying deficit. However, the continued demand for healthcare efficiency means that the Trust is seeking delivery of a £4.8m cost improvement programme in year.

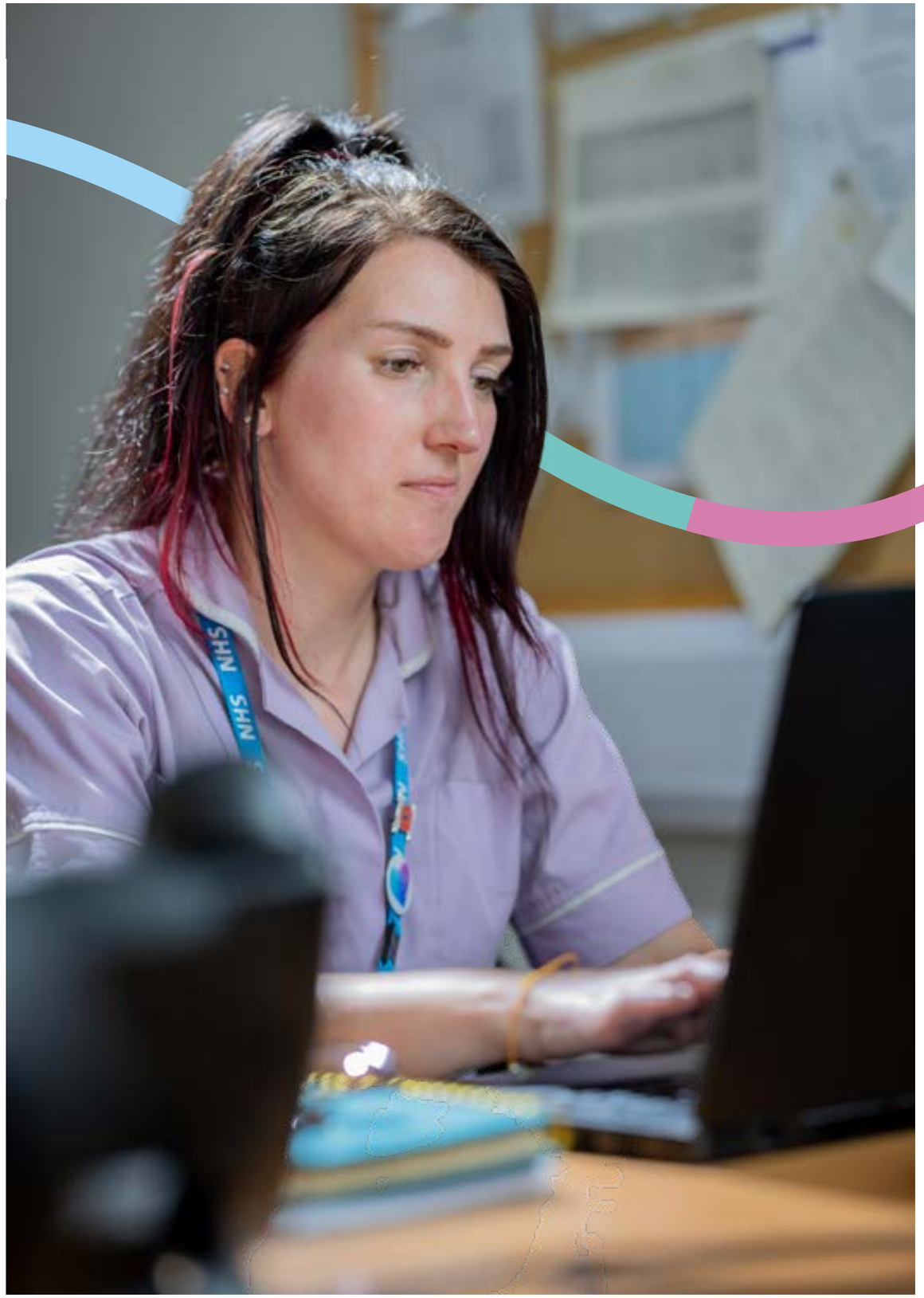
We will continue to invest in front line services, with a further £2.6m being made available by our commissioners to deliver improvements in mental health delivery across Kent and Medway. This is complemented by the full year impact of the 2022-23 investments in Therapeutic activities on the wards, and the development of the Crisis and Home treatment services.

Our capital programme is significant in the coming year, and will need to be carefully planned due to the current constraints regarding the national funding allocations. The Trust Capital Group has prioritised the schemes to be completed and the plan will address high risk backlog maintenance and digital investment. KMPT is continuing with the capital scheme to build a new older adults ward on our Maidstone site (Ruby ward), following a national funding award of £12.6m as part of the initiative to eradicate dormitories. This scheme will be completed in year.

Our annual accounts for 2022-23 have been examined by our external auditor, Grant Thornton, and their report is set out on page 104.

S. Stenson.

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023



Accountability report

The Directors' Report

The Trust is led by the Board of Directors which has overall responsibility for the performance and management of the Trust. This responsibility includes setting the overall strategy for the organisation and monitoring progress, while ensuring resources are efficiently and economically used to meet the needs of its service users and the public. The Board of Directors does this by holding the Trust to account for the delivery of the strategy through seeking assurance that the systems of control are robust and reliable. The Board also works in partnership with patients, carers, local health organisations, local government authorities and others to provide safe, accessible, effective and well-governed services that meet the needs of patients, carers and KMPT's local population.

The Board ensures that KMPT meets the obligations of the population it serves, its stakeholders and staff in a way that is wholly consistent with public sector values, including the Nolan Principles of Public Life.

In order to carry out their duties and responsibilities, Board members convene at Board meetings. The Trust Board of Directors comprises Executive Directors and Non-Executive Directors (NEDs), including the Chairman. Our Board NEDs, and executive-directors (EDs), including the Chair and Chief Executive respectively. They are, as a Unitary Board, collectively responsible for our success. The Associate NEDs and the Director of Transformation and Partnerships are non-voting directors.

The EDs are paid employees of the Trust. They are responsible for managing the organisation on a day-to-day basis and in their capacity as members of the Board they are also responsible for the leadership of the Trust. This managerial role distinguishes the EDs from the NEDs, who do not have a managerial role. The Trust has a Scheme of Delegation which sets out the delegated authority to the Executive Team.

The NEDs are responsible for supporting and constructively challenging the EDs in their decision-making, as well as assisting them with the formation of the Trust's strategy. While EDs are employees of the Trust under a permanent contract of employment, NEDs are appointed for a set term. The Board of Directors also approves the Annual Report and Accounts prior to its submission to Parliament. The Annual Report and Accounts is prepared by the Directors of the Trust, who confirm that this Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

During 2022-23 there have been a number of changes to the Board. Martin Carpenter, who was part of the NExT Director Scheme, finished his term at the Trust in November 2022. Fiona Carragher stepped down as a NED in September 2022. The Trust had two new Associate Non-Executive Directors join the Board as non-voting members, Dr Asif Bachlani joined in October 2022, and Dr MaryAnn Ferreux joined in February 2023. In addition, Stephen Waring joined the Trust as a Non-Executive Director in January 2023. Changes to Executive Directors included Vincent Badu, Deputy Chief Executive and Executive Director of Strategy and Partnerships departing the Trust in October 2022, and Dr Adrian Richardson joining the Board as a non-voting member as Director of Transformation and Partnerships in January 2023. Other changes included Sheila Stenson becoming the Deputy Chief Executive in addition to her role as Chief Finance and Resources Officer, and Sandra Goatley, Chief People Officer becoming a voting member of the Board.

The Board met formally in public 7 times and 8 times in private during 2022-23. Public board meetings have been broadcast live during 2022-23 and the Board has embraced the technology available to enable members of the public and staff to join these meetings. People who have experienced our services present to the Board, enabling members to hear first-hand how services work for users and carers, and areas of improvement. The Board also receives updates at every meeting on quality improvement.

Board Membership 2022-23 & Board Attendance

Board Member	Role	Board Meeting Attendance
Jackie Craissati	Trust Chair	6/7
Catherine Walker	Non-Executive Director & Senior Independent Director	7/7
Venu Branch	Non-Executive Director & Deputy Chair	7/7
Peter Conway	Non-Executive Director	7/7
Kim Lowe	Non-Executive Director	6/7
Sean Bone-Knell	Non-Executive Director	6/7
Mickola Wilson	Non-Executive Director	6/7
Dr Asif Bachlani – from October 2022	Associate Non-Executive Director	2/3
Stephen Waring – from January 2023	Non-Executive Director	2/2
Dr MaryAnn Ferreux	Associate Non-Executive Director	1/3
Fiona Carragher – until September 2022	Non-Executive Director	0/2
Martin Carpenter – until November 2022	NExT Director's Scheme	5/5
Helen Greatorex	Chief Executive	6/7
Dr Afifa Qazi	Chief Medical Officer	6/7
Andy Cruickshank	Chief Nurse	7/7
Vincent Badu – left October 2022	Executive Director of Partnerships and Strategy and Deputy Chief Executive	4/5
Dr Adrian Richardson – joined January 2023	Director of Partnerships and Transformation	2/2
Sheila Stenson	Chief Finance and Resources Officer and Deputy Chief Executive	7/7
Sandra Goatley	Chief People Officer	7/7
Donna Hayward-Sussex	Chief Operating Officer	7/7

Declarations of interests

We have an obligation under the Code of Conduct and Accountability for NHS Boards to compile and maintain a register of interests of directors, which might influence their role. The register is available to the public, in accordance with the Freedom of Information Act and is also published twice a year within the Board's meeting packs. We are required to publish in this Annual Report the directorships of any member of the Board in companies that are likely to, or seek to, conduct business with the NHS.

Register of Board members interests

A copy of the Register of Board Members' interests is publicly available on the Trust's website.

Performance appraisal

All Board members are subject to annual appraisal to review performance against objectives and as members of a unitary board. The Chair is appraised by NHS Improvement in their capacity of oversight of non-executive Board member appointments. KMPT has also appointed a senior independent director from among its non-executive members whose role includes assessing opinion on the Chair's performance. The Chair appraises non-executive directors and the Chief Executive appraises the executive directors. The Remuneration and Terms of Service Committee review all executive appraisals and agree the Chief Executive's appraisal based on the Chair's assessment.

KMPT Annual Report 2022-23

Trust Chair

Dr Jackie Craissati MBE
Trust Chair

Jackie joined the Board in May 2016 and became Trust Chair in July 2020. Prior to this she was Chair of the Quality Committee and Vice-Chair of the Board.

She is a Consultant Clinical and Forensic Psychologist and was previously Clinical Director of the Forensic and Prisons Directorate at Oxleas NHS Foundation Trust. After 26 years in the NHS, she left in January 2016 to set up her own not for profit community interest company - Psychological Approaches CIC - offering consultancy and training to those working with complex mental health and offending behaviour, as well as leading independent investigations into serious incidents as commissioned by NHS England.

Jackie has recently been appointed Chair of Dartford & Gravesham NHS Trust. She is also Chair of Crohn's & Colitis UK and an Independent Governor of the University of East London.

Executive directors

Helen Greatorex
Chief Executive, Registered Mental Health Nurse (RMN), MBA

Helen joined KMPT as chief executive in 2016, following 14 years on the board at Sussex Partnership where she was Chief Nurse.

This year marks forty years since Helen started her training in mental health nursing at Friern Hospital, London. Her experience in mental health has spanned a wide range of settings including the voluntary sector, where she worked for Mind on resettling patients in the community following decade long hospital stays.

In July 2022, Helen joined Kent and Medway's Integrated Care Board as the partner member for community and mental health, representing both KMPT and Kent Community Health Foundation Trust.

A qualified executive coach and Florence Nightingale Leadership Scholar, Helen continues to coach and mentor as part of her leadership role both in KMPT and beyond.

Dr Adrian Richardson
Director of Partnerships and Transformation

Adrian has over 20 years' experience working within the NHS. He qualified as a doctor in 2001 and transitioned from clinical work as a Geriatrician into leadership roles in successful organisations across the South of England. He has extensive experience in transformation, partnership working, strategy, improvement and engagement.

He trained with Virginia Mason in improvement and transformation and lead the improvement transformation programmes at Western Sussex Hospitals and Brighton and Sussex Hospitals.

He moved to Frimley Health where he established a improvement programme and worked on several large-scale transformation programmes including implementation of their Electronic Patient Record system.

He worked in partnership to design and deliver a portfolio management system and designed a number of initiatives within the organisation to support change as well as recovery from Covid-19.

He strongly believes in a collaborative approach to transformation and improvement, empowering everyone to deliver change for our patients and service users.

Sheila Stenson
Deputy Chief Executive and Chief Finance and Resources Officer

Sheila is an experienced senior finance professional who has fulfilled a variety of roles during her career in the NHS. She has a proven track record of working within financially challenged Trust's and has worked for South London Healthcare NHS Trust (SLHT) Medway Foundation Trust (MFT) and Maidstone and Tunbridge Wells NHS Trust (MTW). She is a Chartered Management Accountant and has over twenty years' experience in NHS Providers.

She has led and been part of significant change in her NHS career, which includes service redesign, transformation, successful restructuring, implementing financial systems and governance and developing robust financial processes and controls.

She joined KMPT from MTW where she was Deputy Director of Finance for Financial Performance and was awarded HFMA Deputy Director of Finance of the Year 2016.

Sheila graduated from the University of Sussex with a BA Honours Degree in Business Studies.

Dr Afifa Qazi
Chief Medical Officer

Dr Qazi is a consultant for older adults with special interest in care for people with dementia. She won the prestigious HSJ award in 2016 and the EAHSN Health Innovation award in 2014. She received the Psychiatrist of the Year 2022 award by the Royal College of Psychiatrists (RCPsych). She is the executive lead for the BME network.

She been instrumental in partnership working with the new Kent and Medway Medical School (KMMS). She takes an active part in teaching medical students and holds a clinical lecturer post at KMMS.

She is actively involved in research and has a keen interest in Quality Improvement and is committed to embed Quality Improvement at all levels in KMPT.

She previously worked for North East London NHS Foundation Trust as a consultant Psychiatrist and as an Associate Medical Director for services provided by NELFT in Essex and Kent.

Andy Cruickshank
Chief Nurse

Andy is an experienced mental health nurse who has held several senior nurse leadership and management positions within East London NHS Foundation Trust, including the Director of Nursing for the London Mental Health Services for ELFT, prior to coming to KMPT in March 2022.

For many years Andy worked in CAMHS, developing acute admission and intensive care services for adolescents at Guy's Hospital and then in East London.

He led projects to reduce violence within inpatient units and developed frameworks to use Quality Improvement to tackle some of the most difficult issues within services.

He trained as an Improvement Advisor at the Institute for Healthcare Improvement and is a Fellow at the Health Foundation. He has a Masters in Leadership for Improvement.

Donna Hayward-Sussex
Chief Operating Officer

Donna joined the Trust in March 2022 from her previous role as Service Director at South London and Maudsley Foundation Trust. In this role, Donna led several transformation programmes including the development of the Mental Health Alliance in Lewisham and the trust wide redesign of crisis services.

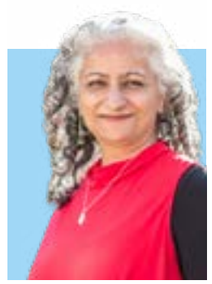
Donna is a psychotherapist by background and combines a strong management background with extensive experience in operationally leading and developing mental health services in the NHS and voluntary sector. Her previous role in Buckinghamshire Mind led to a partnership with Oxford Health NHS Foundation Trust delivering CAMHS and adult services across the county.

Sandra Goatley
Chief People Officer, Chartered Fellow CIPD

Sandra was appointed to the Trust Board as Director of Workforce and Organisational Development in March 2016. Sandra has worked for a number of organisations as HR and OD director covering both the private and public sector.

These include Amicus Horizon (social housing), Legal Services Commission (public sector) and the Morleys Stores Group (private sector). Whilst Sandra had not worked in the NHS previously she brings a wealth of HR and OD experience with a specific focus on employee engagement and change management.

Non-executive directors



Venu Branch
Deputy Chair

Venu joined the Board in August 2016 and in February 2021 she became the Deputy Trust Chair.

Venu is the CEO of the Westway Trust with a background in director-level posts in non-departmental public bodies within the creative and public sector. These include the National Endowment for Science Technology and the Arts, Creative Scotland, and the British Council. She has also worked at executive director level in the charitable sector, including at Stonewall and Community Links. In 2022 she was named as one of the UKs Top 20 CEOs by the CEO Publication and was previously awarded the National Asian Woman of Achievement award.

Venu has been a governor of Guildford Conservatoire and a Council Member of Loughborough University. She is currently a fellow of the RSA and co-editor of the International Journal for Creativity and Human Development.

Venu is Chair of the Workforce and Organisational Development Committee and Co-Chair of the BAME NEDs Forum for the Kent and Medway system.

Catherine Walker
Senior Independent Director (SID)

Catherine joined the Board in August 2016. She qualified as a barrister and the majority of her early career was spent as an investment banker at NatWest and Schroders. She holds two specialist judicial appointments- hearing appeals on health and disability cases in the First Tier Tribunal and as a founder member of the Health Service Products (Pricing Cost Control and Information) Appeals Tribunal.

She chairs the Appointments committee of a large London acute NHS Foundation Trust. She was a lay advisor for Health Education England, involved in reviewing the quality of medical education in London acute Trusts. She holds public sector roles with BEIS and DHLUC.

She is the former Practice Director of a firm of pensions solicitors. She is the Chair of the Members' Panel of the National Employment Savings Trust.

She is currently Vice Chair of the Quality Committee and Chair of the Remuneration and Terms of Service Committee. She is KMPT's Senior Independent Director.

Peter Conway

Peter has a background in banking and finance spanning 28 years, latterly as a Finance Director with Barclays Bank PLC. He has been a Non-Executive Director with the NHS since 2006, and is currently a Non-Executive Director, Audit Chair and Vice-Chair of Kent Community Health Foundation Trust.

He has held a portfolio of public sector roles in the past including:

- Non-Executive Director and Audit Chair, Rural Payments Agency
- Non-Executive Director and Audit Chair, NHS West Kent
- Independent Member of the Audit Committees of the Home Office, Ministry of Justice, DEFRA, Health and Safety Executive and Child Maintenance and Enforcement Commission
- Trustee Director, Citizens Advice North and West Kent

Peter chairs the Trust's Audit and Risk Committee and is a member of the Finance and Performance Committee and Remuneration Committee.

Kim Lowe

Kim joined the Board in August 2020 as an associate non-executive director (NED) before being appointed as a NED in November 2020. She has spent most of her career at John Lewis Partnership and for over 36 years she has worked across people, customer service, employee engagement, HR and business. She was appointed Managing Director of John Lewis Bluewater in 2014. In 2007 she was appointed Partnership Board Director, and also as a member of the audit and risk and remuneration committees. Her final role was to lead the pension review at John Lewis before leaving John Lewis in 2020 to continue to build her portfolio NED career in the public and private sector, including John Lewis Partnership, Central Surrey Health and Council Lay Member at University of Kent.

Kim has become the Chair of the Mental Health Act Committee and a member of the Workforce and OD Committee.

Mickola Wilson

Mickola joined the Board in August 2020 and is a non-executive director (NED) and Chair of the Finance and Performance Committee.

She is an Executive Director at Seven Dials Fund Management, a real estate investment Consultancy and has a number of non-executive roles. She is a NED the Mailbox REIT and an advisor to the Mercers Livery Company.

She is also a very active member of the Chartered Surveyors Livery leading a programme to support students from disadvantaged backgrounds through university.

Mickola is Chair of the Finance and Performance Committee and a member of the Remunerations Committee.

Sean Bone-Knell

Sean joined the Board in August 2020 as an associate non-executive director (NED) before being appointed as a non-executive director in September 2021. He retired from his role as the Kent Fire and Rescue Service, Assistant Chief Fire Officer and Director of Operations in March 2020. During his 33 years of service he progressed through the ranks developing operational and strategic experience and in 2019 he was awarded the Kent Medal for Outstanding Service.

Sean previously held a National Portfolio with the National Fire Chiefs Council for the areas of Road Safety, Marine Firefighting and Dementia. Whilst holding the Dementia portfolio, he worked as part of the Prime Minister's Challenge Group on Dementia with the Alzheimer's Society.

Sean is a member of the Audit and Risk Committee and the Mental Health Act Committee.

Stephen Waring

Stephen joined the Board in January 2023 and he has a long and varied public sector career. At the Department of Health his roles included private secretary to the Secretary of State for Health, Head of the National Cancer Programme and chief of staff for a former Chief Executive of the NHS. He ran a whole health economy NHS reconfiguration programme in south west London, and led the production of the cross-Government Mental Health Strategy, 'No Health without Mental Health'.

Stephen currently works for the Greater London Authority on health and care policy and partnership working.

Stephen is a trustee for a leading national charity that works alongside people with an acquired brain injury and physical disabilities offering specialist community-based and residential support to help them live as independently as possible.

Dr Asif Bachlani

Associate Non-Executive Director

Asif joined the Trust in October 2022 as an Associate Non-Executive Director with his portfolio being the Data Strategy, Digital Transformation and Improved Patient Outcomes.

He currently works as a Consultant Psychiatrist and Clinical Lead for the ASD pathway at Priory Woking Hospital.

Asif has held various managerial and digital positions in NHS and independent sector including Clinical Director, Associate Medical Director, Clinical Lead for Mental Health Outcomes and Chief Clinical Information Officer.

Asif was awarded a Fellowship of Royal College of Psychiatrists in 2019 in recognition for his contribution of work in field of mental health. Asif has been a member of the RCPsych General Adult Faculty for the past 10 years with his last role being Treasurer. Asif is also a committee member of the Digital Special Interest Group and the RCPsych Representative on the NHS Benchmarking Network, Mental Health Steering Group.

Dr MaryAnn Ferreux

Associate Non-Executive Director

MaryAnn joined the Board in February 2023 as an Associate Non-Executive Director.

MaryAnn has international experience working across both the Australian and UK health system, with specialist qualifications in health system leadership, management, and public health. She has held Board level roles as a medical leader in both primary and secondary care and is passionate about improving the patient experience and delivering better integrated care. She is currently the Medical Director at Kent Surrey and Sussex Academic Health Science Network.

She is a Fellow of the Royal Australasian College of Medical Administrators, Australasian College of Health Service Management and Faculty of Clinical Informatics, as well as being a Certified Health Executive and leadership coach. She has a special interest in researching health equity and the impact of the social determinants of health; her current doctoral studies will explore health inequalities within the Kent and Medway region.

Fiona Carragher
– left the Trust in September 2022

Joined the Trust in August 2020 as an associate non-executive director (NED) before being appointed as a NED in November 2020. She is currently Executive Director of Research and Influencing at Alzheimer's Society. Previously she was Deputy Chief Scientific Officer for NHS England (2013-18), where amongst her various achievements she established the first ever Knowledge Transfer Programme for NHS scientists, developed the CSO Women in Science and Engineering Fellowship to support young women to network and share learning with partners from outside health, led the UK Antimicrobial Resistance Diagnostics Collaborative programme to tackle the inappropriate use of antibiotics, and led the cross sector National Action Plan on Hearing Loss. She is a Health and Care Professions Council registered Clinical Scientist and Fellow of the Royal College of Pathologists.

Martin Carpenter
– left the Trust in November 2022

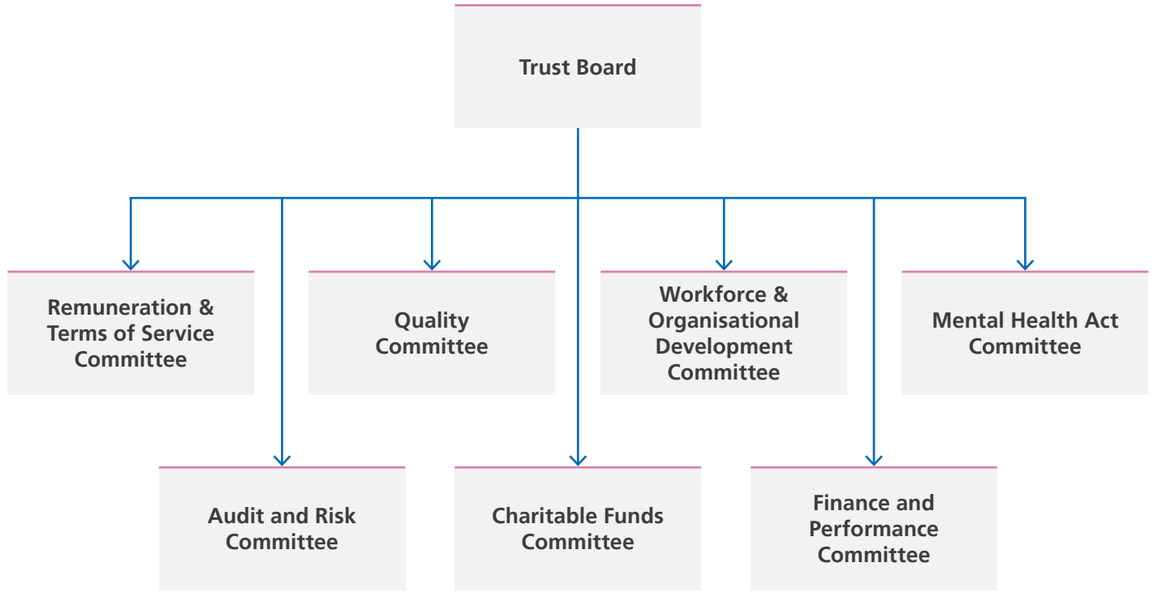
Martin Carpenter is a technology enabled transformation leader. He sat on the Board as part of NHS England's NExT Director Scheme. He has specialist knowledge in Healthcare, Lifesciences, Social Housing and Cyber-Security. He is also an advisor to two startups in health and recruitment. He is a proactive advocate for diversity and inclusion, with a special interest in neurodiversity. Martin is a Fellow of the BCS and Institute of Directors, and a Certified Healthcare CIO.

Vincent Badu
Vincent Badu, Deputy Chief Executive, Executive Director of Strategy and Partnerships – left the Trust October 2022

Vincent left the Trust in October 2022 and was appointed Chief Strategy Officer at the Kent and Medway Integrated Care Board.

Board committees

The Board has seven permanent committees to support it in discharging its duties fully. The chair of each committee presents a report at each formal Board meeting.



A summary of each committee is detailed below:

Audit and Risk Committee (ARC)

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.

Every NHS Board has an audit committee. The independent audit committee is a means by which the Board ensures effective internal control arrangements are in place. In addition, the committee provides a form of independent check upon the executive arm of the Board. All Members are non-executive directors. During 2022-23 members included Peter Conway (Chair), Fiona Carragher (left in September 2022), Sean Bone-Knell and Stephen Waring.

Quality Committee (QC)

The purpose of this is to provide the Board with assurance concerning all aspects of quality and safety relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients. Members include Fiona Carragher (left in September 2022), Stephen Waring (Chair), Catherine Walker and Dr Asif Bachlani.

Finance and Performance Committee (FPC)

The purpose of the committee is to provide the Board with assurance concerning all aspects of finance and resource relating to the provision of care and services in support of getting the best value for money and use of resources. Members include Mickola Wilson (Chair) and Peter Conway.

Workforce and Organisational Development Committee (WFOD)

The purpose of the committee is to provide the Board with assurance concerning all aspects of workforce and organisational development relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients and staff. Members include Venu Branch (Chair) and Kim Lowe.

Mental Health Act Committee

The purpose of the committee is to ensure there are systems, structures and processes in place to support the operation of and to ensure compliance with the Mental Health Act 1983 (as amended 2007) and other related legislation within inpatient and community settings. Members include Kim Lowe (Chair) and Sean Bone-Knell.

Remuneration and Terms of Service Committee

The purpose of the committee is to ensure that remuneration and terms of service for the Chief Executive, other executive directors and other senior employees are appropriate and commensurate with their roles and responsibilities and are comparable with similar positions within the NHS. Catherine Walker is the Chair of the Remuneration and Terms of Service Committee. All non-executive directors are members of this committee.

Charitable Funds Committee

The purpose of the Committee is to act on behalf of the Corporate Trustee, with delegated responsibility for overseeing, monitoring and evaluating all charitable activities to ensure they are in accordance with the charity's objectives. Members include Peter Conway (Chair) and Dr Asif Bachlani.

Board Committee Attendance

Board Member	Audit and Risk Committee	Quality Committee	Finance and Performance Committee	Workforce and Organisational Development Committee	Mental Health Act Committee	Remuneration and Terms of Service Committee	Charitable Funds Committee
Jackie Craissati						3/3	
Venu Branch				6/6		2/3	
Catherine Walker		5/6				3/3	
Peter Conway	5/5		8/8			3/3	1/1
Mickola Wilson			7/8			2/3	
Sean Bone-Knell	5/5				4/4	3/3	
Kim Lowe				5/6	4/4	3/3	
Dr Asif Bachlani		3/3					0/1
Stephen Waring	1/1	1/1					
Dr MaryAnn Ferreux							
Martin Carpenter							
Fiona Carragher	0/2	0/1					
Helen Greatorex	1/1						
Sheila Stenson	4/5		8/8				1/1
Afifa Qazi		6/6			4/4		
Andy Cruickshank	3/5	6/6			3/4		
Donna Hayward-Sussex		6/6	6/8	6/6			
Sandra Goatley				6/6			
Adrian Richardson							
Vincent Badu							

Annual governance statement

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Kent and Medway NHS and Social Care Partnership Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust Board holds 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 Chief Finance and Resources Officer, Chief Medical Officer and the Chief Nurse.

The Chief Nurse is the executive lead for clinical governance and the implementation of risk management ensuring that the Trust has robust systems in place to comply with the objectives set out in its approved policies and procedures.

The Chief Medical Officer is the Responsible Officer for medical revalidation for the Trust. The Chief Finance and Resources Officer holds a specific role for leading strategic development and implementation of financial risk management (including anti-fraud and bribery), which includes oversight of the Standing Financial Instructions. She is also the Senior Information Risk Officer and, as Chair of the Information Governance Group, is responsible for developing and implementing information risk management. These executive directors have a key role in the leadership of the risk management process.

The Non-Executive Committee members of the Audit and Risk Committee (ARC) play a key role in the internal control assurance processes. ARC scrutinises the effectiveness of management actions in mitigating risks through the Trust risk register and a process of deep dives. Board Committees also have a responsibility for elements of the risk management system, with the Audit and Risk Committee providing assurance on its effectiveness.

The Trust recognises the important role all leaders across the Trust have in developing a robust approach to risk management. They must ensure it forms an integral part of good management practice and is embedded as part of the Trust's culture. The provision of appropriate training is central to the achievement of this aim.

The Trust's Risk Management Strategy encompasses our risk management process and sets out how staff are supported and trained to enable them to identify, evaluate and manage risk.

The Trust provides mandatory and statutory training that all staff are required to attend in addition to specific training appropriate to individual responsibilities, such as Prevention and Management of Violence and Aggression. Throughout 2022-23 managers and their nominated risk assessors have been offered tailored further training on the principles and application of risk assessment and the tools used by the Trust to identify, record, monitor and review risk.

Training on clinical risk management is included in the mandatory induction programme which all clinical staff participate in at the start of their employment with the Trust.

The Trust seeks to learn from good practice through a range of mechanisms including benchmarking, clinical supervision and reflective practice, individual and peer reviews, performance management, continuing professional development, clinical audit, the application of evidenced based practice and reviewing compliance with risk management standards. There are formal mechanisms in place to ensure that external changes to best practice, such as those issued by the National Institute for Health and Clinical Excellence are incorporated in to Trust policies and procedures.

The risk and control framework

The Trust's Risk Management Strategy provides the framework for 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.

Risk management across the Trust is a dynamic activity and the risks identified as having the potential to have the greatest impact on the strategic objectives have changed accordingly during the year 2022-23.

- Financial risk has remained a constant throughout the year although the relative potential impacts have changed proportionately as a result of controls, mitigations and external changes. The three key elements have been Long Term Financial Sustainability; Maintenance Services Funding availability and Capital Projects and the Availability of Capital.
- Operational Risks to Quality of Care have been Memory Assessment Demand and Demand and Capacity for Adult and Older Adult Community Mental Health Teams.
- Workforce Risks, particularly turnover, vacancy and sickness have fallen within the assurance framework throughout 2022/23.

The Trust has in place a process for the identification, assessment, and management of risks. This is a systematic approach which assesses the consequences and likelihood of each risk event, associated mitigations and allows for the identification of risks which could be considered unacceptable to the organisation. Areas of risk are triangulated using indicators including incidents, claims and performance metrics.

All risks are assigned a manager when they are identified. Committees of the Board have oversight of a portfolio of risks relevant to them and receive

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regular reports for assurance. The Trust is committed to the proactive management of risk and we recognise that high quality systems of healthcare for patients contain inherent risks. Nonetheless, it is our intention to manage and minimise risks wherever possible . The use of a control calibration tool to ensure that all risks are graded appropriately and that the types and effectiveness of controls taken into account has had a positive impact in improving risk management and awareness. All risks are given a performance metric with measurable outcomes that show whether the controls are working.

The National Security Risk Assessment and Local Resilience Fora Risk registers are regularly reviewed by the Risk Team alongside the Trust Risk Register to ensure that the correct types and levels of risks are scrutinised. The Audit and Risk Committee reviews the Board Assurance Framework and the Trust Risk Register, with the Board receiving the Board Assurance Framework at every public meeting. Additional assurances are gained from the Trust's organisational scheme of delegation which details who has oversight of risk via the Committee structure, Trust-wide groups and sub-groups. Management of risk is achieved through the partnership working across the local health economy, local health resilience partnerships and in our joint commissioning arrangements.

The Anti-Crime Team provided by TIAA support the Trust in the prevention, detection and investigation of alleged incidents of fraud, bribery and corruption. They have undertaken awareness training to all new starters at corporate induction and run publicity campaigns to highlight fraud in the NHS. The newsletter 'Fraudstop!' is circulated to all staff and distributed at the Trust induction.

The risk and control framework incorporates supporting systems and associated policies that provide a structured and consistent approach to the management of risk.

Staff are kept up to date with the corporate and health and safety risks for their areas through a range of media including posters, team meetings and briefings, enabling them to identify and report any new issues. The Corporate Risk and Health and Safety Team work closely with Care Groups to improve the quality and maintenance of their risk registers.

At the heart of the trust's risk management framework is the desire to learn from events and situations in order to continuously improve quality of care. Incident reporting is a factor in the continuing assessment of risk and results in the instigation of changes in practice. Any themes or trends in incidents identified are investigated and subject to deep dives to ascertain cause and instigate corrective action if required. The Trust encourages proactive identification of risk. Identifying sources of potential risk and proactively assessing risk situations forms part of everyday working practise throughout the trust.

Staff reporting is a key element of risk identification. In 2022/23, the Trust procured an independent company to run its Freedom to Speak up Service. This new, independent and confidential service is available 24 hours a day 365 days a year. The purpose of this is to ensure that staff know how to raise any concerns they might have about their workplace, and have an accessible and effective mechanism through which to do this. The Freedom to Speak Up Guardian is an independent and impartial point of contact, who has the authority to speak to anyone within or outside of the trust, is expert in all aspects of raising and handling concerns, and has dedicated time to perform this role.

Since the service launched on 6th June 2022, it has received 81 referrals, and as a result of learning from these contacts, improvements are being made to the way in which formal processes are managed internally, the support available to neurodivergent staff, and leadership development in relation to Freedom to Speak Up.

The Board Assurance Framework document is formally refreshed annually at the beginning of each financial year and is reviewed at regular intervals.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with

The Trust has in place an overarching People Strategy which ensures that short, medium- and long-term workforce strategies and staffing systems are in place and effective. Progress against the People Strategy is reported to the Workforce and OD Committee, with that Committee reporting on progress through its Committee Chair report. The Board is assured directly that staffing processes are safe, sustainable and effective by the Chief People Officer. In developing the People Strategy, the Trust has ensured that it aligns with the national strategies including the NHS People Plan and Developing Workforce Safeguards. Recommendations in relation to workforce planning and establishment reviews have been reviewed to ensure best practice is maintained.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust has systems and procedures in place to maintain ongoing compliance with the CQC fundamental standards (Health and Social Care Act 2008), for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

The CQC Oversight Group, chaired by the Chief Nurse, is responsible for ensuring that Trust services meet the required fundamental standards. This group meets on a bi-monthly basis and reports directly to the Quality Committee. The main area identified for improvement is the Trust's estates and facilities and ensuring this is an effective response to repairs and maintenance concerns in patient areas and ensuring these are dealt with in a timely way.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. These include policies, the committee structure and Board assessment of compliance with, and progress against, equality and diversity best practice.

The Trust has undertaken risk assessments and has plans in place which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. The Trust ensures that its obligations under the Climate Change Act 2008 and the Adaptation Reporting requirements are complied with.

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

The Trust ensures economy, efficiency and effectiveness through a variety of means including:

- A robust pay and non-pay budget control system
- Financial and establishment controls
- Effective tendering procedures
- Continuous programme of quality and cost improvement

The Board performs an integral role in maintaining the system of internal control, supported by the work of its committees, internal and external audit and its regulators.

Clinical risk and patient safety are overseen by the Quality Committee, the Chief Nurse, the Chief Medical Officer and the Chief Operating Officer. The Board receives monthly quality reports encompassing the quality and patient safety aspects for the trust. The Quality Committee focusses on quality compliance and risks to quality and receives reports from its sub-committees, Patient Safety, Patient Experience and Clinical Effectiveness. This includes regular reporting on clinical audit, Never Events, SIs and complaints, with information about actions taken as a consequence. The Quality Committee review the Quality Digest which analyses incidents and serious incidents by severity, theme, Care Group and location. Numbers and types of incidents are reported over time to establish any trends and benchmarked against national indicators to identify outliers. Resulting actions initiated by Care Groups, the Central Incident Investigation Team or the Quality Committee are reported and monitored to ensure effectiveness. The Quality Committee oversees the production of the Trust's Quality Account as part of its established annual schedule and monitors performance against current quality objectives through the year. The Quality Committee provides regular updates to the Board on progress against the Quality Account priorities, which are set each year with wide consultation and devised to be challenging.

Specialised risk management activities including emergency planning and business continuity, health and safety, fire and security, are carried out by the qualified specialists within the Corporate Risk Management Team which reports to the Executive Team and is accountable to the Audit and Risk Committee.

The Audit and Risk Committee receives regular reports from the Anti-Crime Specialist which identifies specific fraud risks and investigates whether or not there was evidence of those being exploited. No significant risks, classes of transactions or account balances were identified.

Arrangements are in place for the discharge of statutory functions to have been checked for any irregularities and to ensure that they are legally compliant. The Committee receives and agrees the annual work plans for internal and external auditors.

The Finance and Performance Committee (FPC) review, monitor and scrutinise the Trust's key performance indicators across both finance and performance. There is a cross membership between the Quality Committee and the Audit and Risk Committee (ARC) to ensure risks and assurance issues are clearly identified and followed through. There is also cross membership between FPC and ARC.

Assurance is also taken from the external auditors who audit the Trust's financial statements and review its Annual Governance Statement. They also ensure that there are proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

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Information governance Update for 2022-23:

The Trust has continued to develop and adopt a number of increasingly secure digital platforms to enable communication, remote working and increased efficiency, enabling all services to continue to interact with, and support our patients, partners and the public through the constantly evolving ways of working. The Trust has worked alongside its partners to implement shared care records, ensuing that the correct information is in the correct place at the correct time. In line with NHS Digital guidance on Data Security and Protection Incidents, it is necessary for all NHS Trusts to report any incidents of Data Security and Data Protection breaches on the DSPT and also in their respective annual reports. The Trust had 8 Data Security and Protection incidents as defined by the NHS Digital guidance. These incidents were reported to NHS Digital on the DSPT and automatically reported via the DSPT to the Information Commissioners' Office (ICO). Of these incidents, five related to information disclosed in error, and three related to inappropriate access to information. All incidents were thoroughly investigated internally, and all required actions taken and lessons learnt by the Trust have been completed. These incidents have informed improvements to the organisation's information risk management process and enabled process changes surrounding storage of, and access to personal data.

Information Security and Governance

The Chief Finance and Resources Officer is the Senior Information Risk Owner (SIRO) of the organisation, providing information risk management expertise at Board level. The SIRO oversees the consistent implementation of the information risk assessment process by Information Asset Owners, as described in the relevant organisation policies and procedures. Additionally, the SIRO acts as chair to the Trust-Wide Information Governance Group which is attended by the Caldicott Guardian and Data Protection Officer, as well as clinical and operational representatives.

The Data Security and Protection Toolkit and Information Risk Register are key enablers to embedding good practice, as well as identifying and managing key information risks. As a result, the Information Governance and Records Management Department have put into place a range of appropriate policies, procedures and management arrangements to provide a robust framework for Information Governance in accordance with the NHS Digital requirements.

The Trust continuously reviews its systems and procedures for the confidentiality, integrity and security of personal and confidential data, and always works towards reducing data security incidents. As a result of investigations into incidents and reviews of IG, Data Security & Records Management by the Information Governance Group, measures are taken to ensure the procedures and policies on Information Governance and Data Security are updated to enable compliance.

Additionally, the Trust has systems and processes in place to govern access to confidential data and to ensure guidance and standards are followed when staff are using or accessing confidential data. The Trust monitors its IG and Data Security risks through the Information Governance Group.

The Trust commissions internal auditors TIAA to undertake annual audits of the evidence collated for its yearly on-line submission of evidence for the Data Security and Protection Toolkit (DSPT).

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive directors and managers and clinical leads within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this Annual Report and other performance information available to me.

Reports from executive directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board Assurance Framework provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed and addressed.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board has an established process in place to undertake a formal and rigorous annual evaluation of its own performance and that of its Committees.

There is an established mechanism to maximise the effectiveness of Committees through comprehensive work plans 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, with a clear escalation mechanism to the Board, where deemed appropriate.

The Audit and Risk Committee (ARC) 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, directorate to corporate level.

ARC takes assurance from the Internal Audit function, by agreeing the risk based Internal Audit Plan and monitoring its delivery regularly, as well as overseeing the implementation of audit recommendations.

Internal Audit carried out 16reviews in 2022-23, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Kent and Medway NHS and Social Care Partnership Trust's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

Head of Internal Audit overall opinion is that Reasonable assurance can be given 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.

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 Audit and Risk Committee at each meeting.

The Anti-Crime Service concluded that KMPT has sound arrangements in place to ensure compliance with counter fraud and anti-bribery requirements, as set out in the Government Functional Standards and the NHS Standard Contract.

The Quality Committee provided assurance in relation to Serious Incident Reporting. The Serious Incident reporting policy ensures the identifying potential risk issues through incidents, claims, near misses, patient advice and liaison enquiries and complaints through the triangulation of data; investigating and analysing root cause analysis; discussing risk and incident management through local governance agendas and learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the trust. Assurance on the effectiveness of serious incident controls is achieved through understanding of themes and trends both qualitative and quantitative analysis by severity, number, type and location over time.

Assurance is also taken from the external auditors who audit the Trust's financial statements and review its Annual Governance Statement. They also ensure that there are proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

Conclusion

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 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.
- The 2022-23 Quality Account disclosure and associated internal assurances in place to validate its accuracy, which include data quality verification, and associated Quality Committee assurance.
- Board assurance that each director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and; have taken all the steps that he or she ought to have taken to make himself/herself aware of any such information and to establish that the auditors are aware of it.

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.

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

S. Stenson.

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023

Statement of the chief executive's responsibilities as the accountable officer of the Trust

The Chief Executive of NHS England, in exercise of powers conferred on the NHS Trust Development Authority, 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 NHS Trust Accountable Officer Memorandum. These include ensuring that:

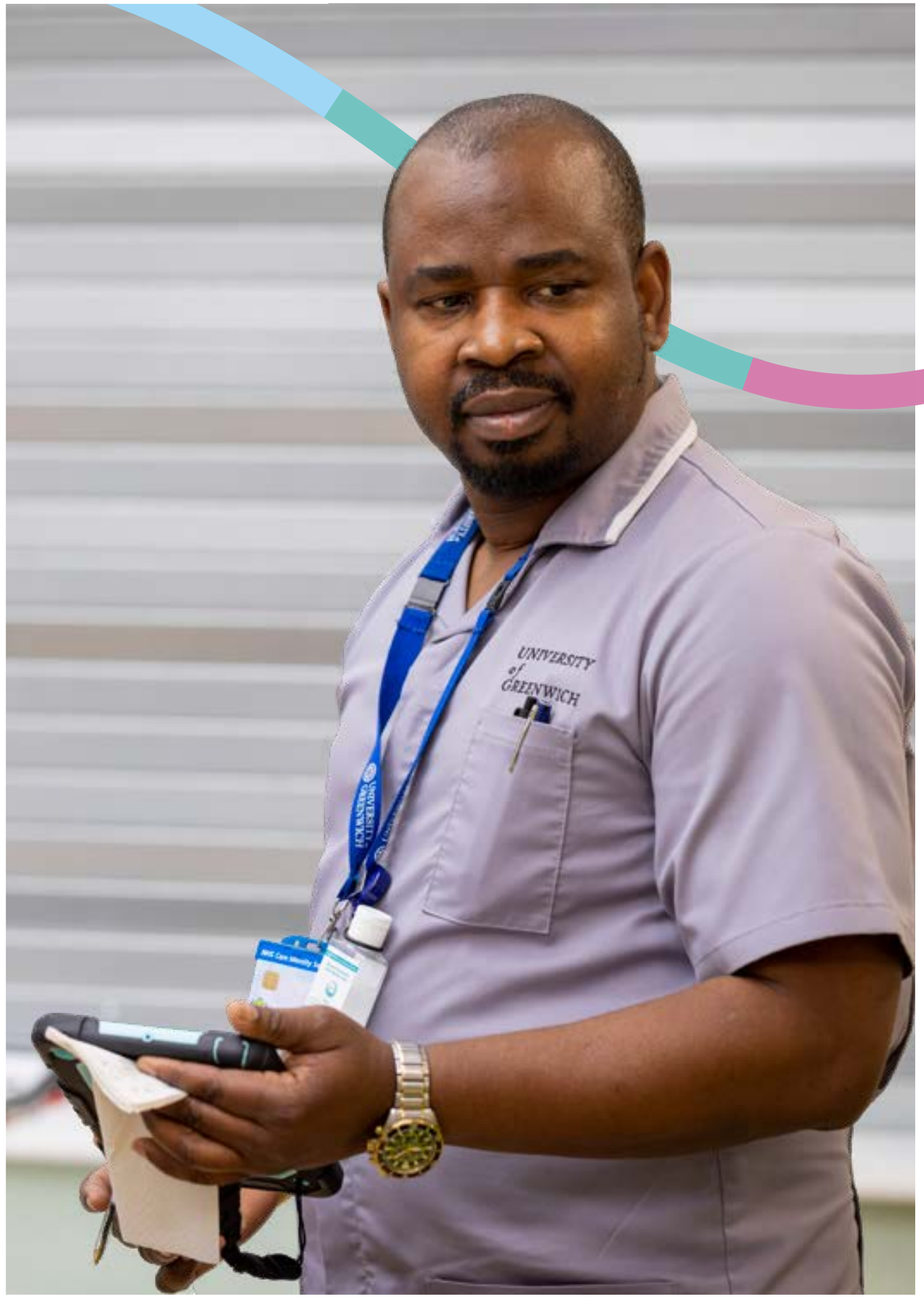
- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the Trust
- the expenditure and income of the Trust has been applied to the purposes intended by 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 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, other items of comprehensive income and cash flows for the year.

As far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

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.

S. Stenson

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023



Remuneration Report

1 Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee sets the policy and decision-making framework relating to the remuneration, terms of service and other benefits of Very Senior Managers of the Trust. Remuneration for all other staff follows national NHS Agenda for Change or Medical and Dental terms and conditions.

The Committee is also responsible for ensuring that a robust and effective process is in place to discharge the requirements of the Fit and Proper Person Test for all existing and future senior appointments, whether temporary or substantive, and for monitoring and evaluating the performance of Very Senior Managers.

Further details of the committee can be found within the Directors' report section of this document.

2 Remuneration policy

Remuneration, terms of service and benefits for Very Senior Managers are determined considering:

- The combined benefits afforded to the Very Senior Manager, including basic salary, any other monetary benefit including bonuses, allowances, premiums or relocation packages, and any non-monetary benefits such as lease cars and leave;
- The job description and responsibilities of the Very Senior Manager;
- Benchmarking for Very Senior Manager roles of similar size and complexity to ensure the remuneration is justified on the basis of attracting suitable candidates;
- Performance of the Very Senior Manager;
- National guidance on Very Senior Manager remuneration.

In 2022-23, all Very Senior Managers were paid through the Trust's payroll.

Each Very Senior Manager has annual objectives, which are agreed with the Chief Executive, except for the Chief Executive's annual objectives, which are agreed with the Chair.

The Trust's normal capability and disciplinary policies apply to Very Senior Managers, including the sanction of summary dismissal for gross misconduct.

All Very Senior Managers are appointed with notice periods of six months, and no contracts contain any provision for compensation over and above legal entitlement for early termination. Very Senior Managers are subject to redundancy clawback arrangements in line with NHS provisions.

3 Decisions relating to remuneration in 2022-23

There were no payments for loss of office for Very Senior Managers during 2021-22 or 2022-23.

4 Fair Pay Disclosures

Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded annualised remuneration of the highest paid director in the financial year 2022-23 was £200k-£205k (compared with £185k - £190k in 2021-22). This was 6.15 times more (compared with 7.44 times more in 2021-22) than the median remuneration of the workforce, which was £32,934 (compared with £25,186 in 2021-22). The highest paid director remains as the same individual, whose salary is denoted by a number of variable components, inclusive of clinical excellence awards. Remuneration ranged from £5k to £290k (2021-22 £7k to £115k). There were 4 individuals whose full-time equivalent remuneration were above that of the highest paid director within the organisation, with 3 of these individuals being temporary medical staff, deriving a higher average hourly rate than an equivalent substantive worker. The remaining 1 individual was a substantive employee who did not meet the criteria to be defined as a Very Senior Manager, as defined by NHS England. The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

Total remuneration includes salary, non-consolidated performance-related pay, clinical excellence awards, benefits-in- kind, but not severance payments. It does not include employer pension contributions or the Cash Equivalent Transfer Value of pensions. Total remuneration is excluding the non-consolidated pay award for 2022-23 for agenda for change employees, as this is yet to be formally ratified.

As audited

Salary and allowances

	2021-22	2022-23	Percentage change
Highest paid director	187,500	202,500	8.00%
Employees as a whole	30,625	37,902	23.78%

1

Pay ratio information

	25th percentile		Median		75th percentile	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
Total remuneration (£)	£18,336.00	£25,309.44	£25,186.00	£32,934.00	£39,098.00	£44,174.74
Salary component of total remuneration (£)	£18,336.00	£23,723.44	£19,918.00	£32,934.00	£31,534.00	£43,516.33
Remuneration ratio	10.23:1	8.00:1	7.44:1	6.15:1	4.80:1	4.58:1

2,3,4,5

1 Highest paid director remuneration is inclusive of all payments, disregarding salary sacrifices.
2 Remuneration and salaries are inclusive of annualised agency and bank worker pay rates, deducting an assumed agency charge rate percentage of 20% for bank workers and 29.42% for all other agency workers, on the basis of average agency rates charged.
3 The remuneration and salary data exclude agency workers who worked for the trust for less than 1 day (7.5 hours), due to short-term assignments of this nature often denoting a higher than average rate of pay, which would lead to discrepancies in the data and averages presented.
4 Bank workers have been presented as individual employees, although some bank workers may also hold substantive posts within the trust, which have been captured separately within the data.
5 The total percentage increase in employee salaries reflects the inclusion of annualised agency pay, previously excluded from calculations.

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5 Senior Manager Remuneration and Benefits

a) Remuneration – as audited

Salary table

	Name and Title	2022-23				2021-22			
		Salary (bands of £5k)	Expense payments (taxable) to nearest £100	All Pension related Benefits (bands of £2.5k)*	TOTAL (bands of £5k)	Salary (bands of £5k)	Expense payments (taxable) to nearest £100	All Pension related Benefits (bands of £2.5k)*	TOTAL (bands of £5k)
		£000	£	£000	£000	£000	£	£000	£000
Executive Directors	**Helen Greatorex** – Chief Executive	175-180	0	245-247.5	420-425	155-160	0	30-32.5	185-190
	Vincent Badu – Deputy Chief Executive, Executive Director of Strategy and Partnerships (until October 2022)	45-50	0	0	45-50	130-135	0	35-37.5	165-170
	Sheila Stenson – Chief Finance and Resources Officer and Deputy Chief Executive (Deputy Chief Executive from November 2022)	130-135	0	52.5-55	185-190	125-130	0	35-37.5	160-165
	Afifa Qazi – Chief Medical Officer	200-205	0	0	185-190	180-185	0	55-57.5	240-245
	Mary Mumvuri – Executive Director of Nursing and Governance (from May 2016 to January 2022)	0	0	0	0	95-100	0	0	95-100
	Jacquie Mowbray-Gould – Chief Operating Officer (from October 2017 to February 2022)	0	0	0	0	100-105	0	42.5-45	145-150
	Sandra Goatley – Chief People Officer	125-130	0	32.5-35	155-160	120-125	0	30-32.5	150-155
	Andy Cruickshank – Chief Nurse (from March 2022)	120-125	0	40-42.5	160-165	5-10	0	10-12.5	20-25
	Donna Hayward-Sussex – Chief Operating Officer (from March 2022)	125-130	0	67.5-70	195-200	5-10	0	2.5-5	10-15
	Adrian Richardson – Director of Partnerships and Transformation (from January 2023)	20-25	0	35-37.5	55-60	0	0	0	0
Non-executive Directors	**Jackie Craissati** – Chair	45-50	0	0	45-50	40-45	0	0	40-45
	Anne-Marie Dean	0	0	0	0	5-10	0	0	5-10
	Venu Branch	15-20	0	0	15-20	15-20	0	0	15-20
	Catherine Walker	15-20	0	0	15-20	15-20	300	0	15-20
	Fiona Carragher (until September 2022)	0-5	0	0	0-5	15-20	0	0	15-20
	Peter Conway	10-15	0	0	10-15	10 - 15	0	0	10 - 15
	Kim Lowe	10-15	0	0	10-15	15-20	0	0	15-20
	Sean Bone-Knell	10-15	0	0	10-15	15-20	0	0	15-20
	Mickola Wilson	10-15	0	0	10-15	15-20	0	0	15-20
	Dr Asif Bachlani (from October 2022)	5-10	0	0	5-10	0	0	0	0
	Dr MaryAnn Ferreux (from February 2023)	0-5	0	0	0-5	0	0	0	0
	Stephen Waring (from January 2023)	0-5	0	0	0-5	0	0	0	0

6,7,8,9,10,11,12,13,14,15,16

b) Pension Benefits – as audited

2022-23

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2023	Lump sum at age 60 related to accrued pension at 31 March 2023	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023
	(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
Helen Greatorex – Chief Executive	10-12.5	25-27.5	85-90	255-260	1,800	287	2,167
Vincent Badu – Deputy Chief Executive, Executive Director of Strategy and Partnerships (until October 2022)	0-2.5	0	30-35	40-45	493	0	519
Sheila Stenson – Chief Finance and Resources Officer and Deputy Chief Executive (Deputy Chief Executive from November 2022)	2.5-5	0-2.5	40-45	65-70	507	34	575
Afifa Qazi – Chief Medical Officer	0-2.5	0	55-60	35-40	801	0	844
Sandra Goatley – Chief People Officer	2.5-5	0	15-20	0	224	30	277
Andy Cruickshank – Chief Nurse (from March 2022)	2.5-5	0-2.5	50-55	100-105	838	41	923
Donna Hayward-Sussex – Chief Operating Officer (from March 2022)	2.5-5	0	25-30	0	346	53	428
Adrian Richardson – Director of Partnerships and Transformation (from January 2023)	0-2.5	0	10-15	0	132	2	162

2021-22

Name and Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2022	Lump sum at age 60 related to accrued pension at 31 March 2022	Cash Equivalent Transfer Value at 1 April 2021	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2022
	(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
Helen Greatorex – Chief Executive	0-2.5	5-7.5	70-75	220-225	1694	75	1800
Vincent Badu – Deputy Chief Executive, Executive Director of Strategy and Partnerships	2.5-5	0-2.5	25-30	40-45	446	26	493
Sheila Stenson – Chief Finance and Resources Officer and Deputy Chief Executive	2.5-5	0-2.5	35-40	60-65	467	19	507
Afifa Qazi – Chief Medical Officer	2.5-5	0-2.5	55-60	40-45	728	45	801
Sandra Goatley – Chief People Officer	0-2.5	0	10-15	0	180	24	224
Mary Mumvuri – Executive Director of Nursing and Governance (from May 2016 to January 2022)	0	0	0	0	0	0	0
Andy Cruickshank – Chief Nurse (from March 2022)	0-2.5	0-2.5	45-50	95-100	700	10	838
Jacquie Mowbray-Gould – Chief Operating Officer (from October 2017 to February 2022)	2.5-5	0-2.5	45-50	105-110	928	49	995
Donna Hayward-Sussex – Chief Operating Officer (from March 2022)	0-2.5	0	20-25	0	292	2	346

6 Vincent Badu left the trust in October 2022. He was in post as Deputy Chief Executive until October 2022, however, from 13th June 2022 he was seconded to Kent and Medway Integrated Care Board for 18.75 hours per week. This has been reflected in the salary table above. His total salary, across both organisations, over this period was £70-75k. As the pension disclosure represents an actuarial valuation of his future benefits these have not been allocated across all organisations but are included in full above.
7 Sheila Stenson was appointed as Deputy Chief Executive in November 2022.
8 Andy Cruickshank was appointed Chief Nurse in March 2022.
9 Adrian Richardson was appointed Director of Partnerships and Transformation in January 2023.
10 Fiona Carragher left the trust in September 2022.
11 Dr Asif Bachlani was appointed as a Non-Executive Director in October 2022.
12 Dr Mary-Anne Ferreux was appointed as a Non-Executive Director in February 2023.
13 Stephen Waring was appointed as a Non-Executive Director in January 2023.
14 Mary Mumvuri left the trust in January 2022.
15 Jacquie Mowbray-Gould left the trust in February 2022.
16 Donna Hayward-Sussex was appointed as Chief Operating Officer in March 2022.

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 (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023 to 24 CETV figures.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

Payments to past members

There were no payments to past members in 2022/23.

Staff Report

1 Average staff numbers – as audited

Average number of employees (WTE basis)

	Permanent Number	Other Number	22-23 Total Number	21-22 Total Number
Administration and estates staff	856	40	896	896
Health care assistants and other support staff	777	292	1,069	1,062
Medical and dental staff	209	14	223	227
Nursing, midwifery and health visiting staff	883	187	1,070	1,054
Nursing, midwifery and health visiting learners	16	-	16	15
Scientific, therapeutic and technical staff	413	13	426	405
Healthcare Scientists	-	-	-	-
Social Care	-	-	-	-
Other (students)	13	-	13	12
Total Average Numbers	3,167	546	3,713	3,671
Of which Number of employees (WTE) engaged on capital projects	17	3	20	14

2 Workforce demographic – as audited

Workforce Demographic: Gender

	FTE		
	Female	Male	Grand Total
Expenses Only	11.75	10.60	22.35
Band 2	337	150	487
Band 3	465	130	595
Band 4	260	56	316
Band 5	268	86	354
Band 6	501	141	642
Band 7	320	95	415
Band 8a	105	43	146
Band 8b	60	28	88
Band 8c	32	12	43
Band 8d	18	11	29
Band 9	7	7	14
Medical	95	90	185
Director Salary	4	2	6
Grand Total	2483.29	861.77	3345.06

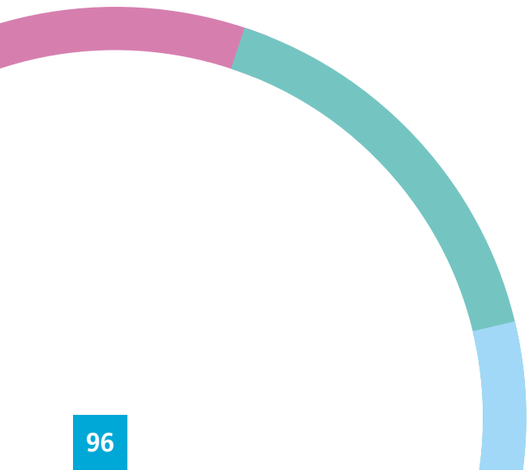
17,18

Workforce Demographic: age

Age Band	FTE
<=20 Years	25
21-25	215
26-30	315
31-35	384
36-40	357
41-45	418
46-50	469
51-55	480
56-60	396
61-65	219
66-70	50
>=71 Years	16
Grand Total	3345

17 Workforce Demographic Data is not inclusive of agency workers as this data is not held by the trust.

18 The total numbers displayed in the workforce demographic tables are based on data from the end of March 2023. This displays a discrepancy in the staff numbers shown in the demographic tables in comparison with the average staff numbers table. This is due to the average staff number table alluding to average weekly staffing numbers from April 2022 to March 2023, as opposed to the demographic tables which display staff numbers at a single point in time.



Workforce Demographic: Ethnicity

Ethnic Origin	FTE	% of Staff
A White - British	2090	62.48%
B White - Irish	28	0.84%
C White - Any other White background	128	3.84%
CA White English	18	0.55%
CM White Traveller	1	0.03%
CP White Polish	5	0.15%
CX White Mixed	2	0.05%
CY White Other European	6	0.18%
D Mixed - White & Black Caribbean	12	0.35%
E Mixed - White & Black African	9	0.27%
F Mixed - White & Asian	23	0.67%
G Mixed - Any other mixed background	29	0.88%
GA Mixed - Black & Asian	1	0.03%
GF Mixed - Other/Unspecified	1	0.03%
H Asian or Asian British - Indian	118	3.52%
J Asian or Asian British - Pakistani	20	0.58%
K Asian or Asian British - Bangladeshi	9	0.28%
L Asian or Asian British - Any other Asian background	64	1.90%
LA Asian Mixed	1	0.03%
LB Asian Punjabi	1	0.03%
LF Asian Tamil	1	0.03%
LH Asian British	2	0.06%
M Black or Black British - Caribbean	40	1.21%
N Black or Black British - African	447	13.36%
P Black or Black British - Any other Black background	24	0.73%
PC Black Nigerian	9	0.26%
PD Black British	8	0.24%
R Chinese	8	0.23%
S Any Other Ethnic Group	50	1.50%
SB Japanese	1	0.03%
SC Filipino	6	0.18%
SE Other Specified	1	0.03%
Z Not Stated	182	5.45%
Grand Total	**3345**	**100%**

3 Staff costs – as audited

Staff Costs

	Permanent £000	Other £000	2022-23 Total £000	2021/22 Total £000
Salaries and wages	**130,529**	**871**	**131,400**	119,834
Social security costs	**13,767**	**-**	**13,767**	11,335
Apprenticeship levy	**642**	**-**	**642**	572
Employer's contributions to NHS pension scheme	**23,064**	**-**	**23,064**	21,821
Pension cost - other	**61**	**-**	**61**	46
Termination benefits	**56**	**-**	**56**	152
Agency/contract staff	**-**	**28,131**	**28,131**	25,062
Total gross staff costs	**168,119**	**29,002**	**197,121**	178,822
Recoveries in respect of seconded staff	-	-	-	0
Total staff costs	**168,119**	**29,002**	**197,121**	178,822
Of which Costs capitalised as part of assets	**1,175**	**-**	**1,175**	869

4 Exit packages – as audited

Exit Packages

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
Less than £10,000	0	0	0	0	0	0	0	0
£10,000 - £25,000	1	23,676	0	0	1	23,676	0	0
£25,001 - £50,000	1	31,861	0	0	1	31,861	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**2**	**55,537**	**0**	**0**	**2**	**55,537**	**0**	**0**

5 Off-payroll engagements

The Trust had no off-payroll engagements as at 31 March 2022 and had no new off-payroll engagements between 1 April 2021 and 31 March 2022, for more than £245 per day and that last longer than six months.

6 Expenditure on consultancy

Please refer to note 5 in the Annual Accounts.

7 Sickness absence rates

NHS sickness absence rates are published by NHS Digital at the following link: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates. This source is an official statistics publication complying with the UK Statistics Authority's Code of Practice.

8 Staff turnover rates

Staff turnover rates are published by NHS Digital at the following link: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics. This source is an official statistics publication complying with the UK Statistics Authority's Code of Practice.

9 Staff engagement levels

Each year, the Trust participates in the National NHS Staff Survey and this year, 63.4% of staff participated. Around 100 questions are asked in the survey, including a select number of questions designed to present a view on the organisations overall engagement. These questions relate to job satisfaction, involvement, and advocacy for the organisation as a place to work or be treated. This year, the survey returned an engagement score for the Trust of 6.9 out of 10.

10 Staff policies applied during the year

The Trust has a range of staff policies which are reviewed on a regular basis to ensure that they are up to date and compliant with legislation and current best practice.

These policies are available to all staff on the internal i-Connect pages.

All of our policies are subject to an Equality Impact Assessment process. This is a practical tool which enables us to identify potential discrimination and to take appropriate steps to remove any potential disadvantage for a particular group.

This year, the Trust developed a new People Policies handbook, simplifying previous policies and bringing them together in an easy-to-use format.

Key areas covered by these policies include:

Recruitment and Selection

KMPT has a Recruitment and Selection policy, which sets out how we ensure fair recruitment practices through the attraction, selection and recruitment of candidates. This includes giving full and fair consideration to applications for employment made by disabled persons.

KMPT also reports the data as part of the Workforce Disability Equality Standard and Workforce Race Equality Standard.

Training and development

KMPT offers a wealth of internal training for its staff. Where external training is required at cost, KMPT's Training Policy sets out a fair and transparent process for applying to its Training Panel for support. The diversity of staff making applications to the Panel and of staff whose applications are successful is regularly reviewed.

Policies regarding raising concerns

We continue with our commitment to advancing a culture where all staff are positively encouraged to raise issues about safety, quality, and effectiveness of the service, and supported when they do so.

In 2022-23, the Trust began working with the National Guardian Service to provide its Freedom to Speak Up Guardian. This role is recognised as an independent and impartial source of advice and support to staff who want to raise a concern.

11 Staff Health, Safety and Wellbeing

During the year, health and safety training was delivered to 97 per cent of staff.

The Health and Safety department undertakes audits on the whole hospital in conjunction with the Staff Side chair. There are contract review meetings with the external occupational health provider, reviewing all elements of service; for pre-employment and in employment activity.

12 Staff Partnership and Joint Negotiation

KMPT has regular meetings of its Joint Negotiating Forum (JNF) and Local Negotiating Committees (LNC) for formal discussions relating to staffing issues. As stipulated within the organisational change policy, collective consultations would be enacted where there are more specific issues affecting staff i.e. restructures.

S. Stenson.

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023

Annual accounts

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM 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, other items of comprehensive income and cash flows for the year. 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 and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Trust's performance, business model and strategy

By order of the board

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023

Nick Brown
Acting Chief Finance and Resources Officer
Date: 15 June 2023

Independent auditor's report to the directors of Kent and Medway NHS and Social Care Partnership Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Kent and Medway NHS and Social Care Partnership Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2022-23 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2022-23; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we refer a matter to the Secretary of State under Section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we make a written recommendation to the Trust under Section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit and Risk Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, the risk of fraudulent revenue recognition, and the risk of fraudulent expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment;
  - revenue recognition in relation to variable and other income;
  - the completeness of expenditure recognition in relation to the continuing challenges faced by the trust to meet their control total.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria defined as part of our risk assessment;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations;
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to land and building valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the health sector and economy in which the Trust operates
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, they will be reported by exception in a further auditor's report. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2023.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We document our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we consider whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2023.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

John Paul Cuttle

John Paul Cuttle
Key Audit Partner for and on behalf of
Grant Thornton UK LLP, Local Auditor
30 Finsbury Square
London
EC2A 1AG
Date: 15 June 2023

Annual accounts for the year ended 31st March 2023

Statement of Comprehensive Income

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	3	**241,303**	218,074
Other operating income	4	**17,613**	13,672
Operating expenses	5, 7	**(257,880)**	(226,533)
Operating surplus/(deficit) from continuing operations		**1,036**	5,213
Finance income	10	**571**	11
Finance expenses	11	**(2,395)**	(1,769)
PDC dividends payable		**(3,413)**	(3,378)
Net finance costs		**(5,237)**	(5,136)
Other gains / (losses)	12	**(91)**	1,024
Surplus / (deficit) for the year		**(4,292)**	1,101
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	**(613)**	271
Revaluations	15	**3,600**	5,223
Total comprehensive income / (expense) for the period		**(1,305)**	6,595

Adjusted financial performance (control total basis) - Note

The Trust's deficit for 2022/23 was £4,292k. NHS England excludes the impact of certain transactions - impairments, revaluations and capital grants for the purposes of measuring NHS Trusts' financial performance. After removing these transactions the Trust's adjusted financial performance for the financial year would have been a £45k surplus.

The Trust's surplus for 2021/22 was £1,101k. A prior period adjustment was transacted to correct the previous treatment whereby a finance lease had been classified as an on-SOFP PFI. This resulted in a final adjusted deficit of £4,578k.

The below table does not form part of the Statement of Comprehensive Income and represents a note to the accounts.

Surplus / (deficit) for the period	**(4,292)**	1,101
Remove net impairments not scoring to the Departmental expenditure limit	**4,334**	(1,080)
Prior period adjustments	**-**	(4,599)
Remove peppercorn lease I&E impact	**3**	-
Adjusted financial performance surplus / (deficit)	**45**	(4,578)

Statement of Financial Position

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	13	**3,780**	3,185
Property, plant and equipment	14	**135,203**	133,710
Right of use assets	16	**30,472**	-
Investment property	17	**2,201**	2,268
Receivables	19	**396**	538
Total non-current assets		**172,052**	139,701
Current assets			
Inventories	18	**-**	-
Receivables	19	**11,447**	6,522
Cash and cash equivalents	20	**19,685**	20,077
Total current assets		**31,132**	26,599
Current liabilities			
Trade and other payables	21	**(31,959)**	(21,547)
Borrowings	23	**(2,500)**	(914)
Provisions	24	**(2,440)**	(1,629)
Other liabilities	22	**(828)**	(1,817)
Total current liabilities		**(37,727)**	(25,907)
Total assets less current liabilities		**165,457**	140,393
Non-current liabilities			
Borrowings	23	**(33,514)**	(13,786)
Provisions	24	**(2,431)**	(3,716)
Total non-current liabilities		**(35,945)**	(17,502)
Total assets employed		**129,512**	122,891
Financed by			
Public dividend capital		**134,656**	126,785
Revaluation reserve		**24,302**	21,315
Other reserves		**-**	(5,280)
Income and expenditure reserve		**(29,446)**	(19,929)
Total taxpayers' equity		**129,512**	122,891

The notes on pages 116 to 148 form part of these accounts.

The financial statements on pages 112 to 115 were approved by the board on the 15 June 2023 and signed on its behalf by

S. Stenson.

Sheila Stenson
Acting Chief Executive
Date: 15 June 2023

Statement of Changes in Equity for the year ended 31 March 2023

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**126,785**	**21,315**	**(5,280)**	**(19,929)**	**122,891**
Implementation of IFRS 16 on 1 April 2022	**-**	**-**	**-**	**55**	**55**
Surplus/(deficit) for the year	**-**	**-**	**-**	**(4,292)**	**(4,292)**
Other transfers between reserves	**-**	**-**	**5,280**	**(5,280)**	**-**
Impairments	**-**	**(613)**	**-**	**-**	**(613)**
Revaluations	**-**	**3,600**	**-**	**-**	**3,600**
Public dividend capital received	**7,871**	**-**	**-**	**-**	**7,871**
Taxpayers' and others' equity at 31 March 2023	**134,656**	**24,302**	**-**	**(29,446)**	**129,512**

Statement of Changes in Equity for the year ended 31 March 2022

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2021 - brought forward	121,821	15,821	(5,280)	(21,030)	111,332
Surplus/(deficit) for the year	-	-	-	1,101	1,101
Impairments	-	271	-	-	271
Revaluations	-	5,223	-	-	5,223
Public dividend capital received	4,964	-	-	-	4,964
Taxpayers' and others' equity at 31 March 2022	126,785	21,315	(5,280)	(19,929)	122,891

Information on reserves

Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Other reserves
Errors identified following a merger in 2006 were charged to an 'Other reserves'. In 2022/23 the Trust obtained agreement from NHS England that the balance in this reserve could be transferred to the Income and expenditure reserve.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Statement of Cash Flows

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		**1,036**	5,213
Non-cash income and expense:			
Depreciation and amortisation	5	**10,064**	6,769
Net impairments	6	**4,347**	(1,071)
(Increase) / decrease in receivables and other assets		**(4,518)**	(1,093)
Increase / (decrease) in payables and other liabilities		**8,370**	2,172
Increase / (decrease) in provisions		**(499)**	2,376
Net cash flows from / (used in) operating activities		**18,800**	14,366
Cash flows from investing activities			
Interest received	10	**571**	11
Purchase of intangible assets		**(1,005)**	(913)
Purchase of Property, Plant, Equipment and investment property		**(18,106)**	(9,828)
Net cash flows from / (used in) investing activities		**(18,540)**	(10,730)
Cash flows from financing activities			
Public dividend capital received		**7,871**	4,964
Capital element of lease liability repayments		**(1,983)**	(378)
Capital element of PFI, LIFT and other service concession payments		**(492)**	(462)
Other interest		**-**	(4)
Interest element of lease liability repayments		**(1,050)**	(555)
Interest paid on PFI, LIFT and other service concession obligations		**(1,320)**	(1,186)
PDC dividend (paid) / refunded		**(3,678)**	(3,204)
Net cash flows from / (used in) financing activities		**(652)**	(825)
Increase / (decrease) in cash and cash equivalents		**(392)**	2,811
Cash and cash equivalents at 1 April - brought forward		**20,077**	17,266
Cash and cash equivalents at 31 March	20	**19,685**	20,077

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care (DHSC) has directed that the financial statements of the Trust shall meet the accounting requirements of the DHSC Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022-23 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case. Budgets and cashflow forecasts for 2023/24 do not indicate a going concern risk.

Note 1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of NHS trust accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Note 1.3.1 Critical judgements in applying accounting policies

Any critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements, are annotated where applicable in the notes to these accounts.

The main areas of critical judgement are:
- The valuation under a Modern Equivalent Asset on an Alternative Site basis
- The valuation of non specialised property assets on a Market Value for Existing Use basis
- The valuation of the Private Finance Initiative assets on a net of VAT basis.

Note 1.3.2 Sources of estimation uncertainty

The Trust Accounts contain estimated figures that are based on assumptions made by the Trust about the future, or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other related factors. However, because balances cannot be determined with certainty, actual results could be materially different dependent upon the assumptions made and resulting estimates.

There is one item in the Statement of Financial Position where actual results could be materially different from assumptions and estimates:

Property Valuations
Valuations of land and buildings (included in Note 14) were carried out by external valuers. These were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The value of land and buildings could materially differ for two main reasons:
1. If assumptions around future use of the assets was to change e.g. from specialised use to non-specialised use this would alter the basis of valuation from Depreciated Replacement Cost (DRC) to Equivalent Use Value (EUV).
2. If the indices used by the valuers materially changed, this would alter the total valuation. Over the past 12 months, BCIS indices have fluctuated by a maximum of 17.79%.

Land is currently valued at £20,452k, a 5% reduction in the valuation would decrease asset values by £1,023k. Buildings are valued at £97,186k, a 5% decrease in values would result in a £4,859k reduction in asset values.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Note 1.4.1 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. In 2022/23 and 2021/22, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements.

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

Block contract arrangements were agreed based on national guidance with our lead commissioners. The related performance obligation is the delivery of healthcare and related services.

Note 1.4.2 Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

Note 1.4.3 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the Trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes
• it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
• it is expected to be used for more than one financial year
• the cost of the item can be measured reliably
• the item has cost of at least £5,000, or
• collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

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

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

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

Land and buildings used for the Trust's services or for administrative purposes are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years and in the intervening third year by a 'desk top' review, or on the completion of a material refurbishment scheme. In light of the material impairment previously recognised, the Trust has taken the decision to undertake a valuation more frequently, and has decided to undertake this annually. In 2022/23 this was carried out as a desktop revaluation of the estate.

The professional valuations are carried out by local independent valuers. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the DHSC and HM Treasury. In accordance with the requirements of the DHSC, a full asset valuation took place in March 2020.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

The carrying value of existing assets at that date will be written off over their useful remaining lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity, and the replacement option would be via a similar approach that would equally allow VAT recovery. In 2019/20 this basis was applied to the Trust's Private Finance Initiative (PFI) scheme at the Greenacres site, where the construction was completed by a special purpose vehicle and the costs had recoverable VAT for the Trust. Although PFI schemes are not a future option in the NHS, it is management's view that, were it to be required to rebuild this asset, it would replace under a similar special purpose vehicle that would enable VAT recovery. In 2019/20 the Trust opted to change practice following a full review by the Trust's valuer, Montagu Evans, and is adopting this judgement going forward.

Modern Equivalent Asset on an Alternative Site Basis
In 2017/18 the Trust adopted the alternative site for its land valuations. The valuation assumption within note 15, relating to the land values, is to adopt the methodology appropriate for a Modern Equivalent Asset (MEA) on an Alternative Site Basis whereby the Trust would not hold more land than is necessary for the delivery of services. This follows the economic principle of substitution. Without affecting services some land at each of the four sites can be identified as non functional, and therefore excluded from an MEA valuation.

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable i.e.:
- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

In 2022/23 this includes assets donated to the Trust by the DHSC as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's Financial Reporting Manual (FReM), are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as Property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as Property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as a finance cost as incurred.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:
a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Useful lives of property, plant and equipment
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table

	Min life Years	Max life Years
Buildings, excluding dwellings	3	90
Plant & machinery	5	15
Transport equipment	7	10
Information technology	4	5
Furniture & fittings	1	10

Note 1.8 Intangible assets
Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised.

Expenditure on development is capitalised where it meets the requirements set out in IAS 38, where all of the following can be demonstrated:
• the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
• the Trust intends to complete the asset and sell or use it;
• the Trust has the ability to sell or use the asset;
• how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
• adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
• the Trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation
Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets
Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Information technology	3	7
Software licences	3	7

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the weighted average cost method.

In 2021/22 and 2022/23, the Trust received inventories including personal protective equipment from the DHSC at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the DHSC.

Note 1.10 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Note 1.11 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Financial assets and financial liabilities

Recognition
Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by Office for National Statistics (ONS).

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e, when receipt or delivery of the goods or services is made.

Classification and measurement
Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as financing income or expense. In the case of loans held from the DHSC, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets and financial liabilities at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or fair value through other comprehensive income. This includes derivatives and financial assets acquired principally for the purpose of selling in the short term.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Credit losses are determined and distinguished between different classes of financial asset. This has been calculated based on historical cashflows classified by relevant groups of income categories. The credit losses have been calculated using loss rates based on historical experience adjusted for forward-looking information.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition
Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

1.13.1 The Trust as lessee
Initial recognition and measurement
At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT.

Lease payments associated with these leases are expensed on a straight line basis over the lease term or other systematic basis. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement
As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

1.13.2 The Trust as lessor
The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

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

Operating leases
Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16
IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as lessee
For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust as lessor
Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 comparatives
Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight line basis.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 24.2 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 25 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 25, unless the probability of a transfer of economic benefits is remote.

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

Note 1.16 Public dividend capital

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

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

An annual charge, reflecting the cost of capital utilised by the Trust, is payable as PDC dividend. The charge is calculated at the rate set by the Secretary of State with the consent of HM Treasury (currently 3.5%) on the average relevant net assets of the Trust. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

(i) donated and grant funded assets,
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility,
(iii) approved expenditure on COVID-19 capital assets
(iv) assets under construction for nationally directed schemes,
(v) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the DHSC (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 Value added tax

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

Note 1.18 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.19 Losses and special payments

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

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2022/23.

Note 1.21 Standards, amendments and interpretations in issue but not yet effective or adopted

IFRS 16 Leases – application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost.
Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Other standards, amendments and interpretations

IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM: early adoption is not therefore permitted.

Note 2 Segmental Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The directors consider that the Trust's activities constitute a single segment since they are provided wholly in the UK, are subject to similar risks and rewards and all assets are managed as one central pool. The Trust has also a single purpose in the provision of healthcare services.

Note 3 Income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)

	2022/23	2021/22
	£000	£000
Mental health services		
Income from commissioners under system block contracts	**208,056**	192,482
Services delivered under a mental health collaborative	**16,641**	14,808
Clinical partnerships providing mandatory services (including S75 agreements)	**1,889**	3,274
All services		
Private patient income	**115**	71
Additional pension contribution central funding*	**7,009**	6,640
Agenda for change pay award central funding**	**6,860**	-
Other clinical income	**733**	799
Total income from activities	**241,303**	218,074

*The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

** In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2022/23	2021/22
Income from patient care activities received from:	**£000**	£000
NHS England	**29,050**	21,471
Clinical commissioning groups	**45,655**	177,652
Integrated care boards	**147,220**	-
Other NHS providers	**18,147**	16,424
Local authorities	**383**	1,784
Non-NHS: private patients	**115**	71
Non NHS: other	**733**	672
Total income from activities	**241,303**	218,074
Of which:		
Related to continuing operations	**241,303**	218,074

On 1 July 2022 Integrated Care Systems (ICSs) were legally established through the Health and Care Act 2022, and Clinical Commissioning Groups were closed down. Following the dissolution of Kent and Medway Clinical Commissioning Group the Trust's main commissioner is Kent and Medway Integrated Care Board.

Note 4 Other operating income

	2022/23			2021/22		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	**696**	**-**	**696**	837	-	837
Education and training	**5,878**	**879**	**6,757**	4,976	565	5,541
Non-patient care services to other bodies	**7,816**	**-**	**7,816**	5,235	-	5,235
Income in respect of employee benefits accounted on a gross basis	**553**	**-**	**553**	244	-	244
Contributions to expenditure - consumables donated from DHSC for COVID response*	**-**	**75**	**75**	-	111	111
Revenue from operating leases	**-**	**988**	**988**	-	1,315	1,315
Other income	**728**	**-**	**728**	389	-	389
Total other operating income	**15,671**	**1,942**	**17,613**	11,681	1,991	13,672
Of which:						
Related to continuing operations			**17,613**			13,672

* In 2021/22 and 2022/23, the Trust received inventories including personal protective equipment from the DHSC at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost.

Note 5 Operating expenses

	2022/23	2021/22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**7,382**	1,923
Purchase of healthcare from non-NHS and non-DHSC bodies	**5,087**	3,945
Staff and executive directors costs	**195,890**	177,801
Remuneration of non-executive directors	**146**	161
Supplies and services - clinical (excluding drugs costs)*	**3,312**	3,494
Supplies and services - general	**4,401**	4,056
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**3,337**	3,358
Consultancy costs	**219**	16
Establishment	**2,437**	2,486
Premises	**12,967**	10,836
Transport (including patient travel)	**3,186**	3,187
Depreciation on property, plant and equipment and right of use assets	**8,912**	6,172
Amortisation on intangible assets	**1,152**	597
Net impairments	**4,347**	(1,071)
Movement in credit loss allowance: contract receivables / contract assets	**(1)**	(23)
Increase/(decrease) in other provisions	**38**	2,588
Change in provisions discount rate(s)	**(306)**	46
Fees payable to the external auditor		
audit services- statutory audit	**89**	72
Internal audit costs	**130**	159
Clinical negligence	**1,434**	1,181
Legal fees	**75**	315
Insurance	**202**	245
Research and development	**4**	25
Education and training	**2,073**	1,766
Expenditure on low value leases (current year only)	**119**	-
Variable lease payments not included in the liability (current year only)	**200**	-
Operating lease expenditure (comparative only)	**-**	2,001
Redundancy	**56**	152
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	**549**	534
Car parking & security	**224**	162
Hospitality	**12**	10
Losses, ex gratia & special payments	**7**	6
Other	**200**	333
Total	**257,880**	226,533
Of which:		
Related to continuing operations	**257,880**	226,533

*Supplies and services - clinical includes £75k (2021/22: £111k) for utilisation of personal protective equipment consumables donated from DHSC for COVID response.

The audit fees included within Note 5 above are reported as the gross position, the value excluding VAT for 2022/23 is £74k (2021/22 £60k).

Note 5.1 Other auditor remuneration

No additional sums outside of the statutory audit fee have been paid to the external auditor in the current or prior year.

Note 5.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2021/22: £2 million).

Note 6 Impairment of assets

	2022/23	2021/22
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	**13**	9
Changes in market price	**4,334**	(1,080)
Total net impairments charged to operating surplus / deficit	**4,347**	(1,071)
Impairments charged to the revaluation reserve	**613**	(271)
Total net impairments	**4,960**	(1,342)

An impairment of £4,640k has been recognised as a result of the remeasurement of a finance lease liability required under IFRS16. As the asset had already been recognised at current value the change in the lease liability led to an immediate impairment.

Note 7 Employee benefits

	2022/23	2021/22
	Total	Total
	£000	£000
Salaries and wages	**131,400**	119,834
Social security costs	**13,767**	11,335
Apprenticeship levy	**642**	572
Employer's contributions to NHS pensions	**23,064**	21,821
Pension cost - other	**61**	46
Termination benefits	**56**	152
Temporary staff (including agency)	**28,131**	25,062
Total gross staff costs	**197,121**	178,822
Of which		
Costs capitalised as part of assets	**1,175**	869

Note 7.1 Retirements due to ill-health

During 2022/23 there were 4 early retirements from the trust agreed on the grounds of ill-health (3 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £113k (£51k in 2021/22).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Note 8.1 Alternative Scheme Pension costs

Employees not eligible for the NHS Pension Scheme are automatically enrolled into the National Employment Savings Trust (NEST). Employees can choose to opt out within one month of enrolment, or if they need to suspend contributing for a while they can do so without opting out.

The NEST Pension Scheme was established by the National Employment Savings Trust Order 2010. The scheme is a registered pension scheme for tax purposes under the Finance Act 2004 and was registered with HM Revenue & Customs on 21 January 2011. The Trustee of the scheme is the NEST Corporation which is a non-departmental public body established by statute, section 75 of the Pensions Act 2008. NEST is run on a not-for-profit basis and collects an annual management charge from its members of 0.3% of the employee's total fund each year. Also a charge of 1.8% is made on contributions made by the employee. At NEST, the employee keeps the same retirement pot and contributes to it even if their circumstances change.

Scheme Provisions

From April 2015 new rules mean the employee has more options for what they can do with their retirement pot. When the employee reaches 55, they will be able to take out as much as they want as cash and will have more choices in how they can get a retirement income.

Details of the benefits available under this scheme can be found on the NEST website - nestpensions.org.uk

Note 9 Operating leases - Kent and Medway NHS and Social Care Partnership Trust as lessor

This note discloses income generated in operating lease agreements where Kent and Medway NHS and Social Care Partnership Trust is the lessor.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

The Trust leases properties to a number of stakeholders primarily other NHS bodies and public sector organisations. These leases tend to be on a "full maintenance" basis.

Note 9.1 Operating lease income

	2022/23	2021/22
	£000	£000
Lease receipts recognised as income in year:		
Other	**988**	1,315
Total in-year operating lease income	**988**	1,315

Note 9.2 Future lease receipts

	31 March 2023	31 March 2022
	£000	£000
Future minimum lease receipts due at 31 March:		
- not later than one year	**988**	1,315
Total	**988**	1,315

Note 10 Finance income

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	**571**	11
Total finance income	**571**	11

Note 11.1 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on lease obligations	**1,050**	555
Interest on late payment of commercial debt	**-**	4
Main finance costs on PFI and LIFT schemes obligations	**507**	538
Contingent finance costs on PFI and LIFT scheme obligations	**813**	648
Total interest expense	**2,370**	1,745
Unwinding of discount on provisions	**25**	24
Total finance costs	**2,395**	1,769

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2022/23	2021/22
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	4

Note 12 Other gains / (losses)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	**-**	2
Losses on disposal of assets	**(1)**	(155)
Total gains / (losses) on disposal of assets	**(1)**	(153)
Fair value gains / (losses) on investment properties	**(90)**	1,177
Total other gains / (losses)	**(91)**	1,024

Note 13.1 Intangible assets - 2022/23

	Software licences	**Internally generated information technology**	**Intangible assets under construction**	**Total**
	£000	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2022 - brought forward	**2,379**	**1,272**	**1,102**	**4,753**
Additions	**308**	**95**	**602**	**1,005**
Reclassifications	**970**	**-**	**(228)**	**742**
Disposals / derecognition	**(33)**	**-**	**-**	**(33)**
Valuation / gross cost at 31 March 2023	**3,624**	**1,367**	**1,476**	**6,467**
Amortisation at 1 April 2022 - brought forward	**1,139**	**429**	**-**	**1,568**
Provided during the year	**868**	**284**	**-**	**1,152**
Disposals / derecognition	**(33)**	**-**	**-**	**(33)**
Amortisation at 31 March 2023	**1,974**	**713**	**-**	**2,687**
Net book value at 31 March 2023	**1,650**	**654**	**1,476**	**3,780**
Net book value at 1 April 2022	1,240	843	1,102	3,185

Note 13.2 Intangible assets - 2021/22

	Software licences	Internally generated information technology	Intangible assets under construction	Total
	£000	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	2,317	1,665	-	3,982
Additions	325	34	554	913
Reclassifications	-	100	548	648
Disposals / derecognition	(263)	(527)	-	(790)
Valuation / gross cost at 31 March 2022	2,379	1,272	1,102	4,753
Amortisation at 1 April 2021 - as previously stated	1,062	699	-	1,761
Provided during the year	340	257	-	597
Disposals / derecognition	(263)	(527)	-	(790)
Amortisation at 31 March 2022	1,139	429	-	1,568
Net book value at 31 March 2022	1,240	843	1,102	3,185
Net book value at 1 April 2021	1,255	966	-	2,221

Note 14.1 Property, plant and equipment - 2022/23

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	**20,519**	**104,895**	**8,103**	**787**	**130**	**7,478**	**11**	**141,923**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use	**-**	**(14,376)**	**-**	**-**	**-**	**-**	**-**	**(14,376)**
Additions	**-**	**8,252**	**8,625**	**29**	**-**	**2,221**	**9**	**19,136**
Impairments charged to operating expenses	**(141)**	**(2,304)**	**(13)**	**-**	**-**	**-**	**-**	**(2,458)**
Impairments charged to the revaluation reserve	**-**	**(719)**	**-**	**-**	**-**	**-**	**-**	**(719)**
Reversals of impairments credited to operating expenses	**52**	**886**	**-**	**-**	**-**	**-**	**-**	**938**
Reversals of impairments credited to the revaluation reserve	**-**	**106**	**-**	**-**	**-**	**-**	**-**	**106**
Revaluations	**22**	**(1,009)**	**-**	**-**	**-**	**-**	**-**	**(987)**
Reclassifications	**-**	**3,407**	**(5,156)**	**-**	**-**	**1,007**	**-**	**(742)**
Disposals / derecognition	**-**	**-**	**-**	**(48)**	**-**	**(543)**	**-**	**(591)**
Valuation/gross cost at 31 March 2023	**20,452**	**99,138**	**11,559**	**768**	**130**	**10,163**	**20**	**142,230**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**4,027**	**-**	**603**	**130**	**3,442**	**11**	**8,213**
IFRS 16 implementation - reclassification of existing finance leased assets to right of use	**-**	**(2,558)**	**-**	**-**	**-**	**-**	**-**	**(2,558)**
Provided during the year	**-**	**5,070**	**-**	**72**	**-**	**1,407**	**-**	**6,549**
Revaluations	**-**	**(4,587)**	**-**	**-**	**-**	**-**	**-**	**(4,587)**
Disposals / derecognition	**-**	**-**	**-**	**(48)**	**-**	**(542)**	**-**	**(590)**
Accumulated depreciation at 31 March 2023	**-**	**1,952**	**-**	**627**	**130**	**4,307**	**11**	**7,027**
Net book value at 31 March 2023	**20,452**	**97,186**	**11,559**	**141**	**-**	**5,856**	**9**	**135,203**
Net book value at 1 April 2022	20,519	100,868	8,103	184	-	4,036	-	133,710

Note 14.2 Property, plant and equipment - 2021/22

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2021 - brought forward	18,957	96,738	9,093	1,012	138	6,640	872	133,450
Additions	-	1,605	5,311	13	-	1,226	-	8,155
Impairments charged to operating expenses	-	(3,315)	(9)	-	-	-	-	(3,324)
Impairments charged to the revaluation reserve	-	(497)	-	-	-	-	-	(497)
Reversals of impairments	1,325	3,838	-	-	-	-	-	5,163
Revaluations	237	882	-	-	-	-	-	1,119
Reclassifications	-	5,644	(6,292)	8	(8)	-	-	(648)
Disposals / derecognition	-	-	-	(246)	-	(388)	(861)	(1,495)
Valuation/gross cost at 31 March 2022	20,519	104,895	8,103	787	130	7,478	11	141,923
Accumulated depreciation at 1 April 2021 - brought forward	-	3,301	-	707	135	2,667	675	7,485
Provided during the year	-	4,830	-	110	-	1,154	78	6,172
Revaluations	-	(4,104)	-	-	-	-	-	(4,104)
Reclassifications	-	-	-	5	(5)	-	-	-
Disposals / derecognition	-	-	-	(219)	-	(379)	(742)	(1,340)
Accumulated depreciation at 31 March 2022	-	4,027	-	603	130	3,442	11	8,213
Net book value at 31 March 2022	20,519	100,868	8,103	184	-	4,036	-	133,710
Net book value at 1 April 2021	18,957	93,437	9,093	305	3	3,973	197	125,965

Note 14.3 Property, plant and equipment financing - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	**20,452**	**81,123**	**11,559**	**141**	**-**	**5,856**	**9**	**119,140**
On-SoFP PFI contracts and other service concession arrangements	**-**	**16,063**	**-**	**-**	**-**	**-**	**-**	**16,063**
Total net book value at 31 March 2023	**20,452**	**97,186**	**11,559**	**141**	**-**	**5,856**	**9**	**135,203**

Note 14.4 Property, plant and equipment financing - 31 March 2022

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	20,519	74,335	8,103	184	-	4,036	-	107,177
Finance leased	-	11,819	-	-	-	-	-	11,819
On-SoFP PFI contracts and other service concession arrangements	-	14,714	-	-	-	-	-	14,714
Total net book value at 31 March 2022	20,519	100,868	8,103	184	-	4,036	-	133,710

Note 14.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Subject to an operating lease	**-**	**12,795**	**-**	**-**	**-**	**-**	**-**	**12,795**
Not subject to an operating lease	**20,452**	**84,391**	**11,559**	**141**	**-**	**5,856**	**9**	**122,408**
Total net book value at 31 March 2023	**20,452**	**97,186**	**11,559**	**141**	**-**	**5,856**	**9**	**135,203**

Note 15 Revaluations of property, plant and equipment

Montagu Evans LLP, who is a member of the Royal Institute of Chartered Surveyors (RCIS) and is independent of the Trust, undertook a desk top valuation of the Trust's land and buildings as at 31st March 2023. The last full valuation was undertaken by the Montagu Evans LLP as at 31st March 2020. The valuations were carried out in accordance with the RICS Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the DHSC and HM Treasury. The valuations were undertaken in accordance with the Trust's accounting policy (see note 1).

The valuers considered the remaining useful economic lives of the property assets, taking into account work undertaken between valuations, the age and condition of the properties, location factors and changes to the BCIS (all price) tender price index when assessing value attributable to each asset.

Overall the valuation has contributed to net upward movement of £3,202k of which £307k was a net credit to the Statement of Comprehensive Income for reversals of previous impairments.

The valuation exercise was carried out in March 2023 with a valuation date of 31st March 2023. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (‘Red Book’), the valuer has confirmed that whilst COVID-19 continues to affect economies and real estate markets , as at the valuation date property markets are functioning and transaction volumes and other relevant evidence are at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, the valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Note 16 Leases - Kent and Medway NHS and Social Care Partnership Trust as a lessee

This note details information about leases for which the Trust is a lessee.

The majority of the leasing arrangements for the properties currently occupied by Trust services are on a full repairing basis.

A number also require the Trust to reinstate dilapidations on vacation of the premises. Break clauses where they exist are primarily at the 5 and 10 year point. No significant information is available on restrictions with the exception of one site where it is not to be used for any other purpose than healthcare offices or consulting rooms.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

Note 16.1 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - reclassification of existing finance leased assets from PPE	14,376	-	-	14,376	-
IFRS 16 implementation - adjustments for existing operating leases	19,100	14	45	19,159	10,484
Additions	-	-	45	45	-
Remeasurements of the lease liability	4,640	-	-	4,640	-
Impairments	(4,640)	-	-	(4,640)	-
Reversal of impairments	1,813	-	-	1,813	-
Valuation/gross cost at 31 March 2023	35,289	14	90	35,393	10,484
IFRS 16 implementation - reclassification of existing finance leased assets from PPE	2,558	-	-	2,558	-
Provided during the year	2,325	13	25	2,363	839
Accumulated depreciation at 31 March 2023	4,883	13	25	4,921	839
Net book value at 31 March 2023	30,406	1	65	30,472	9,645
Net book value of right of use assets leased from other NHS providers					7,182
Net book value of right of use assets leased from other DHSC group bodies					2,463

Note 16.2 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 23.

	2022/23 £000
Carrying value at 31 March 2022	6,826
IFRS 16 implementation - adjustments for existing operating leases	19,104
Lease additions	45
Lease liability remeasurements	4,640
Interest charge arising in year	1,050
Lease payments (cash outflows)	(3,033)
Carrying value at 31 March 2023	28,632

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 5. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

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Note 16.3 Maturity analysis of future lease payments at 31 March 2023

	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	3,045	891
- later than one year and not later than five years;	17,894	2,161
- later than five years.	11,037	7,774
Total gross future lease payments	31,976	10,826
Finance charges allocated to future periods	(3,344)	(1,136)
Net lease liabilities at 31 March 2023	28,632	9,690
Of which:		
- Leased from other NHS providers		803
- Leased from other DHSC group bodies		8,887

Note 16.4 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	31 March 2022 £000
Undiscounted future lease payments payable in:	
- not later than one year;	949
- later than one year and not later than five years;	7,360
Total gross future lease payments	8,309
Finance charges allocated to future periods	(1,483)
Net finance lease liabilities at 31 March 2022	6,826
of which payable:	
- not later than one year;	422
- later than one year and not later than five years;	6,404
Total of future minimum sublease payments to be received at the reporting date	6,826

Note 16.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	2021/22 £000
Operating lease expense	
Minimum lease payments	2,001
Total	2,001

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	1,746
- later than one year and not later than five years;	5,908
- later than five years.	11,261
Total	18,915

Note 16.6 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.13.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**18,915**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**18,915**
Less:	
Commitments for short term leases	**(161)**
Commitments for leases of low value assets	**(64)**
Commitments for leases that had not commenced as at 31 March 2022	**(21)**
Other adjustments:	
Differences in the assessment of the lease term	**(709)**
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	**1,121**
Finance lease liabilities under IAS 17 as at 31 March 2022	**6,826**
Other adjustments	**23**
Total lease liabilities under IFRS 16 as at 1 April 2022	**25,930**

Note 17 Investment Property

	2022/23 £000	2021/22 £000
Carrying value at 1 April - brought forward	**2,268**	1,091
Acquisitions in year	**23**	-
Movement in fair value	**(90)**	1,177
Carrying value at 31 March	**2,201**	2,268

Note 18 Inventories

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £75k of items purchased by DHSC (2021/22: £111k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 19 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	**7,863**	3,450
Allowance for impaired contract receivables / assets	**(120)**	(128)
Prepayments (non-PFI)	**1,624**	1,572
PDC dividend receivable	**394**	129
VAT receivable	**1,567**	1,384
Other receivables	**119**	115
Total current receivables	**11,447**	6,522
Non-current		
Prepayments (non-PFI)	**42**	76
Other receivables	**354**	462
Total non-current receivables	**396**	538
Of which receivable from NHS and DHSC group bodies:		
Current	**7,958**	3,332
Non-current	**271**	289

The majority of the Trust's contract receivables are with NHS England or Integrated Commissioning Boards (ICBs) as commissioners for NHS patient care services. As they are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 19.1 Allowances for credit losses

	2022/23 Contract receivables and contract assets £000	2021/22 Contract receivables and contract assets £000
Allowances as at 1 April - brought forward	**128**	159
New allowances arising	**44**	36
Reversals of allowances	**(45)**	(59)
Utilisation of allowances (write offs)	**(7)**	(8)
Allowances as at 31 Mar 2023	**120**	128

Note 20.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2022/23	2021/22
	£000	£000
At 1 April	**20,077**	17,266
Net change in year	**(392)**	2,811
At 31 March	**19,685**	20,077
Broken down into:		
Cash at commercial banks and in hand	**29**	32
Cash with the Government Banking Service	**19,656**	20,045
Total cash and cash equivalents as in SoFP	**19,685**	20,077
Total cash and cash equivalents as in SoCF	**19,685**	20,077

Note 20.2 Third party assets held by the trust

Kent and Medway NHS and Social Care Partnership Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2023	31 March 2022
	£000	£000
Total third party assets	**143**	157

Note 21 Trade and other payables

	31 March 2023	31 March 2022
	£000	£000
Current		
Trade payables	**5,710**	4,874
Capital payables	**4,189**	3,136
Accruals	**16,409**	8,088
Social security costs	**1,730**	1,736
Other taxes payable	**1,620**	1,602
Pension contributions payable	**2,284**	2,107
Other payables	**17**	4
Total current trade and other payables	**31,959**	21,547
Of which payables from NHS and DHSC group bodies:		
Current	**2,916**	2,213

Note 22 Other Liabilities

	31 March 2023	31 March 2022
	£000	£000
Current		
Deferred income: contract liabilities	**828**	1,817
Total other current liabilities	**828**	1,817

Note 23 Borrowings

	31 March 2023	31 March 2022
	£000	£000
Current		
Lease liabilities*	**1,984**	422
Obligations under PFI, LIFT or other service concession contracts	**516**	492
Total current borrowings	**2,500**	914
Non-current		
Lease liabilities*	**26,648**	6,404
Obligations under PFI, LIFT or other service concession contracts	**6,866**	7,382
Total non-current borrowings	**33,514**	13,786

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in notes 1.13 and 16.

Note 23.1 Reconciliation of liabilities arising from financing activities - 2022/23

	Lease Liability	**PFI and LIFT schemes**	**Total**
	£000	**£000**	**£000**
Carrying value at 1 April 2022	**6,826**	**7,874**	**14,700**
Cash movements:			
Financing cash flows - payments and receipts of principal	**(1,983)**	**(492)**	**(2,475)**
Financing cash flows - payments of interest	**(1,050)**	**(507)**	**(1,557)**
Non-cash movements:			
Impact of implementing IFRS 16 on 1 April 2022	**19,104**	**-**	**19,104**
Additions	**45**	**-**	**45**
Lease liability remeasurements	**4,640**	**-**	**4,640**
Application of effective interest rate	**1,050**	**507**	**1,557**
Carrying value at 31 March 2023	**28,632**	**7,382**	**36,014**

Note 23.2 Reconciliation of liabilities arising from financing activities - 2021/22

	Lease Liability	PFI and LIFT schemes	Total
	£000	£000	£000
Carrying value at 1 April 2021	7,204	8,336	15,540
Cash movements:			
Financing cash flows - payments and receipts of principal	(378)	(462)	(840)
Financing cash flows - payments of interest	(555)	(538)	(1,093)
Non-cash movements:			
Application of effective interest rate	555	538	1,093
Carrying value at 31 March 2022	6,826	7,874	14,700

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2022	**1,639**	**332**	**3,374**	**5,345**
Change in the discount rate	**(306)**	**-**	**(248)**	**(554)**
Arising during the year	**42**	**85**	**246**	**373**
Utilised during the year	**(122)**	**(103)**	**(11)**	**(236)**
Reversed unused	**(55)**	**(33)**	**-**	**(88)**
Unwinding of discount	**25**	**-**	**6**	**31**
At 31 March 2023	**1,223**	**281**	**3,367**	**4,871**
Expected timing of cash flows:				
- not later than one year;	**121**	**281**	**2,038**	**2,440**
- later than one year and not later than five years;	**486**	**-**	**1,082**	**1,568**
- later than five years.	**616**	**-**	**247**	**863**
Total	**1,223**	**281**	**3,367**	**4,871**

Legal Claims reflect cases covered by the Liabilities to Third Party Scheme (LTPS) for which NHS Resolution provide estimates and employment tribunal claims whose timings are based on current assumptions from the Trust's Legal Department.

Other claims relate to dilapidations provisions and the clinicians pension provision.

Note 24.2 Clinical negligence liabilities

At 31 March 2023, £11,353k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Kent and Medway NHS and Social Care Partnership Trust (31 March 2022: £13,761k).

Note 25 Contingent assets and liabilities

	31 March 2023	31 March 2022
	£000	£000
Value of contingent liabilities		
Other	**(413)**	(413)
Net value of contingent liabilities	**(413)**	(413)

Contingent liabilities relate to dilapidation costs for future years.

Note 26 Contractual capital commitments

	31 March 2023	31 March 2022
	£000	£000
Property, plant and equipment	**5,910**	13,292
Total	**5,910**	13,292

Note 27 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has a PFI arrangement covering four of its properties - Allington Centre, Littlestone, Tarenfort Centre and Rosebud Lodge, these buildings are all used as inpatient facilities.

There were two phases to the PFI. The first started in 2006 and the second in 2007. Both arrangements end in 2037. The contractor took on the obligation to construct the centres and maintain them in a minimum acceptable condition. The contracts specify the minimum standards for the services to be provided by the contractor. The buildings and any plant and equipment installed in them at the end of the contract will be transferred to the authority for nil consideration.

	2022/23	2021/22
Phase 1 Stone House Hospital	**£000s**	£000s
Estimated capital value of the PFI scheme at the start of the contract	**9,440**	9,440
Contract start date:		**29/09/2006**
Contract end date:		**02/07/2037**

	2022/23	2021/22
Phase 2 Stone House Hospital	**£000s**	£000s
Estimated capital value of the PFI scheme at the start of the contract	**2,787**	2,787
Contract start date:		**02/07/2007**
Contract end date:		**02/07/2037**

Note 27.1 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2023	31 March 2022
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**11,136**	12,135
Of which liabilities are due		
- not later than one year;	**990**	999
- later than one year and not later than five years;	**3,282**	3,387
- later than five years.	**6,864**	7,749
Finance charges allocated to future periods	**(3,754)**	(4,261)
Net PFI, LIFT or other service concession arrangement obligation	**7,382**	7,874
- not later than one year;	**516**	492
- later than one year and not later than five years;	**1,668**	1,664
- later than five years.	**5,198**	5,718

Note 27.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2023	31 March 2022
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**34,027**	35,963
Of which payments are due:		
- not later than one year;	**2,522**	2,333
- later than one year and not later than five years;	**9,043**	8,823
- later than five years.	**22,462**	24,807

Note 27.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2022/23	2021/22
	£000	£000
Unitary payment payable to service concession operator	**2,361**	2,182
Consisting of:		
- Interest charge	**507**	538
- Repayment of balance sheet obligation	**492**	462
- Service element and other charges to operating expenditure	**549**	534
- Contingent rent	**813**	648
Total amount paid to service concession operator	**2,361**	2,182

Note 28 Financial instruments

Note 28.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Integrated Care Board (ICB) and the way the ICBs are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the Finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk
The Trust borrows from Government for capital expenditure, subject to affordability as confirmed by NHS England and NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan.

The Trust may also borrow from Government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the DHSC (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are incurred under contracts with Integrated Care Boards (ICBs), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

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Note 28.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	**Held at amortised cost**	**Total book value**
	£000	**£000**
Trade and other receivables excluding non financial assets	**8,216**	**8,216**
Cash and cash equivalents	**19,685**	**19,685**
Total at 31 March 2023	**27,901**	**27,901**

The above figure for Trade and other receivables excludes the following which are classed as non financial assets - Prepayments, £1,624k, PDC dividend receivable, £394k and VAT receivable, £1,567k.

Carrying values of financial assets as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	3,899	3,899
Cash and cash equivalents	20,077	20,077
Total at 31 March 2022	23,976	23,976

Note 28.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	**Held at amortised cost**	**Total book value**
	£000	**£000**
Obligations under leases	**28,632**	**28,632**
Obligations under PFI, LIFT and other service concession contracts	**7,382**	**7,382**
Trade and other payables excluding non financial liabilities	**25,166**	**25,166**
Clinical pension provision	**282**	**282**
Total at 31 March 2023	**61,462**	**61,462**

The above figure for Trade and other payables excludes liabilities for Social security costs, Other taxes payable and Other payables (£5,655k) as these are defined as non financial liabilities.

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost	Total book value
	£000	£000
Obligations under leases	6,826	6,826
Obligations under PFI, LIFT and other service concession contracts	7,874	7,874
Trade and other payables excluding non financial liabilities	16,098	16,098
Clinical pension provision	289	289
Total at 31 March 2022	31,087	31,087

Note 28.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2023	31 March 2022
	£000	£000
In one year or less	**29,483**	18,046
In more than one year but not more than five years	**21,176**	10,769
In more than five years	**17,901**	8,016
Total	**68,560**	36,831

Note 28.5 Fair values of financial assets and liabilities

For all financial instruments the disclosed amounts relate to book value (carrying value) as a reasonable approximation of fair value.

Note 29 Losses and special payments

	2022/23		2021/22	
	Total number of cases	**Total value of cases**	**Total number of cases**	**Total value of cases**
	Number	**£000**	Number	£000
Losses				
Cash losses	**26**	**7**	19	8
Bad debts and claims abandoned	**1**	**2**	-	-
Total losses	**27**	**9**	19	8
Special payments				
Ex-gratia payments	**20**	**7**	13	3
Total special payments	**20**	**7**	13	3
Total losses and special payments	**47**	**16**	32	11

Note 30 Related parties

The Kent and Medway NHS and Social Care Partnership Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Trust board members or members of the key management staff, or parties related to any of them, has undertaken any transactions material to the accounts of Kent and Medway NHS and Social Care Partnership Trust.

The DHSC is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the DHSC is regarded as the parent department. These entities, with transactions greater than £1m, are listed below:

Related Party Income	**Related Party Expenditure**
Health Education England	NHS Pensions Scheme
NHS Kent and Medway Integrated Care Board	NHS Resolution
Kent and Medway Clinical Commissioning Group	Medway NHS Foundation Trust
NHS England (including CSUs)	East Kent Hospitals University NHS Foundation Trust
Department of Health and Social Care	Maidstone and Tunbridge Wells NHS Trust
Sussex Partnership NHS Foundation Trust	

Note 31 Events after the reporting date

There have been no material events after the reporting date.

Note 32 Better Payment Practice code

	2022/23	**2022/23**	2021/22	2021/22
Non-NHS Payables	**Number**	**£000**	Number	£000
Total non-NHS trade invoices paid in the year	**13,958**	**84,678**	13,009	71,849
Total non-NHS trade invoices paid within target	**12,748**	**78,928**	11,677	65,127
Percentage of non-NHS trade invoices paid within target	**91.3%**	**93.2%**	89.8%	90.6%
NHS Payables				
Total NHS trade invoices paid in the year	**1,183**	**13,180**	1,007	7,695
Total NHS trade invoices paid within target	**1,109**	**12,620**	961	7,194
Percentage of NHS trade invoices paid within target	**93.7%**	**95.8%**	95.4%	93.5%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 33 External financing limit

The trust is given an external financing limit against which it is permitted to underspend

	2022/23	2021/22
	£000	£000
Cash flow financing	**5,788**	1,313
Other capital receipts	**-**	-
External financing requirement	**5,788**	1,313
External financing limit (EFL)	**5,788**	1,313
Under / (over) spend against EFL	**-**	-

Note 34 Capital Resource Limit

	2022/23	2021/22
	£000	£000
Gross capital expenditure	**24,849**	9,068
Less: Disposals	**(1)**	(155)
Charge against Capital Resource Limit	**24,848**	8,913
Capital Resource Limit	**24,848**	10,995
Under / (over) spend against CRL	**-**	2,082

Note 35 Breakeven duty financial performance

	2022/23	2021/22
	£000	£000
Adjusted financial performance surplus / (deficit) (control total basis)	**45**	(4,578)
Remove impairments scoring to Departmental Expenditure Limit	**13**	9
IFRIC 12 breakeven adjustment	**222**	181
Breakeven duty financial performance surplus / (deficit)	**280**	(4,388)

Note 36 Breakeven duty rolling assessment

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000
Breakeven duty in-year financial performance		1,524	13	538	1,202	1,607	902	(4,180)
Breakeven duty cumulative position	2,376	3,900	3,913	4,451	5,653	7,260	8,162	3,982
Operating income		182,374	182,204	178,468	172,902	174,924	178,674	181,334
Cumulative breakeven position as a percentage of operating income		2.1%	2.1%	2.5%	3.3%	4.2%	4.6%	2.2%

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Breakeven duty in-year financial performance	(3,311)	(1,224)	3,963	4,627	668	(4,388)	280
Breakeven duty cumulative position	671	(553)	3,410	8,037	8,705	4,317	4,597
Operating income	183,103	181,034	185,085	202,403	220,039	231,746	258,916
Cumulative breakeven position as a percentage of operating income	0.4%	(0.3%)	1.8%	4.0%	4.0%	1.9%	1.8%

Independent auditor's report to the directors of Kent and Medway NHS and Social Care Partnership Trust – use of resources

In our auditor's report issued on 15 June 2023, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2023, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2023 issued on 15/06/2023 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2023 and of itsexpenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since 15 June 2023 that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter.

Responsibilities of the Accountable Officer

The Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under section 21(2A) (c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it cancontinue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages itsrisks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about itscosts and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Audit certificate

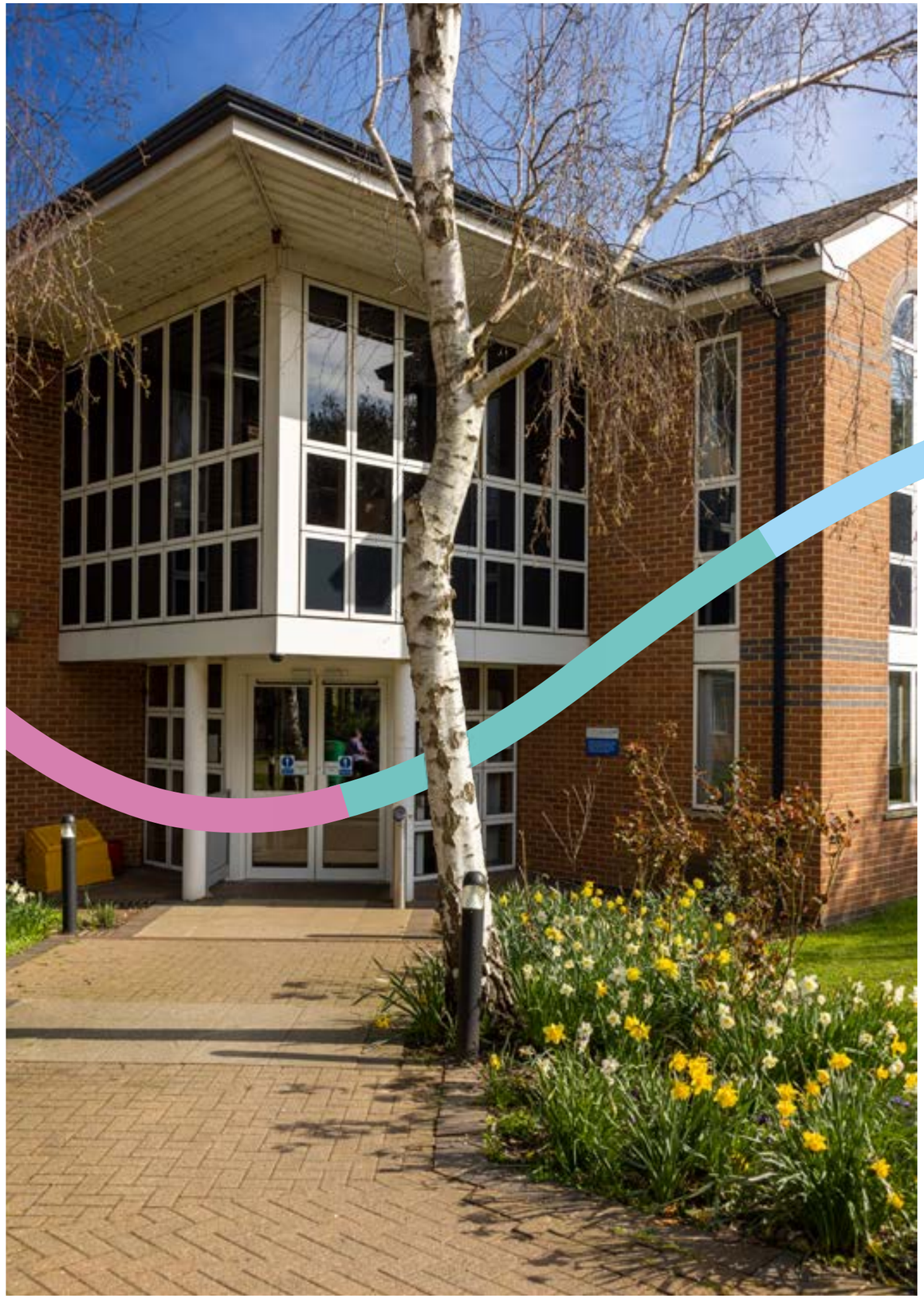
We certify that we have completed the audit of Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2023 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

This report is made solely to the directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

John Paul Cuttle

John Paul Cuttle
Key Audit Partner for and on behalf of
Grant Thornton UK LLP, Local Auditor
30 Finsbury Square
London
EC2A 1AG
Date: 04 September 2023



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