NHS
Kent and Medway
NHS and Social Care Partnership Trust

Annual report
2019-2020

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Welcome

On 1 April 2019, the date this report takes as its starting point, we could never have imagined the challenge that was to face us as a nation and the awful international toll of COVID-19. These last few weeks of 2019-20 have been remarkable and unforgettable in so many ways and have doubtless brought such sadness to so very many.

We in KMPT have, along with the rest of the NHS, been playing our part in ensuring that our patients continue to receive high quality care, that our services continue and our staff are safe and supported.

It has been a difficult and challenging time, but it is clear that against that backdrop, the NHS has gone further, faster than ever before. The same is true here at KMPT and we have seen countless innovations and improvements that have made things better for those we serve. We have been witnessing daily - Brilliant care through brilliant people.

This simple strap line underpins our approach to all we do and has never been truer than now.

Before COVID-19, as you can see from the examples set out here, we were already driving improvements and increasing our ambition. The advent of the virus has accelerated much of that work, creating a vast range of new opportunities on which we will continue to capitalise over the weeks, months and years to come. Out of this, there will come good, we are sure of it.

Looking back and reflecting on the year before COVID-19, its underlying theme was definitely Inspiring Change. It has become a familiar headline across the Trust and has helped us further improve and shape our services in partnership with those we serve, their loved ones and our partners.

In 2019, we launched our Clinical Care Pathway programme. This ambitious programme has been led by service users and their loved ones in partnership with KMPT staff, and its aim is to consistently improve the quality of services we provide. Where new interventions have been piloted, we've listened carefully to the experience of those who have tried them, and adjusted our approach accordingly. This true partnership working has led to some significant improvements already and we are now building on them and going further, faster.

Our mission has always been a simple one; to deliver Brilliant care through brilliant people.

In order to do that, we need first to attract and then to keep the very best people. We have invested time and energy along with financial resource to ensure that we do this, and our work on our organisational culture is making a very positive difference. In 2019-20 we achieved the highest ever response rate to the national staff survey the Trust has ever seen. We were also the top performing Trust in our section of the NHS. This is great news because it means that our people believe that what they think and say matters, and of course it does. Strengthening our relationships as members of the KMPT family can only be good news for those we serve.

Helen Greatorex
Chief Executive

THE PERFORMANCE REPORT

Annual overview

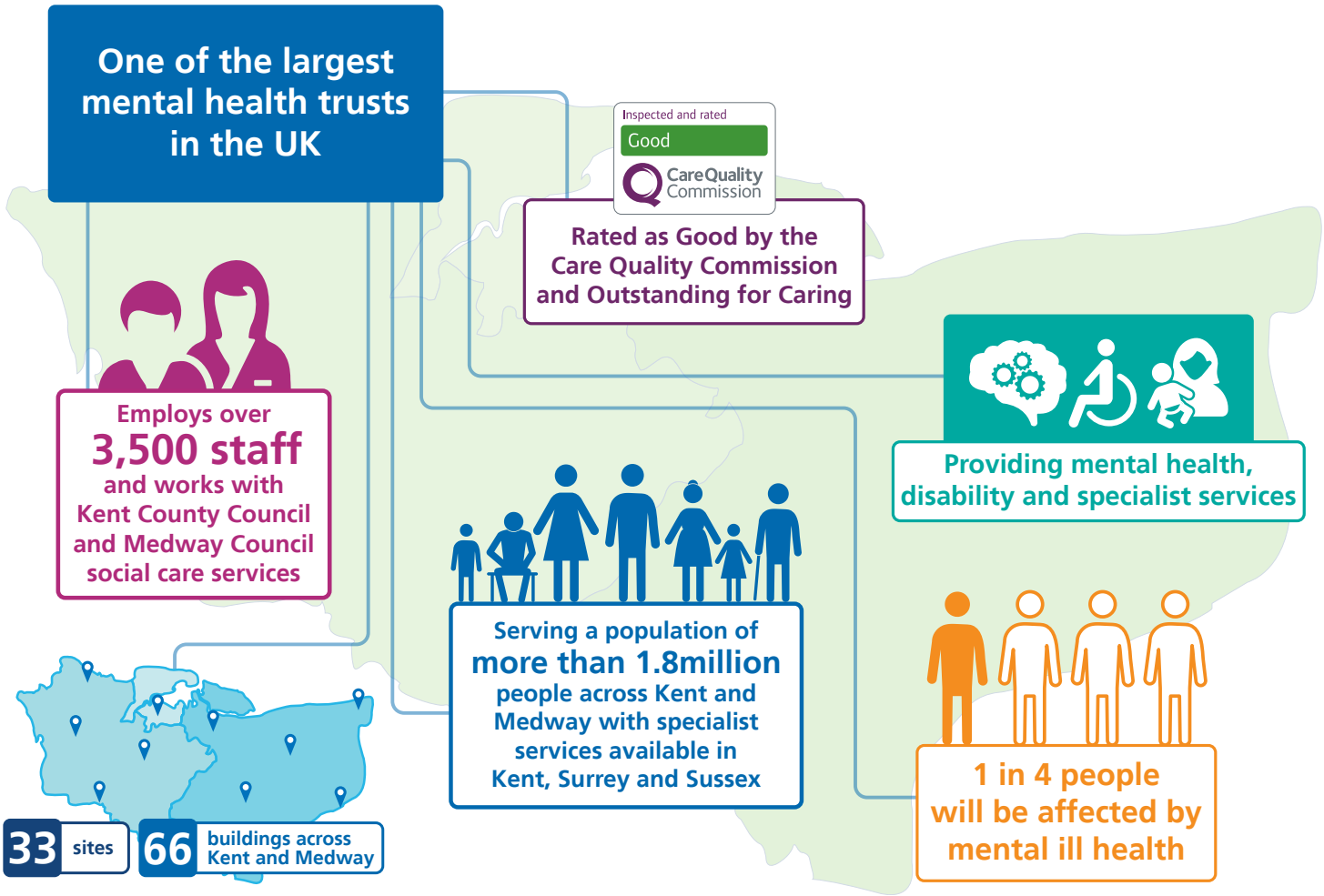
Kent and Medway NHS and Social Care Partnership Trust is a mental health Trust that provides mental health, learning disability, substance misuse and specialist services to approximately 1.8 million people across Kent and Medway.

Working in partnership with Kent County Council and the unitary authority in Medway, we are commissioned by eight regional Clinical Commissioning Groups and NHS Specialist Commissioning. We have an annual revenue of £202 million and employ approximately 3,400 staff who work across 66 buildings on 33 sites. We are proud to be a leading mental health Trust in the employment of peer support workers (those with lived experience).

We cover a vast rural and urban rich area with increasingly diverse communities which are spread across an area of 1,450 square miles.

Ensuring the services we provide are always accessible to those who need them is vital as we continue to see an increase in referrals. Improvements being made across our community and crisis teams is vital in providing care to people in their own homes and preventing people from reaching crisis.

Having staff located in many different areas across the county means it is imperative that we have good staff engagement and in particular a just and learning culture across the Trust. This is reflected in the work that began last year to create and embed a culture blueprint. Improvements can already been seen, particularly through our staff survey results which this year showed our highest engagement to date. There is still work to be done but we are committed to working with our staff to make positive change.



Our vision and values

To provide brilliant care through brilliant people.

We will do this by:

- Consistently delivering outstanding quality of care
- Recruit, retain and develop the best staff making KMPT a great place to work
- Place continuous improvement at the heart of what we do
- Develop and extend our research and innovation work
- Maximise the use of digital technology
- Meet or exceed requirements set out in the Five Year Forward View
- Deliver financial balance and organisational sustainability
- Develop our core business and enter new markets through increased partnership working
- Ensure success of our system-wide sustainability plans through active participation and leadership.

Vision - delivering quality through partnerships

Review of the year

Making a difference – Criminal Justice Liaison Diversion Service

On 1 April, the new look Criminal Justice Liaison Diversion Service (CJLDS) was launched. The service was shaped by the needs the team were seeing across the county and the best-case outcomes they strive to achieve.

The CJLDS team is using their first contact to use their relationship building skills, empathy and an approved screening algorithm during the initial meeting to see how they can help. The team will deal with anyone from the age of 10 and will look at the range of vulnerabilities that may be impacting them including substance misuse, acquired brain injury, housing issues, speech, language and communication difficulties.

An individual can be followed through the entire criminal justice process and into court if needed. The service offers consistency to the person, helpful reports for the criminal justice staff while working with the individual to help them engage with services which may help them get back on track.

KMPT Awards

The KMPT Awards for 2019 was hosted by the glamorous television presenter Jasmine Harman. Jasmine donated her time to the event as mental health is very important to her. She shared her very personal experience with mental health on national television within a documentary titled 'My hoarder mum and me'.

Among the fabulous award winning stories shared throughout the evening, the audience were given the opportunity to watch two films made by teams who wanted to share their positive CQC inspection experience.

A highlight of the evening was the launch of the Bridge House Story film. This featured former service user, volunteer and now clinical support worker at Bridge House, Mark Holmes. Mark and his mum shared their story to inspire others, a reflection on a personal journey to show there is a different road to recovery for everyone. This was a truly emotional moment which ended with the audience on their feet and not a dry eye in the house – including our glamorous host! Take a look at the film on our website www.kmpt.nhs.uk/our-services/bridge-house/

Throughout the evening winners and those who were highly commended were invited to the stage to accept their awards. The awards were, of course, presented to some fantastic and well deserved winners from across the Trust including volunteers and carers, across all the 15 categories available.

Culture

A large scale five step culture project began in April 2019 in partnership with The Wellbeing Collective to highlight areas for positive culture change in KMPT.

The project began with a diagnostic stage where a KMPT wide survey, focus groups and interviews were run with an appreciative inquiry approach, looking at what 'The Perfect Day at Work' would be like.

Feedback was then socialised through the organisation to identify the key areas of focus moving forwards.

This feedback was shaped into a Blueprint for change - Our Cultural Heart.

The Cultural Heart has 3 core principles:

- A just and learning approach
- An empowered team of teams
- Living our values

A Quality Improvement approach with drivers and actions for embedding is proposed as part of this, with measures of success for year one. The initial roll out of this work has been paused during the active phase of COVID-19 but learnings of how the organisation has responded to change is being captured to be woven in.

Clinical Care Pathway Programme

The Clinical Care Programme (CCP) has been co-produced with patients, carers and clinicians to provide programmes of care for everyone who require specialist mental health services.

Our Initial interventions pilot ran from November 2018 until June 2019. As part of this, 13 support time recovery workers were trained with 76 people were offered support. The feedback has been exceptional with people reporting a reduction in depression and anxiety together with improvements to their wellbeing. Not only has this programme been rolled out countywide, it has received recognition at Berlin's Congress of Behavioural and Cognitive Therapies.

The Enduring conditions programme fits seamlessly with our Initial interventions pathway and has seen terrific results as a result of its 12 week Cognitive behaviour therapy for psychosis pilot. Through this people are supported with occupational livings skills and a health and wellbeing group which focuses on physical health screening, helping to ensure they are able to live well in the community.

Our work around personality disorder (PD) and memory assessment is ongoing. In January 2020 we hosted an Inspiring Change and Transforming Attitudes workshop in collaboration with the Royal College of Psychiatrists. This was attended by over 150 people including clinicians, partner organisations and people with lived experience and focused on where improvements could be made as well as the language used around personality disorder.

We have also streamlined our approach to memory assessment following a successful pilot in Dartford and Canterbury. By looking at the way the service is delivered and the removal of unnecessary paperwork, we have improved patient experience by reducing assessment times and released valuable clinician time to help support patients with greater complex needs.

Support and Signposting

The team at the Support and Signposting Service proudly opened the doors to the new facilities at Priority house in Maidstone in April. The service began as a pilot which offers a referral service, caring for people experiencing emotional distress and mental health crisis for up to 24 hours.

Contractors turned the work around on the former offices in a matter of weeks, transforming it into a bright and welcoming four-berth space.

This is not an inpatient facility and individuals are free to leave at any point after discussion with staff. Transportation can also be arranged.

The service has been given approval to continue for a further 12 months.

Website support

At the same time as the launch of this new service, a new section of the KMPT website was unveiled which will help users search for different organisations around Kent to find out what the do and how they can help.

CESR success

In August, Cohort three of our CESR fellowship was launched. This is an opportunity for doctors to work towards their first consultant post during a three year structured scheme, characterised by acting up opportunities, peer group support and professional development. The Trust has employed six CESR fellows with more anticipated in the near future.

Cloisters 2 Oysters – giving back

In 2018, Helen Greatorex (Chief Executive) and Sandra Goatley (Director of Workforce and Communications) took part in the Cloisters 2 Oysters bike ride from Whitstable to Canterbury and enjoyed it so much they committed to going back in 2019 with more of their KMPT colleagues. Staff from across the Trust joined the duo in May 2019 to help the Canterbury and Coastal Rethink Carers Support Group raise money for Rethink Mental Illness. At the last count, KMPT staff contributed to nearly six thousand pounds. This was a really important way for KMPT staff to give something back to an organisation which supports us in our work.

Walking to healthier living

Understanding the importance of walking, fresh air and nature to our patients' wellbeing, Julie Delahaye Occupational therapist, knew the Green Beacon Walking Project pilot was just the thing for KMPT.

Julie and her colleagues at Priority House developed a walking group in line with the pilot with the ultimate aim of getting patients out of the ward with some light physical exercise. Members of the walking group make sure patients have every opportunity to make the most of the time they have as they walk some of Kent's hidden pathways.

Naturally, patient safety is their priority which means some patients are not allowed to join the walking party just yet, but eventually they will be able to decide if it's right for them. Patients can sometimes be anxious about leaving the ward, or trying something new. This is why Julie started taking photographs of the walks and recording some of the bird song they encounter along the way. For some it's the little bit of encouragement they need to join the next group.

Celebrating volunteers and our Pets as therapy

During Volunteers week in June 2019, our amazing volunteers were celebrated at a special event at Mount Ephraim Gardens in Faversham. We didn't forget our four legged friends who celebrated at their very own event later in the year at Great Danes Hotel in Maidstone. 17 pets as therapy dogs arrived (with owners!) to indulge in an afternoon of treats. We are incredibly proud of our team of volunteers and grateful to them for their outstanding contribution to KMPT services.

Marching with Pride

In the summer of 2019, KMPT staff, friends and family joined together with our colleagues in Kent Community Health Foundation Trust, Maidstone and Tunbridge Wells NHS Trust and East Kent Hospitals University NHS Foundation Trust, marching in solidarity in the Canterbury and Margate Pride events. The reception given to NHS staff was amazing as they walked the celebratory route.

The theme of the rainbows was adopted for both Pride marches and people attending were encouraged to wear all the colours of the rainbow. KMPT staff wore specially designed #KMPTProud t-shirts.

The event followed a dedicated KMPT pride pledge event during which staff signed up to pledging to become allies to their LGBTQ colleagues and patients. Those who signed up received a rainbow lanyard and badge which indicates the wearer is someone you can speak with in confidence if needed.

Diversity and inclusion

The event held in October 2019, was certainly the Trusts biggest, brightest and loudest diversity conference yet! More than 141 people took part in the day which saw guest speakers including Paul Deemer, (NHS Employers), Gurvinder Sandher (Artistic Director of Cohesion Plus) and the Reverend Tina Beardsley. People spoke about their own experiences, the support they received, what could be improved on and how their experiences shaped them.

Workshops took themes from the Trusts four staff networks (BAME, LGBTQ+, Faith and Disability) which included hate crime, supporting disabled staff, faith in the workplace and sexual orientation and gender identity awareness.

Food from across the globe was served at lunchtime and the theme of music ran throughout the day. It was the perfect mix of fun, inclusion and activity.

Staff survey

The Trust celebrated its best staff survey response yet as the best performing of the 17 mental health / learning disability Trusts which used external company Picker for the staff survey.

Our result of 65.7 per cent topped the table, with the average response sitting at 54.4 per cent.

The results were made available to everyone in March and work has started to address the points raised by staff.

KMPT goes digital

The Trust was awarded funding as part of a £78 million investment to improve patient care by speeding up the introduction of electronic prescribing systems across the NHS. We are one of 25 Trusts to receive this round of funding. This allocation of money forms part of the second wave of funding earmarked for improvements within the NHS over the next three years.

The Trust will use the £800,000 to implement digital prescription technology and move away from handwritten prescriptions. By upgrading to more efficient systems it is hoped that it will ultimately help to save the NHS time and benefit patients by reducing errors (compared with paper systems), ensuring fast access and will help build a complete electronic record.

Over the summer of 2019, the IT department and colleagues from across the Trust worked hard to install a high-specification video conferencing system in 36 rooms across the Trust's estates, complete with a clever software package called Life Size. The introduction of this new equipment means all staff will be able to video call colleagues within the Trust, service users, carers and external fellow healthcare professionals using a

variety of devices including laptops, smart phones and other devices with a camera and a microphone. It is this ability to be able to converse with other people across a wide geographic area that has led to the emergence of a new e-consultation pilot scheme. The new e-consultation approach to service delivery will enable the neurological department to dramatically reduce waiting times and improve patient care and wellbeing by bringing the service to people without the need for them to travel. This will connect service users, carers and the neurological team, even when they are in completely different locations.

MBU Royal Horticultural Society's garden for Friendship

The year 2020 started well with the news that KMPT had been selected as the winner of a Royal Horticultural Society (RHS) competition. The Trusts Rosewood Mother and Baby Unit (MBU) in Dartford is the lucky recipient of the RHS Garden for Friendship, being designed by Jo Thompson in collaboration with Radio Two presenter Zoe Ball. It was intended the garden would be showcased at the 2020 RHS Chelsea Flower Show but it has been postponed until 2021.

Jo will be visiting Dartford to scope out how the garden will transfer to Kent following the London event when patients, their families and staff will enjoy and benefit from the beautiful space.

The judging panel included Jo and Zoe, Professor Tim Kendall, national clinical director for NHS England, and Guy Barter, the RHS' chief horticulturist.

Recovery college expansion

KMPT's Recovery and Wellbeing College in Thanet has been given the green light to begin looking at expanding to other parts of the county. The college is led by Pam Wooding, Julie Fuller and their team of facilitators. Many of whom have joined the college to help others after having experienced the service themselves. In January 2020 some of the team joined the Board to present to Non-executive directors and directors, how they are making a difference to peoples lives.

Research and Innovation

KMPT's Research team has smashed their recruiting targets for 2019 with more than 800 people taking part in NIHR research. In total the team has recruited 6060 since 2006.

The team has seen acclaim throughout the year as they continue to increase the numbers of people signing up to studies. Principal Investigator Meena McGill and Lead clinical research practitioner Mega Setterfield were recognised for their efforts when recruiting to the COPe-support online resource for carers, a randomised controlled trial of a co-produced online intervention for carers. The team were one of the highest recruiting sites.

Two further studies also exceeded their targets. The AD Genetics Dementia study (Detecting Susceptibility Genes for Late-Onset Alzheimer's disease) and DLB Genetics (Detecting susceptibility genes for dementia with Lewy bodies).The sponsor, University of Cardiff, described the Trusts Research team as "one of our most experienced and highest recruiting sites" ranking KMPT as sixth highest recruiting site out of 100 and the fourth highest recruiting site out of 60 for AD Genetics and DLB Genetics respectively.

One of the next big projects for the team is PATH (PerinAtal menTal Health). In 2019, the Trust was awarded a contract for €680,000 to take part in this EU-funded €8.5 million project. Thirteen partners from France, Belgium, the Netherlands and the UK are working collaboratively to design, deliver and implement new, durable services online and face-to-face, aiming to increase recognition and prevention of mild and moderate Perinatal Mental Illness (PMI) and support new families' mental wellbeing.

The first phase of collaborative work is to develop a multi-media campaign aimed at increasing the recognition and prevention of PMI. KMPT is leading on this part of the campaign.

The Research team has developed an NIHR portfolio eligible research application to evaluate the effectiveness of the PATH multimedia campaign.

This study is the first research study that the Trust will act as research sponsor for and is anticipated to be the first of several PATH research projects for which the Trust will lead on.

Quality Improvement

We believe that Quality Improvement should be an approach which is embedded in everything that we do to meet the needs of our service users, improve quality and maximise productivity. The Trust is committed to working in collaboration with service users, carers, staff and partners to ensure a coherent and consistent approach to achieving our ambitions. This is why we have created our Quality Improvement strategy which was developed across the latter part of this year and approved at March Board 2020.

Engaging with our service users and carers

Participation and involvement strategy

Throughout 2019, a team of staff, service users and patients gathered together to review the engagement work being carried out across the Trust. They looked at best practice and considered how KMPT can provide the best opportunities for service users and patients to help the Trust continually improve. A draft strategy was developed and in 2020 the team will engage with a wider audience to ensure it fits the Trusts ambition to have service

users and carers involved in all elements of service improvements.

Getting involved

KMPT remains committed to providing opportunities for service users and carers to get involved in helping us improve the services we provide. We recognise the importance of working with our service users and carers to understand how their experience of our services informs the changes we need to make.

This includes;

- Co-production network
- PREM
- Patient and Carer Consultative Committees
- Experts by Experience research group
- Surveys of service users and carers.

Managing finances

The financial performance for the year has been strong. We exceeded our control total despite continuing pressures both locally and nationally and delivered a surplus for the second year in a row. We have continued to work closely with our commissioning partners to drive investment in mental health services, aligned to the national long term mental health implementation plan. Financial performance is reported each month to the Trust Board as part of an integrated quality and performance report, as well as a separate finance report, both of which describe the current and forecast financial position.

This section describes how much funding we receive and where it comes from, as well as how we spend our money on providing services. You can also learn about how we pay our bills, our investment in capital projects and learn whether we have met our financial targets for 2019-20.

The accounting policies adopted follow International Financial Reporting Standards (IFRS) 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.

Summary of Financial Performance in 2019-20

At the beginning of the financial year we agreed a control total with NHS Improvement which was signed off by the Trust Board. This was a breakeven position after technical adjustments, including receiving £6m of national support funding. We reported to the January Trust Board and to NHS Improvement in February that we were forecasting to exceed this and deliver a £3m surplus. This was due to unspent contingency and vacancies across a number of our teams. In March we were notified of additional mental health funding being issued to mental health providers nationally, which improved this position to a £4m surplus after technical adjustments.

The table below sets out the final financial performance against plan. This includes an impairment of £18.7m following a revaluation exercise, which is undertaken in full every five years. Further details on this revaluation can be found in the annual accounts. The impact of this impairment is excluded from the control total performance.

Table 1

	Plan 2019-20 £000	Actual 2019-20 £000	Variance 2019-20 £000
Income	194,600	202,403	7,803
Expenditure	(189,125)	(211,980)	(22,855)
OPERATING SURPLUS	**5,475**	**(9,577)**	**(15,052)**
Finance cost	(1,622)	(1,336)	286
PDC dividends	(3,941)	(3,500)	441
Net gain on disposal of fixed assets	0	(120)	(120)
(DEFICIT) / SURPLUS	**(88)**	**(14,533)**	**(14,445)**
Impairment	0	18,683	18,683
Depreciation on donated assets	88	88	0
(DEFICIT) / SURPLUS ON A CONTROL TOTAL BASIS	**0**	**4,238**	**4,238**
Control total	0	0	0
Variance against control total	**0**	**4,238**	**4,238**

Income

KMPT continued to earn the majority of its core business income from the eight local Clinical Commissioning Groups all under block contract. This accounts for 76 per cent of total income. Specialist services were commissioned via NHS England and comprise 13 per cent of total income. In addition to this, the employer contribution rate for NHS pensions increased from 14.3 per cent to 20.6 per cent from 1 April 2019. For 2019-20, the additional amount is paid over by NHS England on providers' behalf but is reflected in the annual accounts in both income and employee expenses. This is £5.7m in the table to the right.

Further details regarding income are identified on notes 1 and 2 of the accounts.

Table 2

Income Category	£000	%
Clinical commissioning groups	153,117	76%
NHS England	26,315	13%
Pensions top up	5,744	3%
National Support Funding (FRF/PSF)	5,972	3%
Education and training	3,871	2%
Non-patient care services to other bodies	2,233	1%
Rental revenue from operating leases	1,211	1%
Other	3,940	2%
Total	**202,403**	**100%**

Expenditure

Operating expenditure in 2019-20 was £212m. KMPT spent £150m on employee expenses during the year. This represented 71 per cent of total operating expenditure. This is consistent with the nature of services we provide and is comparable to other mental health trusts.

Non pay was £21m adverse to plan at year end, and £20m higher than last year. This included an impairment of £18.7m in relation to our valuation of buildings and land, and £2m spend above plan on PICU placements outside of the KMPT bed base.

Analysis of operating expenditure is provided in the table below.

Table 3

Annual Expenditure	2019-20		2018-19	
	£000	%	£000	%
Employee expenses	150,251	71%	138,798	77%
Purchase of healthcare from NHS and non NHS bodies	6,025	3%	5,560	3%
Establishment	5,451	3%	3,831	2%
Supplies and services	4,805	2%	4,301	2%
Drugs	2,976	1%	2,879	2%
Premises and transport	12,101	6%	11,300	6%
Impairments	18,683	9%	2,563	1%
Depreciation and amortisation	5,689	3%	5,727	3%
Other	5,999	3%	4,962	3%
Total	**211,980**		**179,921**	

Further details regarding this expenditure can be found on note 6 of the accounts.

Table 4

Care groups	2019-20		
	Plan (£000)	Actual (£000)	Variance (£000)
Acute	1,158	1,345	187
Older people	961	842	(119)
Forensic and specialist services	1,074	990	(84)
Community recovery	1,136	1,231	95
Support services	1,720	1,181	(539)
Total	**6,049**	**5,589**	**(460)**
Recurrent	5,993	3,790	(2,203)
Non recurrent	56	1,799	1,743

Cost improvement programme

KMPT set a £6m cost improvement programme target for 2019-20. We delivered £5.6m of the planned savings with an adverse variance of £0.4m at year end. Of the savings delivered £3.8m (68%) recurrently and £1.8m (32%) on a non-recurrent basis, with a full year effect value of £4.8m.

The full details are shown in the table above.

Capital expenditure

KMPT spent £8m on capital expenditure in 2019-20, which represented an under spend against the Capital Resource Limit of £434k.

The most significant capital expenditure in the year was on the following items:

1. £2m on refurbishing Heather ward
2. £1m on the Willow Suite PICU refurbishment
3. £0.6m on Canterbury site reconfiguration
4. £0.6m on Electronic Prescribing and Medicines Administration system
5. £1.4m on capital maintenance and minor schemes
6. £0.6m on IT devices replacement.

Summary of financial risks

Summaries of the financial risks are outlined within the Annual Governance Statement.

Audit

Our external auditor is Grant Thornton. It conducted work during the year on audit services at a cost of £54k. This work included accounts, governance and performance work.

Provision of information to auditors

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

Helen Greatorex
Chief Executive

Looking forward to 2020-21

The financial achievements of 2019-20 provide a foundation upon which our objective to achieve financial sustainability can be built. Financial trajectories have been issued as part of the Long Term Plan, which for KMPT is a deficit of £5.4m in 2020-21. This will be matched by £5.4m support funding from NHS England/ Improvement (NHSE/I). This support funding remains non recurrent and will reduce over the next four years. Our focus is therefore on how to continue with productivity and efficiency initiatives and improve our financial performance further to ensure the Trust returns to long term financial sustainability.

The national planning timetable has been extended due to COVID-19 and as a result KMPT have not finalised their final plan. A draft plan was submitted to NHS Improvement earlier in the year and the Trust Board agreed to achieve our control total. Budgets are being prepared on that basis, and there is an expectation in the organisation that focus will continue on using the resources we have to the best effect for our population.

We are planning an extensive capital expenditure programme for the coming financial year, funded both from depreciation and cash reserves. This will include support the delivery of our clinical technology strategy, totalling £5.2m, and commencing a project to build an additional PICU and rehab facility to remove the need for patients to be sent to private facilities.

Our annual accounts for 2019-20 have been examined by our external auditor, Grant Thornton, and their report is set out on page 50.

ACCOUNTABILITY REPORT

The Directors' report

Our Board includes Non-executive directors (NEDs) and Executive-directors (EDs), including the Chair and Chief Executive. All of whom are collectively responsible for our success. The Director of Workforce and Communications is a non-voting director.

Executive directors are full-time employees and non-executive directors are appointed by NHS Improvement. Executive directors manage the day-to-day running of KMPT and together with the Chair and other non-executive directors; they set our strategic direction and ensure its achievement of performance standards.

The Board of directors bring a wide range of experience and expertise to their stewardship of the Trust and continue to demonstrate the vision, oversight and encouragement required to enable it to thrive.

During 2019-20 there were some changes to the Board. Andrew Ling left the Trust in June 2019. Julie Nerney was appointed as Chair in July 2019.

Catherine Kinane, Executive Medical Director, left her role in April 2019 and Rosarii Harte was appointed as Interim Executive Medical Director in April 2019 until November 2019. Afifa Qazi was appointed as Executive Medical Director in November 2019.

Board membership 2019-20 – table 6

Non-executive directors	Executive directors
Andrew Ling – left 30 June 2019	Helen Greatorex – Chief Executive
Julie Nerney – started 1 July 2019	Vincent Badu – Executive Director of Partnerships and Strategy
Anne-Marie Dean	Catherine Kinane – Executive Medical Director – left March 2019
Mark Bryant	Rosarii Harte – Interim Executive Medical Director – April 2019 to October 2019
Tom Phillips	Afifa Qazi - Executive Medical Director – started November 2019
Rodney Ashurst	Mary Mumvuri – Executive Director of Nursing and Quality
Jackie Craissati	Sheila Stenson Executive Director of Finance
Venu Branch	Sandra Goatley, Director of Workforce, OD and Communications
Catherine Walker	Jacquie Mowbray-Gould – Chief Operating Officer

The Board

The Board undertakes three key roles:

1. Responsible for setting the strategic direction
2. Responsible for formulating strategy, such as the clinical strategy
3. Holds KMPT to account for the delivery of the strategy through seeking assurance that the systems of control are robust and reliable.

The general duties and responsibilities of the Board are:

- To work 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
- To ensure 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.

The board met formally in public nine times during 2019-20. Members of the public are welcome to attend 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.

Table 7 shows the attendance of every member of the Board at meetings held during 2019-20.

Director's attendance at board meetings 2019-20 – table 7

Non-executive directors 2019-20	Actual/possible
Andrew Ling	1/2
Julie Nerney	4/7
Mark Bryant	9/9
Tom Phillips	7/9
Anne-Marie Dean	8/9
Rodney Ashurst	7/9
Jackie Craisatti	8/9
Venu Branch	7/9
Catherine Walker	9/9

Executive directors 2019-20	Actual/possible
Helen Greatorex	8/9
Vincent Badu	9/9
Catherine Kinane	0/0
Rosarii Harte	5/5
Afifa Qazi	4/4
Sheila Stenson	9/9
Mary Mumvuri	8/9
Sandra Goatley	8/9
Jacquie Mowbray-Gould	9/9

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. 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. Our register of interests is shown below:

Register of interests – table 8

Director	Position	Interest declared
Julie Nerney	Chair (from July 2019)	Chair of Greater Brighton Metropolitan College, Chair of the Association of Colleges and a Non-Executive Director at Pharm@ sea Limited. Volunteer mentor for the Princes Trust. Director - SomeoneWho Limited.
Andrew Ling	Chairman (until June 2019)	None declared.
Anne-Marie Dean	Non-executive director	None declared.
Mark Bryant	Non-executive director	Mark's daughter, Laura, is a midwife (Band 7) at Pembury Hospital. This is part of Maidstone and Tunbridge Wells Trust. MB declared this for full transparency.
Rodney Ashurst	Non-executive director	None declared.
Tom Phillips	Non-executive director	Non-Executive Director, Barking, Havering and Redbridge University Hospital NHS Trust.
Jackie Craissati	Non-executive director	Jackie's current company is on the NHS England framework for Independent Serous Incident Investigations, but does not undertake investigations relating to KMPT incidents. Jackie is Trustee on the Board of Samaritans and Independent Governor on the Board of the University of East London.
Venu Branch	Non-executive director	None declared.
Catherine Walker	Non-executive director	Catherine is Lay Chair of the Consultant Appointments Committee at Kings College Hospital NHS Foundation Trust, London. Catherine works for Walkers Solicitors of which her husband, Ivan Walker, is the Principal. Walkers is an Employment law practice specialising in Pensions. Walkers acts for the majority of UK Trade Unions including a number of Trade Unions active in the Health sector. Walkers' Health sector Union clients are The Chartered Society of Physiotherapy, The Royal College of Midwives and the Prison Officers Association. (Walkers Solicitors do not act for the NHS but clients do negotiate with the NHS – declared to ensure full transparency). Member of an advisory and scrutiny Panel of the National Employment Savings Trust (' NEST') Corporation. NEST is the pension auto enrolment vehicle used by KMPT for workers who are not members of the NHS pension scheme.
Helen Greatorex	Chief Executive Officer	Helen's husband is Director of Talking Therapies and may compete for business in the Trust's area. From 1 April 2019 Helen's husband commenced job with Priory.
Vincent Badu	Executive Director of Partnerships and Strategy	None declared.
Jacquie Mowbray-Gould	Chief Operating Officer	None declared.
Sheila Stenson	Executive Director of Finance	Sheila is the Chair HFMA Kent, Surrey and Sussex.
Catherine Kinane	Executive Medical Director	Catherine is a Visiting Professor in the Faculty of Health and Wellbeing at Canterbury Christ Church University, Chair of the South East division of RCPsych. SOAD with CQC. Independent expert reports and visits incl. CQC executive reviewer.
Afifa Qazi	Executive Medical Director (from November 2019)	None declared.
Mary Mumvuri	Executive Director of Nursing and Quality	Mary is Vice chair Mental Health Nurse Director Forum.
Sandra Goatley	Director of Workforce and Communications	None declared.

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 CEO appraises the executive directors. The Remuneration and Terms of Service Committee review all executive appraisals and agree the CEO appraisal based on the Chair's assessment.

Non-executive directors

Julie Nerney - Chair CDir and FIoD - Institute of Directors, MBA - University of North London

Julie holds a range of non-executive positions and joined KMPT as Trust Chair in July 2019. She is also Chair of Greater Brighton Metropolitan College, Chair of the Association of Colleges,a Non-Executive Director at Pharm@ sea Limited and a Director of an online platform for the provision of interim staff, SomeoneWho Limited. She is a Chartered Director and was awarded a Fellowship by the Institute of Directors in recognition of driving best practice in governance.

Julie is committed to organisations which drive social justice and social mobility through inclusive and high quality service provision. She has a long history of supporting the aspirations of young people and women into senior roles in business. She has been a volunteer mentor for the Prince's Trust for over 25 years, holds ambassadorial roles for the Government in respect of diversity in public life, and supports a number of women's networks.

Before establishing her non-executive portfolio, Julie's career was wide and varied. She spent the first twelve years of her working life starting, running and selling a number of businesses in the UK and Europe across a range of industry sectors. She then spent 15 years as an interim leading business transformations, turnarounds and complex programmes, including leading LOCOG's transport operation for the London 2012 Olympic and Paralympic Games.

Her non-executive portfolio is complemented by activities which draw on her experience, being a critical friend to major change programmes, teaching and facilitating on leadership and Chair development programmes, and public speaking engagements.

Dr Jackie Craissati MBE Consultant Clinical and Forensic Psychologist

Jackie joined the Board in May 2016. She is a Consultant Clinical and Forensic Psychologist and was previously Clinical Director of the Forensic and Prisons Directorate at Oxleas NHS Foundation Trust. Jackie has been a Trustee on the Board of Samaritans since 2014. 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. Jackie retains a role as consultant advisor to the national offender personality disorder pathway, and ongoing academic links with the University of Nottingham and London.

She has a special interest in developing innovative and evidence-based approaches to the community reintegration of individuals with complex psychological difficulties who may otherwise suffer social exclusion and poor outcomes.

Jackie is the Chair of the Quality Committee, Vice Chair of the Integrated Audit and Risk Committee until March 2019 and Vice Chair of the Board.

Mark Bryant
BA (Hons) Engineering, Cambridge University

Mark joined the KMPT Board in October 2012. He was previously managing director at Accenture and board member focused on communication and high tech clients across Europe and Latin America.

He now has a portfolio of executive roles and business interests spanning high tech engineering design, financial services, property and agriculture. Mark is also a non-executive director at a law firm and supports the board of the British Heart Foundation.

Mark brings to KMPT's Board a range of management and commercial skills and experience of growing and transforming businesses. Mark is Chair of the Finance and performance committee at KMPT.

Tom Phillips
BSc (Hons) Physics, FCA (Fellow of Chartered Accountants)

Tom was appointed to the Board in November 2012. Tom has previously held senior board roles as chief executive, chief operating officer and group finance director in commercial multi-site retail operations within the pharmacy and leisure sectors. Most notably, Tom spent 15 years as an executive board member of the Tote, a commercial organisation and also a statutory body. He is a non-executive director for two companies including an international language school charity and a non-executive director on the Board of Barking, Havering and Redbridge University Hospitals Trust.

Tom is the Chair of the Integrated Audit and Risk Committee and Senior Independent Director.

Rodney Ashurst
MBA Finance and Marketing, Diploma in French Studies

Rod joined the Board in November 2012. He has a wealth of business experience, holding many senior and executive positions with BT plc over a 30 year period. He has a background in leading transformational programmes, commercial development and contract management. As part of his work at BT, Rod was seconded to Concert, an Anglo-American telecommunications joint venture, where he was based in Paris for five years, managing a team across about 12 countries. Rod is the Chair of the Remuneration and Terms of Service Committee, the Chair of the Workforce and OD Committee and Vice Chair of the Quality Committee.

Anne-Marie Dean
NHS Accelerated Management Development Programme, Kings Fund College Strategic Leadership Programme, Templeton College Oxford Global health challenges Judge Institute Cambridge

including roles as chief executive in the acute sector and director of strategy within a primary care Trust, and brings extensive knowledge and experience in setting and delivering strategic agendas.

She is currently Chairman of Healthwatch Havering, which is part of the Care Quality Commissions framework (CQC), is a Trustee of the charity One-in-Four and a volunteer with St. John's Ambulance. Anne Marie is Vice-Chair of the Mental Health Act Committee.

Venu Branch

Venu joined the Board in August 2016 as an associate director and was appointed a non-executive director on 1 September 2016.

Currently running a niche creative and organisational development consultancy, Venu's background is in director-level posts in non-departmental public bodies within the public sector.

I am the Director at Community Links which is a social justice Charity in Newham, East London.

These include the National Endowment for Science Technology and the Arts (NESTA), Creative Scotland and the British Council. She has also worked at executive director-level in the charitable sector, including at Stonewall and the Nottingham Theatre Trust.

Her public policy work includes serving as the inaugural chair of the East Midlands Cultural Consortium, apointed by the Secretary of State to co-ordinate the 10-year cultural strategy for the region. She has been the creative director for the celebrations for Commonwealth Day in London and has been awarded the National Asian Woman of Achievement award.

Alongside her professional roles, she has extensive board-level experience this has included a member of University College London's museums and heritage committee, a governor of Guildford School of Acting Conservatoire and a council member of Loughborough University.

She is currently a fellow of the RSA, co-editor of the International Journal for Creativity and Human Development and a member of the European Cultural Parliament. She holds a visiting professorship at Nottingham Trent University.

Venu is Chair of the Mental Health Act Committee, Vice Chair of the workforce and organisational development committee and a member of both the quality committee. She is the non-executive lead for 'raising concerns and whistleblowing'.

Catherine Walker
Qualifications: MA Cantab (Law), Masters in European Law, Brussels

Catherine Walker joined the Board in August 2016.

She is Vice Chair of the Finance and performance committee and Vice Chair of Integrated Audit and Risk Committee from March 2019.

She qualified as a barrister and the majority of her early career was spent as an investment banker at NatWest and Schroders. She currently holds a judicial appointment with the Ministry of Justice, hearing appeals on health and disability cases in tribunal.

She is Practice Director of a firm of solicitors and is on the members panel of the National Employment Savings Trust (NEST). She has an interest in educational standards and governance and held a long-term role as governor and director of an academy Trust in Kent, ranked outstanding by OFSTED. She chairs the Appointments committee of a large London acute NHS Foundation Trust and was a lay representative for Health Education England, involved in reviewing the quality of medical education in the London hospitals.

Executive directors

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

Helen took up post as KMPT Chief Executive in June 2016, having been Executive director of nursing in Sussex for over fourteen years.

Qualifying as a Registered Mental Health Nurse (RMN) in 1987, Helen worked clinically across a wide range of settings, and specialised in mental health rehabilitation.

She went on to work in the voluntary sector as a Resettlement Officer with

Mind in Waltham Forest where she helped support and resettle people, whose average length of stay in Claybury Hospital was twenty-eight years.

She was a founder member of the rehabilitation services in Brighton in the early 1990s, creating what would become

a forerunner of the national Assertive Outreach model of care.

In 2018 Helen graduated as a Florence Nightingale Leadership Scholar and continues to mentor and coach others as a result.

Vincent Badu
Deputy Chief Executive, Executive Director of Strategy and Partnerships

Vincent Badu joined KMPT as Director of transformation for integrated older adults services in the autumn 2016 before being appointed as Executive director of partnerships and strategy / Deputy chief executive in September 2018.

Prior to this, he was a director and member of the executive team at Sussex Partnership NHS Foundation Trust from May 2006 where he held a strategic lead for mental health social work, partnerships and people participation. Vincent is an experienced senior leader and brings a wealth of knowledge and experience from leading and developing services across a range of sectors including social care and housing. He gained more than 20 years of experience in local government across London and the south east before joining the NHS.

Vincent is passionate about leadership development, celebrating diversity and shaping and improving care and experience through participation and involvement.

Dr Afifa Qazi
M.B.B.S, M.R.C.Psych, Executive Medical Director and Consultant Psychiatrist

Afifa is well known in the UK and internationally for developing the 'Community care model for Dementia', a model of innovative practice that has reduced hospital admissions and length of stays for people with dementia.

She won the prestigious HSJ award in 2016 and the EAHSN Health Innovation award in 2014 for developing services for people with dementia. She is actively involved in research and has numerous publications in peer reviewed academic journals. She is an invited speaker at national and international conferences. She has a keen interest in QI and has led on numerous projects. She continues to take part in teaching and training and is passionate about empowering staff.

In her previous role, Dr Qazi worked for NELFT as a Consultant psychiatrist and as an Associate medical director for Essex and Kent CAMHS services.

Sandra Goatley Director of Workforce and Communications, 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.

Sandra added communications to her portfolio in July 2018.

Mary Mumvuri
Executive Director of Nursing and Quality RMN, MSc Mental Health Studies, MSc Health Management

Mary started her career as a staff nurse in Lewisham and Guys Mental Health Trust.

She has worked in senior nursing leadership roles, clinical governance and quality improvement across community and inpatient settings. Mary has extensive knowledge of mental health services having worked in a number of mental health and learning disability provider Trusts in London and East of England.

She joined KMPT from Cambridge and Peterborough Foundation Trust where she was the Deputy Director of Nursing and Quality.

Mary has a keen interest in quality improvement that is led by front line staff.

Her strong values of fairness, transparency and equality have shaped her leadership style and she is passionate about ensuring that staff are developed, trained and supported to provide the best care possible.

Jacquie Mowbray-Gould
Chief Operating Officer

Jacquie trained as a mental health nurse in Newcastle, qualifying in 1991. Her first role was in rehabilitation services at a time when the Trust forged an interesting partnership with a housing association where the association provided the buildings and the Trust the staff.

Jacquie moved to London in 1994 to work for an older person's day hospital. She was appointed as staff nurse and became manager within the year. After two further years at the day hospital, she accepted an interesting position at Barnet Council. From this role, Jacquie gained a good understanding of the workings of a local authority and the responsibility of the 'public purse'.

Jacquie's next role was director of operations at North East London NHS Foundation Trust, where she worked across health and social care. She said her focus was on constantly improving the patient pathway by joining up services where possible, working in partnership and building relationships.

Her last position was with Devon Partnership NHS Trust, which provides a wide range of services to people with mental health and learning disability needs. Jacquie's first role there in 2011 was managing partner for the older people's service, however, she was promoted to deputy chief operating officer after only 18 months and worked hard on developing relationships with CCGs and improving system care pathways.

Sheila Stenson
Executive Director of Finance BA ACMA CGMA

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 most recently, Maidstone and Tunbridge Wells NHS Trust (MTW). She is a Chartered Management Accountant and has over fifteen 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.

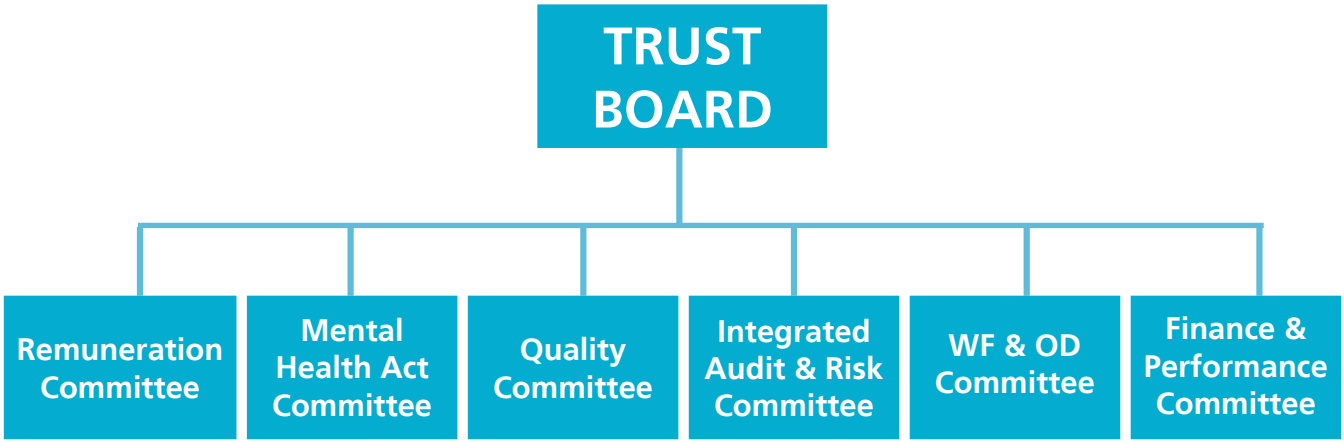
Sheila graduated from the University of Sussex with a BA Honors Degree in Business Studies.

Board committees

The Board has six permanent committees to support it in discharging its duties fully.

The chair of each committee presents a report at each formal board meeting.

They also produce an annual report to board once a year which details the committees' activities.



A summary of each committee is detailed below:

Integrated Audit and Risk Committee

Audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

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.

Members include Tom Phillips (Chair), Jackie Craissati (Vice Chair) and Catherine Walker.

Integrated Audit and Risk Committee – table 9

Members	Actual/possible
Tom Phillips (Chair)	6/7
Jackie Craissati	6/7
Catherine Walker	6/7

Quality Committee

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 Jackie Craissati (Chair), Rod Ashurst (Vice Chair) and Venu Branch.

Quality Committee – table 10

Members	Actual/possible
Jackie Craissati	8/9
Rodney Ashurst	7/9
Venu Branch	9/9
Mary Mumvuri	7/9
Rosarii Harte	5/6
Afifa Qazi	2/3

Finance and Performance Committee

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 Mark Bryant (Chair), and Catherine Walker (Vice Chair).

Finance and Performance Committee – table 11

Members	Actual/possible
Mark Bryant (Chair)	10/10
Catherine Walker	10/10
Sheila Stenson	10/10
Jacquie Mowbray-Gould	8/10

Workforce and Organisational Development Committee

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 Rod Ashurst (Chair) and Venu Branch (Vice Chair).

Workforce and Organisational Development Committee – table 12

Members	Actual/possible
Rodney Ashurst (Chair)	5/6
Venu Branch (Vice Chair)	6/6
Sandra Goatley	6/6
Jacquie Mowbray-Gould	4/6

Remuneration 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.

Remuneration Committee – table 13

Members	Actual/possible
Rodney Ashurst	2/2
Andrew Ling	0/1
Julie Nerney	1/1
Mark Bryant	2/2
Tom Phillips	1/2
Anne-Marie Dean	0/2
Jackie Craissati	2/2
Venu Branch	2/2
Catherine Walker	2/2

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: Venu Branch (Chair), Anne-Marie Dean (Vice Chair).

Mental Health Act Committee - table 14

Members	Actual/possible
Venu Branch	3/4
Anne-Marie Dean	4/4
Mary Mumvuri	3/4
Rosarii Harte	2/3
Afifa Qazi	1/1

Helen Greatorex
Chief Executive

Annual governance statement

Scope of responsibility

As Accountable Officer, I hold responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that Kent and Medway NHS and Social Care Partnership Trust is administered prudently and economically and that resources are applied efficiently and effectively.

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, 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 2020 and up to the date of approval of the annual report and accounts.

Kent and Medway NHS and Social Care Partnership Trust (KMPT) serves a population of over 1.8 million and provides mental health, learning disability, substance misuse and other specialist services for people over the age of 16 who live in Kent and Medway. Our Early Intervention in Psychosis Services see young people from 14 years upwards.

The trust is managed in four Care Groups: Acute, Community Recovery, Older Adult Services and Forensics and Specialist Services, all supported by a range of corporate teams.

As Accountable Officer I have in place partnerships and processes with other organisations. The Strategic Transformation Partnership (STP) will have a significant impact on ongoing relationships and I am ensuring that the Trust is constructively engaged and considering governance aspects.

These include Clinical Commissioning Groups (CCGs), NHS Improvement (NHSI), the Local Authorities, Healthwatch, the Department of Health and Social Care, Police Authorities and other acute and mental health trusts. Some of the main fora for the transaction of these relationships are:

- Quarterly South of England NHS Chief Executives' Forum
- Regular Integrated Assurance Meetings (IAMs) with NHSI
- Quality and Performance Review Meetings with the CCGs
- Meetings with the Local Authorities through the Kent and Medway Partnership Board, Kent County Council Health Overview and Scrutiny Committee, Medway Council Overview and Scrutiny Committee, Safeguarding Board, Kent Adult Services Group and a range of joint Planning Boards
- Regular meetings with the Accountable Officers of local CCGs and universities including the Kent, Surrey, Sussex Deanery and Medical School
- Sustainable Transformation Partnership Steering and Management Groups, Integrated Care Partnerships (ICPs) and Primary Care Networks (PCNs).

Capacity to handle risk

The Trust Board takes overarching responsibility for risk management. As Accountable Officer I ensure that sufficient resources are invested in managing risk and I have been supported in undertaking this role by the Executive Director of Finance, Executive Medical Director and the Executive Director of Nursing and Quality.

The Executive Director of Nursing and Quality is the executive lead for clinical governance and the implementation of risk management. She ensures that the Trust continues to have robust systems in place to comply with the objectives set out in its approved policies and procedures.

The Executive Medical Director is Responsible Officer for medical revalidation for the Trust. The Executive Director of Finance and Performance has 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. The Executive Director of Finance 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 development of quality standards across the Trust and for maintaining effective integrated clinical governance.

The Non-Executive Committee members of the Integrated Audit and Risk Committee (IARC) play a key role in the internal control assurance processes. IARC scrutinises the effectiveness of management actions in mitigating risks through regular reviews of the corporate functions and Care Group risk registers, on a rolling basis in addition to the Trust risk register. Board Committees also have a responsibility for elements of the risk management system, with the Integrated Audit and Risk Committee providing assurance on its effectiveness.

Chaired by the Chief Executive, the Executive Assurance Committee (EAC) meets each month and ensures that KMPT maintains robust systems of governance, risk management and internal control that support the delivery of high quality patient-centred care.

KMPT recognises the important role all leaders across the Trust have in developing a robust approach to risk management and ensuring it forms an integral part of good management practice and to be most effective should become 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 provides the framework for the continued development and integration of the risk management process in the Trust's strategic aims and objectives. It encompasses our risk management process and sets out how staff are supported and trained to enable them to identify, evaluate and manage risk. The Risk Management Strategy and associated policy was comprehensively revised and updated during 2018-19 and further reviewed and approved in May 2019 to reflect current best practice in Risk Management.

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. Through out 2019-20 managers and their nominated risk assessors were 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.

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.

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

Progress was achieved in the year to mitigate key risks relating to the principal objectives of the Trust. Risk management within the Trust is a live and dynamic process and the risks identified as having the potential to have the greatest impact on the strategic objectives have changed accordingly during the year 2019-20.

Financial risk

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:

- Risk ID 6097 2019/20 CIP Programme (Rating of 20 – Extreme)
- Risk ID 6098 Long Term Financial Sustainability (Rating of 20 – Extreme)
- Risk ID 5920 Financial risk to KMPT due to out-of-area PICU bed use (Rating of 20 – Extreme).

Operational risk to quality of care

Risk ID 5875 CMHTs demand and capacity (KCC/KMPT)

The changes made with the KCC transition impacted the ability of the CMHTs to cope effectively with the high level of demand for assessment of service. A number of mitigations were immediately put in place.

1. Active recruitment of agency staff to work in the teams that have severe staffing shortages
2. Caseload reviews for all teams to re-alignment work and secured resources to provide expert social care knowledge to help this process
3. Assessment of the team's ability to respond to demands, though capacity planning, in conjunction with the Performance Directorate
4. Introduction of more innovative processes to reduce repetition and duplication, including the assessment process
5. The implementation of the clinical care pathways to support efficient patient flow through the community team and demand and capacity management.

Mental Health Investment Monies received will create 45.32 new posts for CRCG with recruitment ongoing. Performance team have completed re assessment of demand and capacity for CRCG who confirm resources continue to be insufficient to meet KPI targets. Ongoing work with commissioners to establish primary care level screening systems by KMPT PCMHNs to ensure appropriate referrals occur. Plans for this to be negotiated as a role for non KMPT PCMHN going forward.

Organisational risk

Risk ID 5989 emerging infectious diseases

A significant new risk which emerged during the year. This risk was included following the global emergence of Covid-19 and in response to the declaration of a level 4 health incident by the UK government as well as it being a pandemic.

Risk ID 5965 Exiting the EU

A significant risk to the Trust during the year was the uncertainties relating to the potential impact of the UK exiting the EU without a deal. A substantial piece of work was undertaken in partnership with the Local Health Resilience Partnership to review the risks identified and generate plans.

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.

Risk registers owned by and or delegated to the Committees of the Board are regularly reviewed to ensure that the correct types and levels of risks are scrutinised for the maximum benefit to the organisation. Robust control mechanisms are in place, based upon the Trust's organisational policies, protocols, strategies and procedures used to control, mitigate and monitor risk. 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. Prevention of risk is achieved through the interface partnership working arrangements across the local health economy and in our joint commissioning arrangements.

The Local Counter Fraud 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. They also advertise the Confidential National Fraud and Corruption Reporting Line through poster distribution, fraud staffzone page, promotional material and newsletter articles. The newsletter 'Fraudstop!' is circulated to all staff and distributed at the Trust induction.

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

These include:

- Risk Management Strategy
- Risk Management Policy (and associated guidance)
- Information Risk Management Framework and Policy
- Incident Reporting Policy
- Complaints Policy
- Serious Incidents Policy
- Investigations Policy
- Health and Safety Policy
- Learning from Experience Policy
- The bi-annual review of the Board Assurance Framework by the Integrated Audit and Risk Committee.

The risk team have developed a range of simple to use tools and guidance documents for managers based on the

most up to date risk management theory. The risk management policy has been updated this year to be in alignment with HSG 65 and to use the Plan Do Check Act model for risk management.

Staff are kept up to date with the key 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 risk team work closely with Care Groups to improve the quality and maintenance of their risk registers.

All risks are assigned an owner as well as a manager when they are identified. Committees of the Board have oversight of a portfolio of risks relevant to them and receive regular reports for assurance. Where possible, risks are eliminated and where this is not possible, a selection of controls and actions are put in place to ensure that the likelihood or consequence of the risk being realised is lessened.

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 Board Assurance Framework document is refreshed annually at the beginning of each financial year and is reviewed at regular intervals. Its key elements include:

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

Based on my assessment of the Board Assurance Framework our three key priorities in its development will continue to be implemented in 2020-21 in order to enhance the internal control arrangements. The implementation of these objectives will further strengthen the Board's visibility of the process of monitoring risk mitigation plans associated with its significant risks and as highlighted on the BAF. These priorities are to:

- Improve the organisations understanding of the process of risk management by demonstrating an improved quality of risk assessment, risk registers and control mechanisms
- Improve the confidence of external stakeholders in our risk management process by enabling staff and managers to talk confidently about their risk profile by describing their risks and mitigations
- Establish a clear appetite for risk that can be used at all levels by management as a decision making tool.

The Board will oversee the implementation of these priorities, whilst primarily taking assurance from the work of the Board Committees.

Review of the effectiveness of risk management and internal control

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

As part of my review I also place reliance on the Head of Internal Audit's independent opinion of reasonable assurance, which substantiates this disclosure.

Head of Internal Audit Opinion (HoIA) on the Effectiveness of the System of Internal Control for the Year Ended 31 March 2020

The purpose of my annual HoIA Opinion is to contribute to the assurances available to the Accountable Officer and the Board, which underpin the Board's own assessment of the effectiveness of the organisation's system of internal control. This Opinion will in turn assist the Board in the completion of its Annual Governance Statement (AGS).

The Trust is forecasting, from the Finance report at the March 2020 Board, a £3m surplus, against a control total of break-even. Our opinion on the organisation's system of internal control has taken this factor into account.

My opinion is set out as follows:

1. Overall opinion;
2. Basis for the opinion; and
3. Commentary.

1. My 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. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.
2. The basis for forming my opinion is as follows:
    i. An assessment of the design and operation of the underpinning Assurance Framework and supporting processes; and
    ii. An assessment of the range of individual opinions arising from risk-based audit assignments, contained within internal audit risk-based plans that have been reported throughout the year. This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses.

Additional areas of work that may support the opinion will be determined locally but are not required for Department of Health purposes e.g. any reliance that is being placed upon Third Party Assurances.

The Care Quality Commission and the fundamental standards

The Trust is required to register with the Care Quality Commission (CQC) under section 10 of the Health and Social Care Act 2008 and is registered without conditions for its 17 registered locations.

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.

Following the well-led inspection at KMPT that was undertaken by the CQC during

October and November 2018 whereby the trust maintained its overall 'good' rating, a quality improvement plan (QIP) was developed for those areas identified as requiring some improvement. The QIP started its implementation journey in April 2019, with quarterly target dates being set for the 7 must do's and 31 should do's. To date, progress has been made against all action points.

In 2019, KMPT did not receive any focussed inspections and maintained regular contact with the CQC via engagement meetings. In February 2020, KMPT received its provider information request from the CQC which then indicates that its second well-led inspection will take place within a 6 month timeframe.

The CQC Oversight Group is responsible for ensuring that Trust services meet the required fundamental standards. This is led by the Executive Director of Nursing and Quality. This group now meets on a bi-monthly basis and reports directly to the Quality Committee. This group supported the preparations and responses for the CQC well-led inspection which took place in 2018. As part of the preparations, deep dives will be used to scrutinise the quality of care provided across all care groups and various support tools will be available for staff to utilise such as a self-assessment tool for the CQC's Key Lines of Enquiry (KLoE).

Data security

The Executive Director of Finance 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 ICT policies and procedures. Additionally the SIRO acts as chair to the Trust-Wide Information Governance Group which is attended by clinical and corporate care groups and the Caldicott Guardian.

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 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.

2019-20 yearly overview

During the year 2019-20 there have been four Information Governance breaches which were reported to the Information Commissioner. These are detailed within the Data Security Breaches section below.

The Trust took part in a pilot audit with NHS Digital for the Data Security and Protection Toolkit which was undertaken by TIAA. This audit involved review of 65 out of the 100 mandatory evidence items over 20 assertions.

As a result of this audit the Trust were provided with "Reasonable Assurance" across all 20 assertions.

2020-21 plans

During the year 2019-20 an awareness drive for Information Governance was introduced across the organisation. This will continue into the year 2020-21 and includes the following tasks to increase awareness and further support the staff.

Information governance training

In addition to the current eLearning training available to all staff, there will be an introduction of face to face training sessions for those staff who would benefit more from a classroom based approach.

IG compliance lead

The organisation has introduced a compliance lead who is working with teams and undertaking site audits to help support the improvement of information processing.

Digital communications

A full review of all internal and external website pages will be reviewed and updated along with key messages being passed to staff through the use of technology.

Assurance

The organisational assessment of the information governance arrangements of the Trust is informed by evidence to support the achievement of all mandatory fields on the 2019-20 Data Security and Protection toolkit, as well as the information governance assurance from the internal audit reviews, undertaken in the financial year, and lessons learnt from information security breaches. The Trust has successfully achieved full completion of the mandatory requirements of the Toolkit and has therefore been rated as "satisfactory".

Significant issues

The Trust has identified the following as significant control issues for the 2019-20 period.

Data Security Breaches

During the 2019-20 period there were four information governance serious incidents regarding the loss or misappropriation of personal information. Lessons learned from the incidents have been incorporated into the risk management process.

Three incidents involved staff members inappropriately accessing the clinical record of a service user without appropriate legitimate business need. Each of these incidents were internally investigated and appropriate action taken in line with human resources advice. As a result of these investigation learning has also been identified and the organisation are looking at new guidance and training documents. These matters were reported to the ICO.

The other incident related to a clinic letter containing sensitive patient information which was sent to the wrong location in error. This matter was internally investigated and training needs identified. The individual involved was advised of the error and offered additional support. The matter was reported to the ICO.

The Pension Scheme arrangements

As an employer with staff entitled to membership of the NHS Pension Scheme, or auto-enrol into an alternative qualifying 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.

Register of interests

The trust has published an up-to-date register of interests for decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

Equality, diversity and human rights

Every member of KMPT should be respected and celebrated for the uniqueness they bring, and how this supports our approach to the people we look after. Ultimately translating into Brilliant Care Through Brilliant People.

Control measures are in place to ensure that the organisation is compliant with its obligations under equality, diversity and inclusion plus human rights legislation. This includes provision of information to that meets the statutory publication duties and best practice on inclusion initiatives.

The Workforce and Organisational Development Committee have received bi-monthly updates through workforce reports. The Quality Committee will monitor service user/carer impacting equality and diversity issues. The operational Equality and Diversity Steering Group (EDSG) and staff networks feed into the KMPT strategy. I as Chief Executive now chair the Trust wide group. Plans are in place to meet the continuing gender reporting and new disability standards reporting requirements.

Staff Network forums are more established, supporting BAME, faith, disability and LGBTQ+ staff. Each has an Executive Director lead and report back through the EDSG.

Counter fraud and anti-bribery arrangements

KMPT has sound arrangements in place to ensure compliance with counter fraud and anti-bribery requirements, as set out in the Secretary of State directions. At an operational level, there are induction and refresher fraud & Bribery awareness sessions for staff.

The Integrated Audit and Risk Committee receives regular progress reports on the delivery of the Local Counter Fraud Service (LCFS) work plan and investigative reports where appropriate. In addition, the Committee reviews anti-fraud and bribery Trust policies and procedures.

The LCFS undertakes an annual review of fraud risk, feeding into a fraud risk assessment which drives the annual LCFS work plan. The Integrated Audit and Risk Committee takes assurance from this particular area of work, which ensures organisational objectives and investigative activities are appropriately investigated and concluded in a timely way to minimise potential future risks within the Trust's systems of internal control.

In addition during 2019-20 the recruitment procedures in relation to staff procured through agencies were reviewed to ensure third party checks on individuals are in line with KMPT policy. Local procedures were reviewed with regard to single tender waivers and the use of corporate credit cards. Results were fed back to the Integrated Audit and Risk Committee who were able to benchmark local performance against other NHS providers.

During the year, a Single Tender Waiver (STW) was raised for the sum of £11,156 in respect of a piece of board development work. As part of its routine scrutiny of STWs, the Integrated Audit and Risk Committee (IARC) reviewed it and as a result, raised concerns. An independent investigation was initiated by the IARC and it was found that there was an undeclared interest between the person requesting the Trust procure this consultancy work and the company delivering it. Appropriate action was taken by the Trust and there is no ongoing relationship with the contractor.

Health and Safety

The Trust continues to be complaint with Health and Safety regulations with positive comment from the Health and Safety Executive (HSE) on our management of violence and aggression against staff and musculoskeletal management. Timeliness of reporting of RIDDOR incidents to HSE has been a continuing focus with some improvement on previous years and a slight reduction on overall numbers of incidents reported. Staffing changes caused some slippage on internal Health and Safety auditing during the year but this has now been resolved and the overall programme of audits recovered.

Sustainability

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the

Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust has a Board-approved sustainable development management plan (SDMP) and continues to work towards reducing required energy consumption.

The Trust continues to work with partners across Kent and Medway in developing areas of best practice, environmental training, and seminars on new technologies in order to actively explore new initiatives in reducing the carbon footprint, and employs the lead officer on sustainability in the STP process.

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.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

In preparing the Quality Accounts we have endeavoured to ensure that all information and data is accurate and provides a fair and balanced reflection of our performance this year. Our Board and Executive Management Team have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported. The Trust has reviewed all the data available to it on the quality of care in all of the NHS services it provides.

The quality governance framework and the data quality controls ensure the performance information reported in the Quality Account is reliable and accurate.

Assurance is provided by the robust internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to audit and review to confirm that they are working effectively in practice.

The data underpinning the measures of performance reported in the Quality Account has been reviewed and tested to ensure it is robust and reliable, conforms to specified data quality standards and prescribed definitions. The Quality Account has been prepared in accordance with Department of Health guidance and has not been subject to external audit this year.

Review of effectiveness

As Accountable Officer, I hold responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the KMPT 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. 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 Integrated Audit and Risk Committee, Quality Committee, and a plan to address any 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 have been two changes to Board membership during the year. A new Chair took up post in July 2019 and a new Executive Medical Director joined the Trust in November 2019.

The Board had evaluated itself against the CQC Well Led framework and has used the results to develop its Board Development plan. The implementation will be monitored directly by the Board.

The Board carries out its roles and responsibilities with the aid of a structured and focussed annual cycle of business, which takes into account the setting of strategy and the monitoring of key risks, performance, governance and quality issues. Service user and carer engagement is embedded within the annual cycle of business and presentations are invited at each formal Board meeting.

The Trust has put in place arrangement to meet the Fit and Proper Person requirement which have been audited and the audit concluded that the Trust could take reasonable assurance from the arrangements in place. In addition to including Fit and Proper Person arrangements in recruitment procedure and in Annual Governance Declarations, a separate policy which increases the range of individuals covered has been approved by Board. All current Board members have confirmed they meet the requirements to serve on the Board of a healthcare organisation.

Board attendance for the 2019-20 period averaged a rate of 88 per cent. The Board met formally 9 times during the year. Where appropriate, the Board have also held informal Board meetings and Board Seminars regularly throughout the year. In addition, a programme of externally facilitated Board Development and Strategy days are held throughout the year.

The committees of the Board are:

- Integrated Audit and Risk Committee
- Quality Committee
- Finance and Performance Committee
- Workforce and Organisational Development Committee
- Remuneration and Terms of Service Committee
- Mental Health Act Committee.

The Board Committee structure continues to be embedded within the Trust. This continues to be enhanced by Non-Executive Director Chairmanship and Board reporting arrangements. This arrangement has enabled the Board to focus on its core business. The Board Committees provide a formal report to the Board meeting after each of their meetings highlighting key issues and receive feedback from the Board, which is reported at the next meeting of that Board Committee. This ensures timely monitoring of areas of responsibility delegated by the Board to the Committees through receipt of Chairs' assurance reports and minutes.

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 Integrated Audit and Risk Committee (IARC) to ensure risks and assurance issues are clearly identified and followed through. There is also cross membership between FPC and IARC

There is an established mechanism to maximise the effectiveness of its 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 Integrated Audit and Risk Committee (IARC) 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. This includes an annual presentation from all Care Groups, Support Services and Corporate Directors on their risk management process.

IARC 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.

IARC annual self-assessment incorporated the views of the internal and external auditors, and the counter fraud function. The overall assessment results indicate that the Committee is discharging its terms of reference and meeting best practice guidelines, as set out in the NHS Audit Committee Handbook.

The Non-Executive members of the Integrated Audit and Risk Committee play a key role in governance by scrutinising the effectiveness of management actions in mitigating risks through regular reviews of the Trust's risk register and Assurance Framework. In addition, the Committee's role includes:

- Monitoring of significant corporate and strategic risks on behalf of the Board, through a review of the corporate risk register at least 4 times a year
- Scrutinising the effectiveness of the information risk management arrangements
- Formally reviewing the system of internal control on a bi-annual basis, taking assurances from the Board Committees on the management of detailed risks.

TIAA carried out 16 assurance reviews, 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 Trust's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided. In addition, an advisory review was also undertaken.

Of these audits the three that have a limited assurance opinion relate to IT Facilities Review, Effective Use of ESR and Datix (Actions Module). The audit of IT Facilities has been reported to the Integrated Audit Committee and will receive follow up reviews by TIAA to ensure the key control issues which gave rise to the assessments have been addressed. The remaining two are at the draft report stage awaiting management responses.

Assurance is also taken from the external auditors who audit the Trust's financial statements and review its Annual

Assurance assessments	Number of reviews	Previous year
Substantial assurance	1	0
Reasonable assurance	12	16
Limited assurance	3	4
No assurance	0	0

Governance Statement. They also ensure that there are proper arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

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 Quality Committee meets monthly focussing on quality compliance and risks to quality (including regular presentations from Care Group Directors on their risk registers) 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 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.

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 Integrated Audit and Risk Committee which considers the annual plans and reports of External and Internal Audit
- The Quality Committee which ensures that comprehensive and robust systems and processes are in place for clinical governance and quality within the Trust
- The Executive Management Team which oversees the implementation of the strategic direction of the Trust
- The 2019-20 Quality Account disclosure and associated internal assurances in place to validate its accuracy, which include data quality verification, and associated Board declaration
- 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.

In addition, the Head of Internal Audit has a mechanism for identifying and recording in Internal Audit reports gaps in controls that need to be addressed. Action plans have been agreed with senior managers and further details are recorded in the Internal Audit progress reports presented to the Integrated Audit and Risk Committee at each meeting.

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.

The trust has identified significant control issues for the 2019-20 period relating to potential financial system and controls weaknesses and four data security breaches, which have been identified in the body of the Annual Governance Statement above.

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.

On behalf of the Trust Board

Helen Greatorex
Chief Executive Date: 24 June 2020

Statement of the Chief Executive's responsibilities as the accountable officer of the Trust

The Chief Executive of NHS Improvement, 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.

Helen Greatorex, Chief Executive

Date: 24 June 2020

Staff and remuneration

1. Remuneration Committee

The Remuneration Committee is responsible for ensuring there is a formal and transparent procedure for developing the policy and decision making framework for setting the remuneration, terms of service and other benefits for Very Senior Managers (VSM's). In undertaking this role the committee will recommend and monitor the level and structure of remuneration for VSM's not covered by Agenda for Change terms and conditions using the NHSE/I guidance for Very Senior Managers pay.

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

2. Executive Remuneration Policy

The main duties of the committee are to discuss and advise the board on appropriate remuneration and terms of service for the Chief Executive, other executive directors and other senior employees particularly covering the following:

- All aspects of salary (including any bonuses), taking independent advice where appropriate and considering current benchmarking data for VSM roles of similar size and complexity to ensure the remuneration can be justified
- Provisions for other benefits, e.g. lease cars, relocation package and any enhancement of non-pay benefits such as annual leave
- Oversight of executive directors job descriptions
- Oversight and scrutiny of the appointment of interim executives
- Directors, ensuring HM Treasury (HMT) and NHS Improvement (NHSE/I) guidance is adhered to regarding seeking assurance on tax affairs
- Monitoring and evaluating performance, including receiving and reviewing the appraisal of the Chief Executive, conducted by the Chair.
- Ensure that a robust and effective process is in place to discharge the requirements of the Fit and Proper Persons Test for all existing and future director, or equivalent senior appointments, whether temporary or substantive
- Arrangements for termination of employment and other contractual terms
- Consideration of national guidance.

The Remuneration Committee reviews salaries each year. For 2019-20 salaries are to be considered, as per the NHSI/E guidance recommendation of a consolidated increase of 1.32 per cent payable from 1 April 2019, plus a one-off non-consolidated cash lump sum of 0.77 per cent (this is commensurate with the percentage increase paid to those at the top pay point of the Agenda for Change (AfC) pay band 9 for 2019-20), and additionally having regard of benchmarked salaries for similar roles.

The only non-cash elements of executive remuneration packages are pension related benefits accrued under the NHS Pensions Scheme. Contributions are made by both the employer and employee in accordance with the rules of the national scheme, which applies to all NHS staff in the scheme.

Each executive director has annual objectives, which are agreed with the Chief Executive. The Trust's normal disciplinary policies apply to very senior managers, including the sanction of summary dismissal for gross misconduct. Our redundancy policy is consistent with NHS redundancy terms for all staff.

3. Salary and pension entitlements of senior managers

a) Remuneration

Salary table 15 – audited

	2019-20				2018-19			
Name and title	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 near-est £100	All pension related benefits (bands of £2.5k)*	TOTAL (bands of £5k)
	£000	£	£000	£000	£000	£	£000	£000
Helen Greatorex - Chief Executive Officer	150 - 155	2,500	50 - 52.5	205 - 210	150 - 155	1,600	245 - 247.5	400 - 405
Vincent Badu - Executive Director Partnerships and Strate-gy / Deputy Chief Executive	125 - 130	400	52.5 - 55	180 - 185	110 - 115	4,000	70 - 72.5	185 - 190
Sheila Stenson - Executive Director of Finance	125 - 130	400	42.5 - 45	165 - 170	115 - 120	300	57.5 - 60	175 - 180
Catherine Kinane - Executive Medical Director	20 - 25	100	(7.5 - 10)	15 - 20	175 - 180	1,400	72.5 - 75	250 - 255
Rosarii Harte - Interim Medical Director	90 - 95	2,000	112.5 - 115	205 - 210	0.00	0	0.00	0.00
Afifa Qazi - Executive Medical Director	70 - 75	400	85 - 87.5	155 - 160	0.00	0	0.00	0.00
Mary Mumvuri - Executive Director of Nursing and Governance	115 - 120	1,800	0.00	115 - 120	110 - 115	1,200	0.00	115 - 120
Jacquie Mowbray-Gould - Chief Operating Officer	105 - 107	2,600	37.5 - 40	145 - 150	95 - 100	7,300	7.5 - 9	110 - 115
Sandra Goatley - Director of Workforce and Communications	115 -120	1,200	27.5 - 30	150 - 155	115 -120	2,300	27.5 - 30	145 - 150
Andrew Ling - Chairman	0 - 5	300	0.00	0 - 5	20 - 25	1,500	0.00	20-25
Julie Nerney - Chairman	25 - 30	2,100	0.00	0.00	0	0	0.00	0.00
Tom J Philips - Non Executive Director	5 - 10	200	0.00	5 - 10	5 - 10	600	0.00	5 - 10
Rod Ashurst - Non Executive Director	5 - 10	800	0.00	5 - 10	5 - 10	700	0.00	5 - 10
Mark Bryant - Non Executive Director	5 - 10	600	0.00	5 - 10	5 - 10	700	0.00	5 - 10
Anne-Marie Dean - Non Executive Director	10 - 15	2,300	0.00	10 - 15	5 - 10	2,400	0.00	5 - 10
Venu Branch - Non Executive Director	5 - 10	1,200	0.00	5 - 10	5 - 10	1,200	0.00	5 - 10
Jackie Craissati - Non Executive Director	5 - 10	1,400	0.00	5 - 10	5 - 10	1,100	0.00	5 - 10
Catherine Walker - Non Executive Director	5 - 10	1,000	0.00	5 - 10	5 - 10	800	0.00	5 - 10

* Annual increase in pension entitlement

1) Catherine Kinane resigned and ceased as a voting board member and Executive Medical Director and from 21 April 2019.
2) Rosarii Harte was Interim Medical Director between 22 April 2019 and 3 November 2019.
3) Afifa Qazi was appointed Executive Medical Director from 4 November 2019.
4) Andrew Ling resigned as Chairman on 30 June 2019.
5) Julie Nerney was appointed as Chairman on 1 July 2019.

The figures in the above table relate to the amounts received during the financial year. For 2019-20 and 2018-19, there were no taxable benefits or annual or long-term performance-related bonuses.

b) Pension benefits

Pensions table 16 2019-20 - audited

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 2020	Lump sum at age 60 related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 1 April 2019	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020
	Bands of £2,500	Bands of £2,500	Bands of £5000	Bands of £5000	£000	£000	£000
Helen Greatorex - Chief Executive Officer	2.5 - 5	7.5 - 10	65 - 70	205 - 210	1447	87	1590
Vincent Badu - Executive Director Partnerships and Strategy / Deputy Chief Executive	2.5 - 5	2.5 - 5	20 - 25	40 - 45	329	39	395
Sheila Stenson - Executive Director of Finance	2.5 - 5	2.5 - 5	30 - 35	60 - 65	378	23	428
Catherine Kinane - Executive Medical Director	0	0	60 - 65	180 - 185	0	0	0
Rosarii Harte - Interim Medical Director	5 - 7.5	17.5 - 20	70 - 75	215 - 220	1358	86	1551
Afifa Qazi - Executive Medical Director	2.5 - 5	2- 2.5	40 - 45	30 - 35	503	30	589
Mary Mumvuri - Executive Director of Nursing and Governance	0	0	0	0	0	0	0
Jacquie Mowbray-Gould - Chief Operating Officer	2.5 - 5	2- 2.5	40 - 45	100 - 105	756	43	831
Sandra Goatley - Director of Workforce and Communications	2- 2.5	0	5 - 10	0	99	20	138

1. As Non-executive directors do not receive pensionable remuneration; there are no entries in respect of pensions for Non-executive directors.

2. 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 the Occupational Pension Schemes (Transfer Values) Regulations 2008.

3. Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

4. With effect from August 2019 the method used by NHS Pensions to calculate Cash Equivalent Transfer Values (CETV) was up dated. This was to ensure that public sector pension schemes provide the same indexation in payment on part of a public service scheme pensions known as the Guaranteed Minimum Pension (GMP) as applied to the remainder of the pension i.e. the non GMP. As in the vast majority of cases the value of the scheme pension is far greater than the GMP, it is unlikely to have more than a nominal impact on the senior managers of the Trust.

5. Mary Mumvuri did not make any contributions into the NHS Pension Scheme in 2019-20.

Pensions table 17 2018-19 - audited

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 2019	Lump sum at age 60 related to accrued pension at 31 March 2019	Cash Equivalent Transfer Value at 1 April 2018	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019
	Bands of £2,500	Bands of £2,500	Bands of £5000	Bands of £5000	£000	£000	£000
Helen Greatorex - Chief Executive Officer	10 - 12.5	35 - 37.5	60 - 65	190 - 195	1042	352	1447
Vincent Badu - Executive Director Partnerships and Strategy / Deputy Chief Executive	2.5 - 5	5 - 7.5	15 - 20	35 - 40	227	79	329
Sheila Stenson - Executive Director of Finance	2.5 - 5	2.5 - 5	25 - 30	55 - 60	276	77	378
Catherine Kinane - Executive Medical Director	2.5 - 5	12.5 - 15	55 - 60	175 - 180	932	188	1339
Mary Mumvuri - Executive Director of Nursing and Governance	0	0	0	0	0	0	0
Jacquie Mowbray-Gould - Chief Operating Officer	5 - 7.5	15 - 17.5	35 - 40	95 - 100	541	186	756
Sandra Goatley - Director of Workforce and Communications	0 - 2.5	0	5 - 10	0	58	23	99

c) Loss of office

There were no directors who had loss of office in 2018-19 or 2019-20.

d) Expenses of directors

The directors receive reimbursement of travel and incidental expenses incurred as a result of their duties. The values are shown on the page above.

e) Off payroll engagements

The Trust had no off-payroll engagements as at 31 March 2020 and had no new off-payroll engagements between 1 April 2019 and 31 March 2020, for more than £245 per day and that last longer than six months.

f) Exit packages - audited

Table 18

	2019-20		2018-19	
Exit package cost band (including any special payment element)	Number of compulsory redundancies	**Total number of exit packages**	Number of compulsory redundancies	**Total number of exit packages**
<£10,000	1	**1**	0	**0**
£10,001 - £25,000	2	**2**	1	**1**
£25,001 - 50,000	1	**1**	1	**1**
£50,001 - £100,000	0	**0**	0	**0**
£100,001 - £150,000	0	**0**	0	**0**
£150,001 - £200,000	0	**0**	0	**0**
>£200,000	0	**0**	0	**0**
Total number of exit packages by type	**4**	**4**	**2**	**2**
Total resource cost (£)	67000	**67000**	66000	**66000**

'Fair pay' (pay multiples) disclosures - audited

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded annualised remuneration of the highest paid director in the financial year 2019-20 was £175k-180k (2018-19, £175k - £180k). This was 7 times (2018-19, 7 times) the median remuneration of the workforce, which was £26,220 (2018-19, £24,915).

In 2019-20, 0 (2018-19, 0) employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £6k to £180k (2018-19 £6k to £180k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

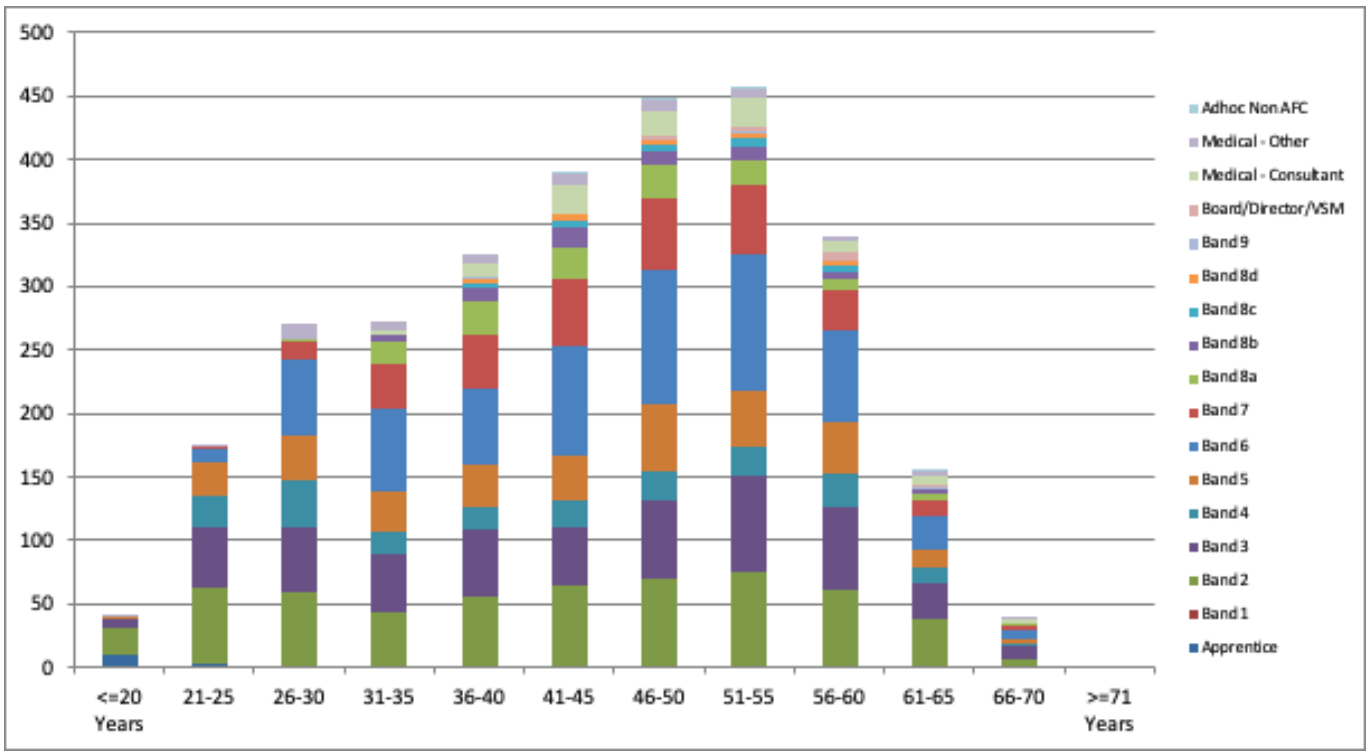
Staff report

Staff numbers by band and gender – audited - table 19

Sum of FTE			
	Female	Male	Grand Total
Apprentice	12.50	2.17	14.67
Band 1	0.00	0.00	0.00
Band 2	387.10	167.01	554.11
Band 3	383.08	106.81	489.89
Band 4	176.83	27.84	204.67
Band 5	251.55	65.79	317.35
Band 6	450.24	152.07	602.31
Band 7	218.73	86.81	305.54
Band 8a	102.92	27.03	129.95
Band 8b	41.68	20.90	62.58
Band 8c	18.27	9.09	27.36
Band 8d	13.02	8.89	21.91
Band 9	1.69	2.80	4.49
Board/Director/VSM	10.75	5.25	16.00
Medical - Consultant	37.18	60.55	97.74
Medical - Other	36.20	24.75	60.95
Adhoc Non-AFC	0.75	1.00	1.75
Grand Total	**2142.49**	**768.76**	**2911.24**

Source: Average full time equivalent (FTE) numbers during 2019-20 from the Electronic Staff Record (ESR)

Table 20 staff by age band



Source: Average full time equivalent (FTE) numbers during 2019-20 from the Electronic Staff Record (ESR)

Staff numbers by band and staff group – audited - table 21

Sum of FTE	Additionall Professional Scientific and Technic	Additional Clinical Services	Administrative and Clerical	Allied Health Professionals	Estates and Ancillary	Medical and Dental	Nursing and Midwifery Registered	Students	Grand Total
Apprentice	0.00	3.67	11.00	0.00	0.00	0.00	0.00	0.00	14.67
Band 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Band 2	0.00	303.66	99.42	0.00	132.42	0.00	0.00	18.61	554.11
Band 3	0.00	296.52	179.04	0.00	6.17	0.00	0.00	0.00	481.72
Band 4	0.00	87.74	109.16	0.00	3.58	0.00	0.00	0.00	200.48
Band 5	0.00	2.24	71.18	27.16	0.00	0.00	204.81	0.00	305.38
Band 6	0.00	2.64	67.47	94.39	1.00	0.00	418.88	0.00	584.37
Band 7	0.00	2.71	48.32	36.01	0.00	0.00	149.64	0.00	236.67
Band 8a	0.00	0.00	34.59	3.22	0.00	0.00	29.20	0.00	67.01
Band 8b	0.00	1.00	18.89	5.85	0.00	0.00	18.05	0.00	43.79
Band 8c	0.00	0.00	7.43	1.74	0.00	0.00	1.12	0.00	10.29
Band 8d	0.00	0.00	11.97	0.00	0.00	0.00	2.25	0.00	14.22
Band 9	0.00	0.00	2.20	0.00	0.00	0.00	0.00	0.00	2.20
Board/Director/VSM	0.00	0.00	15.00	0.00	0.00	0.00	1.00	0.00	16.00
Medical - Consultant	0.00	0.00	0.00	0.00	0.00	97.74	0.00	0.00	97.74
Medical - Other	0.00	0.00	0.00	0.00	0.00	60.95	0.00	0.00	60.95
Adhoc Non AFC	0.00	0.00	0.00	0.60	0.00	0.15	0.00	0.00	0.75
Grand Total	**0.00**	**700.17**	**675.67**	**168.96**	**143.17**	**158.83**	**824.93**	**18.61**	**2690.35**

Source: Average full time equivalent (FTE) numbers during 2019-20 from the Electronic Staff Record (ESR)

Staff by ethnicity - audited - table 22

Ethnic Origin	Sum of FTE	%	BME %
A White - British	2004.84	68.87%	
B White - Irish	37.44	1.29%	
C White - Any other White background	151.56	5.21%	
D Mixed - White & Black Caribbean	8.05	0.28%	
E Mixed - White & Black African	5.54	0.19%	
F Mixed - White & Asian	15.19	0.52%	
G Mixed - Any other mixed background	22.51	0.77%	
H Asian or Asian British - Indian	101.51	3.49%	
J Asian or Asian British - Pakistani	10.57	0.36%	
K Asian or Asian British - Bangladeshi	4.35	0.15%	**22.82%**
L Asian or Asian British - Any other Asian background	72.87	2.50%	
M Black or Black British - Caribbean	30.40	1.04%	
N Black or Black British - African	276.06	9.48%	
P Black or Black British - Any other Black background	56.02	1.92%	
R Chinese	5.40	0.19%	
S Any Other Ethnic Group	55.78	1.92%	
Z Not Stated	53.16	1.83%	
Grand Total	**2911.24**		

Source: Average full time equivalent (FTE) numbers during 2019-20 from the Electronic Staff Record (ESR)

c) Sickness absence data

We set a challenging target of 4.17 per cent staff absence rate in 2019-20. We achieved a rate of 4.54 per cent, which is a slight increase on 2018-19. We have introduced a 'Health and Wellbeing' pillar to the People Plan and are committed to supporting staff when they are unwell and do all that we can to help them return to work.

d) Expenditure on consultancy
Please refer to note 4.1 in the Annual Accounts.

Staff policies applied during the year

Policies applied for giving full and fair consideration for employment made by disabled persons	The Trust has a recruitment and selection policy, which sets out how we ensure fair recruitment practices throughout the attraction, selection and recruitment of candidates. This is reviewed through the electronic tracking 'TRAC' recruitment system. KMPT also reports the data as part of the new Workforce Disability Equality Standard.
Policies for continuing the employment of and for arranging training for employees who have become disabled persons during the period	KMPT adheres to the Equality Act 2010, and as such, line managers make reasonable adjustments and use referrals to the Occupational Health team to ensure the continued employment of employees who become disabled persons. In addition, the HR team provides direct support to staff affected and their managers.
Policies for the training, career development and promotion of disabled employees	There is equality of access to training for all staff.
Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees	The Trust augmented its internal communications activities during the year, including the introduction of new intranet system (i-connect).
Actions taken during the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests	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.
Information on health and safety performance occupational health	During the year, health and safety training was delivered to 98 per cent of staff. The Trust has 144 keyworkers trained in moving and handling. The health and safety department undertakes audits on the whole hospital in conjunction with the staff side chair. There are review meetings with the external occupational health provider, reviewing all elements of service, including nurse activity, turnaround times, patients failing to turn up for appointments and cancellations, medical activity, pre- employment screening, current management referral screening processes, and the production of medical reports. The performance of the service is regularly monitored via contract review meetings.
Information on policies and procedures with respect to countering fraud and corruption	The Trust has a whistleblowing policy in place. TiAA provide support services to KMPT.

Helen Greatorex, Chief Executive

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.

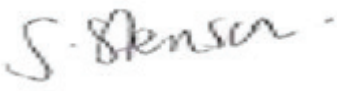
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They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

Helen Greatorex, Chief Executive Date: 24 June 2020



Sheila Stenson, Finance Director Date: 24 June 2020

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

We have audited the financial statements of Kent and Medway NHS and Social Care Partnership Trust (the 'Trust') for the year ended 31 March 2020, 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 Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2020 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020; 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. 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the Directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Trust's future operational arrangements.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Trust's future operational arrangements. However, no audit should be expected to predict the unknowable factors or all possible future implications for an entity associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going

concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 2019 to 2020 that the Trust's financial statements shall be prepared on a going concern basis, we considered the risks associated with the Trust's operating activities, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit. We analysed how those risks might affect the Trust's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

Emphasis of Matter – effects of Covid-19 on the valuation of land and buildings

We draw attention to Note 1.3.3 and Note 16 to the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of land and buildings as at 31 March 2020. As disclosed in Note 1.3.3 there is a material uncertainty declared by the external valuers due to COVID-19. Note 16 discloses the valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. The valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in global markets caused by the outbreak of COVID-19. As at the valuation date, the valuer considers that they can attach less weight to previous market evidence for comparison purposes to inform opinions of value. The values in the report have been used to inform the measurement of property assets at valuation in these statements. With the valuer having declared this material uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and considers this remains the best information to the Trust. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 2015 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 Improvement 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 IFRSs as adopted by the European Union, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2019 to 2020 and the requirements of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust gained through our work in relation to the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources, 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:

1. 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
2. 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
3. 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 the Directors and Those Charged with Governance for the financial statements

The Directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions, 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.

The Integrated Audit and Risk Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

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.

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 – Conclusion on 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 - 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 2020.

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

Responsibilities of the Accountable Officer

The 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(1)(c) and Schedule 13 paragraph 10(a) 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 and to report where we have not been able to satisfy ourselves that it has done so. 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 on the specified criterion issued by the Comptroller and Auditor General in April 2020, as to whether in all significant respects, the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020, and to report by exception where we are not satisfied.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to be satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Report on other legal and regulatory requirements – Certificate

We certify that we have completed the audit of the financial statements of Kent and Medway NHS and Social Care Partnership Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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.

Sarah Ironmonger

Key Audit Partner, for and on behalf of Grant Thornton UK LLP, Local Auditor

London

Date: 25 June 2020

Annual accounts for the year ending 31 March 2020

Statement of Comprehensive Income

	Note	2019-20 £000	2018-19 £000
Operating income from patient care activities	3	187,871	172,737
Other operating income	4	14,532	12,348
Operating expenses	6, 8	(211,980)	(180,256)
Operating surplus/(deficit) from continuing operations		**(9,577)**	**4,829**
Finance income	11	101	63
Finance expenses	12	(1,437)	(1,588)
PDC dividends payable		(3,500)	(3,663)
Net finance costs		**(4,836)**	**(5,188)**
Other gains / (losses)	13	(120)	1,370
Surplus / (deficit) for the year		**(14,533)**	**1,011**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(3,393)	(921)
Revaluations	16	7,728	-
Total comprehensive income / (expense) for the period		**(10,198)**	**90**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(14,533)	1,011
Remove net impairments not scoring to the Departmental expenditure limit		18,683	921
Remove I&E impact of capital grants and donations		88	94
Adjusted financial performance surplus / (deficit)		**4,238**	**2,026**

The reported performance of the Trust of £14.5m deficit differs from the financial performance of £4.2m surplus due to allowable technical adjustments.

The notes on pages 58 to 93 form part of these accounts.

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	14	461	854
Property, plant and equipment	15	122,971	135,842
Investment property	17	1,091	-
Receivables	18	403	443
Total non-current assets		**124,926**	**137,139**
Current assets			
Receivables	18	8,510	8,110
Cash and cash equivalents	19	15,678	12,545
Total current assets		**24,188**	**20,655**
Current liabilities			
Trade and other payables	20	(17,233)	(18,336)
Borrowings	22	(3,203)	(3,927)
Provisions	24	(1,208)	(588)
Other liabilities	21	(2,576)	(10)
Total current liabilities		**(24,220)**	**(22,861)**
Total assets less current liabilities		**124,894**	**134,933**
Non-current liabilities			
Borrowings	22	(10,941)	(11,837)
Provisions	24	(1,492)	(1,400)
Total non-current liabilities		**(12,433)**	**(13,237)**
Total assets employed		**112,461**	**121,696**
Financed by			
Public dividend capital		116,318	115,355
Revaluation reserve		18,622	13,714
Other reserves		(5,280)	(4,701)
Income and expenditure reserve		(17,199)	(2,672)
Total taxpayers' equity		**112,461**	**121,696**

The notes on pages 58 to 93 form part of these accounts.

The financial statements on pages 54 to 93 were approved the board on the 24th June 2020 and signed on its behalf by

Helen Greatorex, Chief Executive Date: 24 June 2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**115,355**	**13,714**	**(4,701)**	**(2,672)**	**121,696**
Surplus/(deficit) for the year	-	-	-	(14,533)	**(14,533)**
Other transfers between reserves	-	(6)	-	6	**-**
Impairments	-	(3,393)	-	-	**(3,393)**
Revaluations	-	7,728	-	-	**7,728**
Public dividend capital received	963	-	-	-	**963**
Other reserve movements *	-	579	(579)	-	**-**
Taxpayers' and others' equity at 31 March 2020	**116,318**	**18,622**	**(5,280)**	**(17,199)**	**112,461**

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**113,993**	**14,764**	**(4,701)**	**(3,812)**	**120,244**
Prior period adjustment	-	-	-	-	**-**
Taxpayers' and others' equity at 1 April 2018 - restated	**113,993**	**14,764**	**(4,701)**	**(3,812)**	**120,244**
Surplus/(deficit) for the year	-	-	-	1,011	**1,011**
Other transfers between reserves	-	(129)	-	129	**-**
Impairments	-	(921)	-	-	**(921)**
Public dividend capital received	1,362	-	-	-	**1,362**
Taxpayers' and others' equity at 31 March 2019	**115,355**	**13,714**	**(4,701)**	**(2,672)**	**121,696**

* Errors identified following a merger in 2006 are charged to an 'Other reserves'. The Department of Health and Social Care (DHSC) do not alter the initial Public Dividend Capital (PDC) value so this reserve is the means of identifying the over statement. During 2019-20 the Trust identified a property which it has not had formal ownership of since the merger and as such the property has been revalued to zero and the resulting negative revaluation reserve has been transferred to the 'Other reserves'.

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 (DHSC). A charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC 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 are charged to an 'Other reserve'. The DHSC do not alter the initial PDC value so this reserve is the means of identifying the over statement.

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

Statement of Cash Flows

	Note	2019-20 £000	2018-19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(9,577)	4,829
Non-cash income and expense:			
Depreciation and amortisation	6	5,689	5,742
Net impairments	7	18,683	2,563
(Increase) / decrease in receivables and other assets		(80)	324
Increase in payables and other liabilities		4,341	595
Increase / (decrease) in provisions		677	(314)
Net cash flows from operating activities		**19,733**	**13,739**
Cash flows from investing activities			
Interest received		101	63
Purchase of intangible assets		2	(222)
Purchase of PPE and investment property		(10,865)	(7,210)
Sales of PPE and investment property		1	6,408
Net cash flows (used in) investing activities		**(10,761)**	**(961)**
Cash flows from financing activities			
Public dividend capital received		963	1,362
Movement on loans from DHSC		(800)	(800)
Capital element of finance lease rental payments		(162)	(152)
Capital element of PFI, LIFT and other service concession payments		(655)	(681)
Interest on loans		(42)	(51)
Other interest		(5)	-
Interest paid on finance lease liabilities		(81)	(92)
Interest paid on PFI, LIFT and other service concession obligations		(1,277)	(1,419)
PDC dividend (paid) / refunded		(3,780)	(3,484)
Net cash flows (used in) financing activities		**(5,839)**	**(5,317)**
Increase in cash and cash equivalents		**3,133**	**7,462**
Cash and cash equivalents at 1 April - brought forward		**12,545**	**5,083**
Cash and cash equivalents at 31 March	19.1	**15,678**	**12,545**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The DHSC has directed that the financial statements of the Trust shall meet the accounting requirements of the DHSC Group Accounting Manual (GAM), which shall be agreed with HM Treasury.
Consequently, the following financial statements have been prepared in accordance with the GAM 2019-20 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

The Trust's annual report and accounts have been prepared on a going concern basis. Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents. In approving the Trust's financial statements, the board has made an assessment, and has satisfied itself that it is appropriate to prepare the financial statements on the going concern basis.

The Trust has delivered a surplus (after technical adjustments) of £4.2m. Prior to the COVID-19 outbreak the Trust had prepared financial plans and cash flow forecasts for the coming financial year with a forecast break even position. The breakeven position for 2020-21 includes £5.4m of Financial Recovery Fund allocation, as the Trust moves towards long term financial sustainability.

The Trust's opening cash balance of £15.7m and planned cash flow enable the capital programme to be financed without an external borrowing requirement.

The planning timetable has been extended due to COVID-19. This has therefore meant contract negotiations have not concluded by the 31st March 2020. NHS England and NHS Improvement have advised that trusts will be funded through a block contract for the first seven months of the financial year. The 2019-20 contracts terms and conditions remain in place. In addition trusts will be reimbursed for COVID-19 costs. All trusts must have sufficient backup for reimbursement. Once the system returns to business as usual providers will be expected to deliver a breakeven or surplus position and as such the Trust will work with partners in the local health economy and NHS England to finalise contracts covering the remainder of the financial year 2020-21, to give certainty around the income forecasts.

As directed by the DHSC GAM 2019-20, the directors have prepared the financial statements on a going concern basis as they consider that the services currently provided by the Trust will continue to be provided in the foreseeable future.

On 2nd April 2020, the DHSC and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 the existing DHSC interim revenue loan as at 31st March 2020 will be extinguished and replaced with the issue of PDC to allow the repayment. The affected loans totalling £2.307m are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

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

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's 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 assessment of the expectation on the Trust's ability to continue as a going concern, and
The valuation under a Modern Equivalent Asset on an Alternative Site basis.
The valuation of non specialised property assets on an Market Value for Existing Use basis.
The valuation of the investment property at fair value.
The valuation of the Private Finance Initiative assets on a net of VAT basis.

Note 1.3.2 Events after the reporting period (DHSC loans)

On 2nd April 2020, the DHSC and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020-21 financial year. During 2020-21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of PDC to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual (GAM) to advise this is considered an adjusting event after the reporting period for providers.

Outstanding interim loans totalling £2.307m as at 31st March 2020 in these financial statements remain classified as current as they will be repayable within 12 months.

Note 1.3.3 Sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year when arising, will be disclosed within the relevant note. The disclosure will include the nature of the assumption and the carrying amount of the asset/liability at the balance sheet date, sensitivity of the carrying amount to the assumptions, expected resolution of uncertainty and range of possible outcomes within the next financial year. The disclosure will also include an expectation of changes to past assumptions if the uncertainty remains unresolved.

Material areas including estimations with the 2019-20 accounts are as follows:

Property plant and equipment see Note 1.7 and Note 16, relating to alternative site valuation of non functional land and buildings.
Property plant and equipment Note 16, relating to the material valuation uncertainty declared by the external valuers due to COVID-19.
Private Finance Initiative (PFI) see Note 1.7.5 and Note 27.

Accruals see Note 1.6 and Note 20.

Provisions see Note 1.13 and Note 24.1.

Note 1.4.1 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.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

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.

Revenue from Provider Sustainability Fund and Financial Recovery Fund

The Provider Sustainability Fund (PSF) and the Financial Recovery Fund (FRF) enable NHS providers to earn income linked to the achievement of financial controls and performance targets. Access to both the general and targeted elements of PSF and FRF are unlocked as NHS providers meet their financial control totals. At each quarter, the allocated funding will be released upon achievement of the financial control total. In line with IFRS 15, PSF and FRF should be accounted for as variable consideration.

Note 1.4.2 Revenue grants and other contributions to expenditure

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.

Note 1.4.3 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.

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

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- 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; or
- items form part of the initial equipping and setting-up of a new building, ward or unit, irrespective of their individual or collective cost.

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

Note 1.7.2 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 amounts 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, 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.

The 5 year 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 this year, 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 has been 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. The Trust has opted to change in practice following a full review by the Trust's newly appointed valuer, Montagu Evans, and will be 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 15.1, 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.

In 2019-20 the Trust additionally adopted the alternative site for a vacant ward also on an Alternative Site Basis whereby the Trust would not hold more building space than is necessary for the delivery of services. This follows the economic principle of substitution. Without affecting services the building 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 income.

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.

Note 1.7.3 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 ie:
  - 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.

Note 1.7.4 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.

Note 1.7.5 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 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 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'.

Note 1.7.6 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 below:

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

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets

Note 1.8.1 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, eg 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, eg application software, is capitalised as an intangible asset.

Note 1.8.2 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.

Note 1.8.3 Useful economic life 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	-	5
Licences & trademarks	-	5

Note 1.9 Investment Property

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 1.10 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 1.11 Financial assets and financial liabilities

Note 1.11.1 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, ie, when receipt or delivery of the goods or services is made.

Note 1.11.2 Classification and measurement

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.

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.

Note 1.11.3 Derecognition

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.

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.

Note 1.12 Leases

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

Note 1.12.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as 'Property, plant and equipment' and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of Property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of Finance over the life of the lease. The annual finance cost is charged to 'Finance Costs' in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

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

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

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.12.2 The trust as lessor

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
Rental income from Operating leases is recognised on a straight-line 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.

Note 1.13 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.

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 1.14 Contingencies

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 1.15 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.

A charge, reflecting the cost of capital utilised by the Trust, is payable as PDC dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated 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, and
(iii) 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 1.16 Value added tax

Most of the activities of the Trust are outside the scope of Value Added Tax (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 1.17 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 1.18 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 1.19 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2019-20.

Note 1.20 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following standards and interpretations to be applied in 2019-20. These standards are still subject to HM Treasury FReM adoption and the government implementation date for IFRS 16 and IFRS 17 are still subject to HM Treasury consideration.

IFRS 14 *Regulatory Deferral Accounts* - Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable to DHSC group bodies.

IFRS 16 Leases

IFRS 16 *Leases* will replace IAS 17 *Leases,* IFRIC 4 *Determining whether an arrangement contains a lease and other interpretations* , and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the Statement of Financial Position for most leases. Some leases are exempt through application of practical expedients explained below. For those recognised in the Statement of Financial Position the standard also requires the recalculation of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021-22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust had prepared for IFRS16 by engaging all stakeholders in identifying finance leases as per the accounting standard. The schedules had been prepared in anticipation of the transition period as expected for 2020-21 accounts and testing had been undertaken of new systems and processes that would be required for implementation.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021-22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

IFRS 17 *Insurance Contracts* – Application required for accounting periods beginning on or after 1 January 2021, 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 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 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with the accounting policy in note 1.4.1

Note 3.1 Income from patient care activities (by nature)	2019-20 £000	2018-19 £000
Mental health services		
Cost and volume contract income	3,068	2,512
Block contract income	178,381	167,119
Clinical partnerships providing mandatory services (including S75 agreements)	678	741
All services		
Agenda for Change pay award central funding		2,365
Additional pension contribution central funding**	5,744	
Total income from activities	**187,871**	**172,737**

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers 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.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2019-20 £000	2018-19 £000
NHS England	32,059	23,704
Clinical commissioning groups	153,117	144,748
Department of Health and Social Care	119	2,420
Other NHS providers	1,785	917
Local authorities	273	236
Non-NHS: private patients	98	-
Non NHS: other	420	712
Total income from activities	**187,871**	**172,737**
Of which:		
Related to continuing operations	187,871	172,737

Note 4 Other operating income

	2019-20			2018-19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	682	-	**682**	461	-	**461**
Education and training	3,596	275	**3,871**	3,385	130	**3,515**
Non-patient care services to other bodies	2,233		**2,233**	2,203		**2,203**
Provider sustainability fund (PSF)	1,456		**1,456**	4,449		**4,449**
Financial recovery fund (FRF)	4,516		**4,516**	-		**-**
Income in respect of employee benefits accounted on a gross basis	247		**247**	274		**274**
Rental revenue from operating leases		1,211	**1,211**		1,206	**1,206**
Other income	316	-	**316**	240	-	**240**
Total other operating income	**13,046**	**1,486**	**14,532**	**11,012**	**1,336**	**12,348**
Of which:						
Related to continuing operations			**14,532**			**12,348**

Note 5 Additional information on contract revenue (IFRS 15) recognised in the period

	2019-20	2018-19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	10	45

Note 6 Operating expenses

	2019-20	2018-19
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	2,595	2,240
Purchase of healthcare from non-NHS and non-DHSC bodies	3,430	3,320
Staff and executive directors costs	150,251	138,798
Remuneration of non-executive directors	114	72
Supplies and services - clinical (excluding drugs costs)	2,148	1,891
Supplies and services - general	2,657	2,410
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	2,976	2,879
Consultancy costs	150	320
Establishment	5,451	3,831
Premises	8,220	8,145
Transport (including patient travel)	1,953	1,335
Depreciation on property, plant and equipment	5,321	5,256
Amortisation on intangible assets	368	486
Net impairments	18,683	2,563
Movement in credit loss allowance: contract receivables / contract assets	(7)	(38)
Increase/(decrease) in other provisions	352	(52)
Change in provisions discount rate(s)	97	(24)
Audit fees payable to the external auditor		
audit services- statutory audit	52	54
other auditor remuneration (external auditor only)	11	10
Internal audit costs	120	134
Clinical negligence	980	1,009
Legal fees	547	1,335
Insurance	238	246
Research and development	-	2
Education and training	1,516	678
Rentals under operating leases	1,928	1,820
Redundancy	67	66
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	1,057	986
Car parking & security	172	165
Hospitality	7	3
Losses, ex gratia & special payments	72	71
Other	454	245
Total	**211,980**	**180,256**
Of which:		
Related to continuing operations	211,980	180,256

The audit fees included within Note 6 above are reported as the gross position, the value excluding VAT for 2019-20 is £43k (2018-19 £45k).

Note 6.1 Other auditor remuneration

	2019-20 £000	2018-19 £000
Other auditor remuneration paid to the external auditor:		
2. Audit-related assurance services	11	10
Total	**11**	**10**

The other auditor remuneration included above, relates to assurance on the quality accounts and the grant certification on the 'PATH' project. They are reported as the gross position, the value excluding VAT for the quality accounts for 2019-20 is £6k (2018-19 £8k) and for the grant certification on the 'PATH' project for 2019-20 is £3k (2018-19 nil).

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2018-19: £2m).

Note 7 Impairment of assets

	2019-20 £000	2018-19 £000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	-	1,642
Changes in market price	18,683	921
Total net impairments charged to operating surplus / deficit	**18,683**	**2,563**
Impairments charged to the revaluation reserve	3,393	921
Total net impairments	**22,076**	**3,484**

Note 8 Employee benefits

	2019-20 Total £000	2018-19 Total £000
Salaries and wages	100,992	98,138
Social security costs	9,951	9,568
Apprenticeship levy	487	471
Employer's contributions to NHS pensions	18,881	12,756
Pension cost - other	31	16
Termination benefits	67	66
Temporary staff (including agency)	19,955	17,849
Total gross staff costs	**150,364**	**138,864**
Recoveries in respect of seconded staff	-	-
Total staff costs	**150,364**	**138,864**
Of which		
Costs capitalised as part of assets	46	-

Note 8.1 Retirements due to ill-health

During 2019-20 there were 2 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £188k (£251k in 2018-19).

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

Note 9 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 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 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 20.68%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Note 9.1 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 10 Operating leases

Note 10.1 Kent and Medway NHS and Social Care Partnership Trust as a 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 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.

	2019-20 £000	2018-19 £000
Operating lease revenue		
Other	1,211	1,206
Total	**1,211**	**1,206**

	31 March 2020 £000	31 March 2019 £000
Future minimum lease receipts due:		
- not later than one year;	1,211	1,206
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total	**1,211**	**1,206**

Note 10.2 Kent and Medway NHS and Social Care Partnership Trust as a lessee

This note discloses costs and commitments incurred in Operating lease arrangements where Kent and Medway NHS and Social Care Partnership Trust is the 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.

	2019-20 £000	2018-19 £000
Operating lease expense		
Minimum lease payments	1,928	1,820
Total	**1,928**	**1,820**

	31 March 2020 £000	* restated 31 March 2019 £000
Future minimum lease payments due:		
- not later than one year;	1,812	1,834
- later than one year and not later than five years;	2,712	3,000
- later than five years.	3,979	3,365
Total	**8,503**	**8,199**

Note 11 Finance income

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

	2019-20	2018-19
	£000	£000
Interest on bank accounts	101	63
Total finance income	**101**	**63**

Note 12.1 Finance expenditure

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

	2019-20	2018-19
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	39	47
Finance leases	81	92
Interest on late payment of commercial debt	5	-
Main finance costs on PFI and LIFT schemes obligations	721	763
Contingent finance costs on PFI and LIFT scheme obligations	556	656
Total interest expense	**1,402**	**1,558**
Unwinding of discount on provisions	35	30
Total finance costs	**1,437**	**1,588**

Note 12.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019-20	2018-19
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	5	-

Note 13 Other gains / (losses)

	2019-20	2018-19
	£000	£000
Gains on disposal of assets	4	1,377
Losses on disposal of assets	(124)	(7)
Total gains / (losses) on disposal of assets	**(120)**	**1,370**
Total other gains / (losses)	**(120)**	**1,370**

Note 14 Intangible assets - 2019-20

	Licences & trademarks £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	**2,205**	**4,162**	**6,367**
Additions		(2)	**(2)**
Disposals / derecognition	(839)	(955)	**(1,794)**
Valuation / gross cost at 31 March 2020	**1,366**	**3,205**	**4,571**
Amortisation at 1 April 2019 - brought forward	**1,917**	**3,596**	**5,513**
Provided during the year	79	289	**368**
Disposals / derecognition	(838)	(933)	**(1,771)**
Amortisation at 31 March 2020	**1,158**	**2,952**	**4,110**
Net book value at 31 March 2020	**208**	**253**	**461**
Net book value at 1 April 2019	**288**	**566**	**854**

Note 14.1 Intangible assets - 2018-19

	Licences & trademarks £000	Internally generated information technology £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	**1,956**	**4,055**	**6,011**
Prior period adjustments	-	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**1,956**	**4,055**	**6,011**
Additions	191	31	**222**
Reclassifications	58	76	**134**
Valuation / gross cost at 31 March 2019	**2,205**	**4,162**	**6,367**
Amortisation at 1 April 2018 - as previously stated	**1,738**	**3,289**	**5,027**
Prior period adjustments	-	-	**-**
Amortisation at 1 April 2018 - restated	**1,738**	**3,289**	**5,027**
Provided during the year	179	307	**486**
Amortisation at 31 March 2019	**1,917**	**3,596**	**5,513**
Net book value at 31 March 2019	**288**	**566**	**854**
Net book value at 1 April 2018	**218**	**766**	**984**

Note 15.1 Property, plant and equipment - 2019-20

	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 2019 - brought forward	**23,286**	**117,581**	**4,211**	**1,364**	**196**	**11,049**	**1,931**	**159,618**
Additions	-	5,312	1,834	52	-	753	36	**7,987**
Impairments charged to operating expenses	(3,933)	(14,750)	-	-	-	-	-	**(18,683)**
Impairments charged to the revaluation reserve	(507)	(2,886)	-	-	-	-	-	**(3,393)**
Revaluations	945	(7,176)	-	(27)	-	-	(26)	**(6,284)**
Reclassifications	(327)	3,302	(4,101)	35	-	-	-	**(1,091)**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(105)	-	-	(20)	-	-	**(125)**
Valuation/gross cost at 31 March 2020	**19,464**	**101,278**	**1,944**	**1,424**	**176**	**11,802**	**1,941**	**138,029**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**14,626**	**-**	**951**	**186**	**6,546**	**1,467**	**23,776**
Provided during the year	-	3,456	-	135	6	1,567	157	**5,321**
Revaluations	-	(13,959)	-	(27)	-	-	(26)	**(14,012)**
Disposals / derecognition	-	(7)	-	-	(20)	-	-	**(27)**
Accumulated depreciation at 31 March 2020	**-**	**4,116**	**-**	**1,059**	**172**	**8,113**	**1,598**	**15,058**
Net book value at 31 March 2020	**19,464**	**97,162**	**1,944**	**365**	**4**	**3,689**	**343**	**122,971**
Net book value at 1 April 2019	**23,286**	**102,955**	**4,211**	**413**	**10**	**4,503**	**464**	**135,842**

Note 15.2 Property, plant and equipment - 2018-19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**24,126**	**115,596**	**7,120**	**1,292**	**242**	**10,018**	**1,795**	**160,189**
Prior period adjustments	-	-	-	-	-	-	-	**-**
Valuation / gross cost at 1 April 2018 - restated	**24,126**	**115,596**	**7,120**	**1,292**	**242**	**10,018**	**1,795**	**160,189**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Additions	-	3,554	4,163	119	-	1,829	178	**9,843**
Impairments charged to operating expenses	-	(921)	(1,642)	-	-	-	-	**(2,563)**
Impairments charged to the revaluation reserve	-	(921)	-	-	-	-	-	**(921)**
Reclassifications	-	4,466	(5,430)	-	-	830	-	**(134)**
Disposals / derecognition	(840)	(4,193)	-	(47)	(46)	(1,628)	(42)	**(6,796)**
Valuation/gross cost at 31 March 2019	**23,286**	**117,581**	**4,211**	**1,364**	**196**	**11,049**	**1,931**	**159,618**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**11,265**	**-**	**880**	**223**	**6,596**	**1,319**	**20,283**
Prior period adjustments	-	-	-	-	-	-	-	**-**
Accumulated depreciation at 1 April 2018 - restated	**-**	**11,265**	**-**	**880**	**223**	**6,596**	**1,319**	**20,283**
Provided during the year	-	3,361	-	118	9	1,578	190	**5,256**
Disposals / derecognition	-	-	-	(47)	(46)	(1,628)	(42)	**(1,763)**
Accumulated depreciation at 31 March 2019	**-**	**14,626**	**-**	**951**	**186**	**6,546**	**1,467**	**23,776**
Net book value at 31 March 2019	**23,286**	**102,955**	**4,211**	**413**	**10**	**4,503**	**464**	**135,842**
Net book value at 1 April 2018	**24,126**	**104,331**	**7,120**	**412**	**19**	**3,422**	**476**	**139,906**

Note 15.3 Property, plant and equipment financing - 2019-20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020								
Owned - purchased	18,855	71,676	1,944	259	4	3,673	241	**96,652**
Finance leased	-	777	-	-	-	-	1	**778**
On-SoFP PFI contracts and other service concession arrangements	-	24,484	-	106	-	16	101	**24,707**
Owned - donated	609	225	-	-	-	-	-	**834**
NBV total at 31 March 2020	**19,464**	**97,162**	**1,944**	**365**	**4**	**3,689**	**343**	**122,971**

Note 15.4 Property, plant and equipment financing - 2018-19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019								
Owned - purchased	22,696	75,693	4,211	300	10	4,482	313	**107,705**
Finance leased	-	907	-	4	-	-	2	**913**
On-SoFP PFI contracts and other service concession arrangements	-	24,886	-	109	-	21	149	**25,165**
Owned - donated	590	1,469	-	-	-	-	-	**2,059**
NBV total at 31 March 2019	**23,286**	**102,955**	**4,211**	**413**	**10**	**4,503**	**464**	**135,842**

Note 16 Revaluations of property, plant and equipment

Montagu Evans LLP, who is a member of the RICS and is independent of the Trust, undertook a full valuation of the Trust's land and buildings as at 31st March 2020. The last full valuation was undertaken by the previous valuer Boshier & Co, MRICS as at 31st March 2015, with a 'desktop' valuation as at 31st March 2018. 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.

In 2019-20 as part of the valuation the Trust adopted the assumption that all separable office space would be valued as non specialised property assets and valued at market value for existing use.

Overall the valuation has contributed to net downward movement of £13.6m of which £18.7m was an impairment to the Statement of Comprehensive Income.

The valuation exercise was carried out in March 2020 with a valuation date of 31st March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (‘Red Book’), the valuer has declared a ‘material valuation uncertainty’ in the valuation report. This is on the basis of uncertainties in global markets caused by the outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, the valuer considers that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Note 17 Investment Property

	2019-20	2018-19
	£000	£000
Carrying value at 1 April - brought forward	**-**	**-**
Reclassifications to/from PPE	1,091	-
Carrying value at 31 March	**1,091**	**-**

As part of the of the valuation undertaken as at 31st March 2020, one building held for rental purposes has been reclassified from property, plant and equipment to an Investment Property. This change was instructed by management to reflect the Trust's decision to rent this building to other parties and hold purely for that purpose.

Note 18 Trade receivables and other receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	6,000	6,708
Allowance for impaired contract receivables / assets	(546)	(1,525)
Deposits and advances	-	30
Prepayments (non-PFI)	1,915	1,704
PDC dividend receivable	439	159
VAT receivable	569	919
Other receivables	133	115
Total current receivables	**8,510**	**8,110**
Non-current		
Contract assets	353	443
Other receivables	50	-
Total non-current receivables	**403**	**443**
Of which receivable from NHS and DHSC group bodies:		
Current	5,529	6,683
Non-current	50	-

Following the application of IFRS 15 from 1 April 2018, the Trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

The great majority of trade is with Clinical Commissioning Groups (CCGs) as commissioners for NHS patient care services. As CCGs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 18.1 Allowances for credit losses

	2019-20	2018-19	
	Contract receivables and contract assets	Contract receivables and contract assets	All other receivables
	£000	£000	£000
Allowances as at 1 April - brought forward	**1,525**	**-**	**2,611**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018		2,611	(2,611)
New allowances arising	699	1,906	-
Changes in existing allowances	-	24	-
Reversals of allowances	(706)	(1,968)	-
Utilisation of allowances (write offs)	(972)	(1,048)	-
Allowances as at 31 Mar 2020	**546**	**1,525**	**-**

Note 18.2 Non-current assets held for sale and assets in disposal groups

	2019-20 £000	2018-19 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	**-**	**5**
Assets sold in year	-	(5)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**

Note 19 Cash and cash equivalents movements

Note 19.1 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.

	2019-20 £000	2018-19 £000
At 1 April	**12,545**	**5,083**
Net change in year	3,133	7,462
At 31 March	**15,678**	**12,545**
Broken down into:		
Cash at commercial banks and in hand	38	94
Cash with the Government Banking Service	15,640	12,451
Total cash and cash equivalents as in SoFP	**15,678**	**12,545**
Total cash and cash equivalents as in SoCF	**15,678**	**12,545**

Note 19.2 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 2020 £000	31 March 2019 £000
Total third party assets	**170**	**185**

Note 20 Trade and other payables

	2020 £000	2019 £000
Current		
Trade payables	5,617	4,646
Capital payables	2,184	5,062
Accruals	5,216	4,452
Social security costs	1,356	1,249
Other taxes payable	1,030	998
Other payables	1,830	1,929
Total current trade and other payables	**17,233**	**18,336**
Of which payables from NHS and DHSC group bodies:		
Current	3,061	2,698

Note 21 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	2,576	10
Total other current liabilities	**2,576**	**10**

Note 22 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Loans from DHSC	2,307	3,110
Obligations under finance leases	173	162
Obligations under PFI, LIFT or other service concession contracts	723	655
Total current borrowings	**3,203**	**3,927**
Non-current		
Obligations under finance leases	823	996
Obligations under PFI, LIFT or other service concession contracts	10,118	10,841
Total non-current borrowings	**10,941**	**11,837**

Note 22.1 Reconciliation of liabilities arising from financing activities - 2019-20

	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	**3,110**	**1,158**	**11,496**	**15,764**
Cash movements:				
Financing cash flows - payments and receipts of principal	(800)	(162)	(655)	**(1,617)**
Financing cash flows - payments of interest	(42)	(81)	(721)	**(844)**
Non-cash movements:				
Application of effective interest rate	39	81	721	**841**
Carrying value at 31 March 2020	**2,307**	**996**	**10,841**	**14,144**

Note 22.2 Reconciliation of liabilities arising from financing activities - 2018-19

	Loans from DHSC £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	**3,900**	**1,310**	**12,177**	**17,387**
Cash movements:				
Financing cash flows - payments and receipts of principal	(800)	(152)	(681)	**(1,633)**
Financing cash flows - payments of interest	(51)	(92)	(763)	**(906)**
Non-cash movements:				
Impact of implementing IFRS 9 on 1 April 2018	14	-	-	**14**
Application of effective interest rate	47	92	763	**902**
Carrying value at 31 March 2019	**3,110**	**1,158**	**11,496**	**15,764**

Note 23 Finance leases

Note 23.1 Kent and Medway NHS and Social Care Partnership Trust as a lessee

Obligations under Finance leases where Kent and Medway NHS and Social Care Partnership Trust is the lessee.

There are no contingent rent obligations.
Options for renewal are as per the standard Landlord and Tenant Act 1954 and none have the option to purchase.
All properties are restricted for use as healthcare facilities.

	31 March 2020 £000	31 March 2019 £000
Gross lease liabilities	**1,215**	**1,458**
of which liabilities are due:		
- not later than one year;	243	243
- later than one year and not later than five years;	972	972
- later than five years.	-	243
Finance charges allocated to future periods	(219)	(300)
Net lease liabilities	**996**	**1,158**
of which payable:		
- not later than one year;	173	162
- later than one year and not later than five years;	823	769
- later than five years.	-	227

Littlebrook Hospital PFI - Scheme 1
In 2025, after the completion of the 25 years life cycle, the Project Agreement becomes a normal Finance Lease Agreement for the 100 years remaining residual life regulated by IFRS 16 - Leases. An option appraisal is to be undertaken nearer the date of completion, therefore the future commitment relating to this agreement has not been disclosed in Note 23 above.

Note 24.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs	Legal claims	Other	Total
	£000	£000	£000	£000
At 1 April 2019	**1,521**	**222**	**245**	**1,988**
Change in the discount rate	**97**	**-**	**-**	**97**
Arising during the year	**37**	**416**	**378**	**831**
Utilised during the year	(124)	(52)	-	**(176)**
Reversed unused	**-**	**(62)**	**(13)**	**(75)**
Unwinding of discount	**35**	**-**	**-**	**35**
At 31 March 2020	**1,566**	**524**	**610**	**2,700**
Expected timing of cash flows:				
- not later than one year;	124	524	**560**	**1,208**
- later than one year and not later than five years;	496	-	**-**	**496**
- later than five years.	946	-	**50**	**996**
Total	**1,566**	**524**	**610**	**2,700**

Early Departure Costs represent pension liabilities for injury benefits.
Legal Claims reflect LTPS 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 clinicians pension provision.

Note 24.2 Clinical negligence liabilities

At 31st March 2020, £3,498k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Kent and Medway NHS and Social Care Partnership Trust (31st March 2019: £1,761k).

Note 25 Contingent assets and liabilities

	31 March 2020	31 March 2019
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(56)	(77)
Other	(855)	(1,100)
Net value of contingent liabilities	**(911)**	**(1,177)**

Contingent liabilities relate to £56k (£77k 2018-19) LTPS notified by NHS Resolution and £0.9m (£1.1m 2018-19) dilapidation costs for future years.

Note 26 Contractual capital commitments

	31 March 2020	31 March 2019
	£000	£000
Property, plant and equipment	159	1,158
Total	**159**	**1,158**

Note 27 On-SoFP PFI, LIFT or other service concession arrangements

The Trust has committed to two PFI Schemes.

Scheme 1 comprises the provision of an acute psychiatric hospital at Bow Arrow Lane, Dartford. Under the agreement, some services are provided to the hospital. Certain rights and obligations are accorded to the Trust under back to back arrangements with the PFI consortium.

Scheme 1 : Littlebrook Hospital	**2019-20**	2018-19
	£000s	£000s
Estimated Capital value of the PFI Scheme at the start of the contract	**7,542**	7,542
Contract start date:		**06/03/2000**
Contract end date:		**06/06/2025**

After the completion of the 25 years life-cycle, the Project Agreement becomes a normal Lease Agreement (Finance Lease) for the remaining 100 year residual life.

Scheme 2 : Replacement of Stone House Hospital

The Trust replaced the old Stone House Hospital in two stages:

Stage 1 was carried out as a variation order under Dartford and Gravesham PFI Project Agreement. It related to the construction of a mental health assessment unit and a renal dialysis unit on the Darent Valley Hospital site. The scheme was completed in April 2005 at a cost of £5.4m. Stage 1 was funded by public capital, rather than private finance, and was capitalised on the Trust's Statement of Financial Position in 2005-06. Dartford and Gravesham NHS Trust recharges the Trust for all facility services and other costs provided under the PFI agreement.

Stage 2 is the PFI scheme 2 and comprises the provision of a mental health continuing care unit, a mental health rehabilitation unit, a learning disabilities forensic unit in phase 1 and an inpatient addiction unit in phase 2. The phase 2 inpatient addiction unit, which was provided as a variation under the Project Agreement, opened on 2nd July 2007. Hard facilities management services are provided to the units under the project agreement.

	2019-20	2018-19
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**

	2019-20	2018-19
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 2020 £000	31 March 2019 £000
Gross PFI, LIFT or other service concession liabilities	**16,556**	**17,932**
Of which liabilities are due		
- not later than one year;	1,404	1,376
- later than one year and not later than five years;	5,947	5,905
- later than five years.	9,205	10,651
Finance charges allocated to future periods	(5,715)	(6,436)
Net PFI, LIFT or other service concession arrangement obligation	**10,841**	**11,496**
- not later than one year;	723	655
- later than one year and not later than five years;	3,753	3,490
- later than five years.	6,365	7,351

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 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**46,593**	**49,857**
Of which payments are due:		
- not later than one year;	3,397	3,395
- later than one year and not later than five years;	13,869	13,543
- later than five years.	29,327	32,919

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:

	2019-20 £000	2018-19 £000
Unitary payment payable to service concession operator	**2,989**	**3,086**
Consisting of:		
- Interest charge	721	763
- Repayment of balance sheet obligation	655	681
- Service element and other charges to operating expenditure	1,057	986
- Contingent rent	556	656
Total amount paid to service concession operator	**2,989**	**3,086**

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 CCGs and the way those CCGs 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 2020 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 CCGs, 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.

Note 28.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	5,587	-	**5,587**
Cash and cash equivalents	15,678		**15,678**
Total at 31 March 2020	**21,265**	**-**	**21,265**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	5,741	-	**5,741**
Cash and cash equivalents	12,545	-	**12,545**
Total at 31 March 2019	**18,286**	**-**	**18,286**

Note 28.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	2,307	**2,307**
Obligations under finance leases	996	**996**
Obligations under PFI, LIFT and other service concession contracts	10,841	**10,841**
Trade and other payables excluding non financial liabilities	13,017	**13,017**
Total at 31 March 2020	**27,161**	**27,161**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,110	**3,110**
Obligations under finance leases	1,158	**1,158**
Obligations under PFI, LIFT and other service concession contracts	11,496	**11,496**
Trade and other payables excluding non financial liabilities	14,397	**14,397**
Total at 31 March 2019	**30,161**	**30,161**

Note 29 Losses and special payments

	2019-20		2018-19	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	22	3	24	10
Bad debts and claims abandoned	10	2	19	7
Total losses	**32**	**5**	**43**	**17**
Special payments				
Ex-gratia payments	30	67	22	54
Total special payments	**30**	**67**	**22**	**54**
Total losses and special payments	**62**	**72**	**65**	**71**
Compensation payments received		-		-

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. **There has been one transaction where the payment made by the Trust was material to a related party, Dead Ernest Ltd, amounting to £11,156 in respect of board development work.** This was a one off engagement and the Trust has no ongoing relationship with this party.

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:

Note 30.1 Related Party Income

Health Education England
NHS Ashford Clinical Commissioning Group
NHS Canterbury and Coastal Clinical Commissioning Group
NHS Dartford, Gravesham & Swanley Clinical Commissioning Group
NHS Thanet Clinical Commissioning Group
NHS Swale Clinical Commissioning Group
NHS West Kent Clinical Commissioning Group
NHS South Kent Coast Clinical Commissioning Group
NHS Medway Clinical Commissioning Group
NHS England (including CSUs)
Department of Health and Social Care

Note 30.2 Related Party Expenditure

NHS Pensions Scheme

Note 30.3 Events after the reporting date

There are non-adjusting material events after the reporting date and are disclosed in Note 1.3.2.

Note 31 Better Payment Practice code

Non-NHS Payables	2019-20 Number	2019-20 £000	2018-19 Number	2018-19 £000
Total non-NHS trade invoices paid in the year	13,954	58,531	18,513	53,885
Total non-NHS trade invoices paid within target	13,061	56,282	16,890	52,213
Percentage of non-NHS trade invoices paid within target	93.6%	96.2%	91.2%	96.9%
NHS Payables				
Total NHS trade invoices paid in the year	1,308	8,360	1,227	6,317
Total NHS trade invoices paid within target	1,267	8,127	1,167	6,150
Percentage of NHS trade invoices paid within target	96.9%	97.2%	95.1%	97.4%

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 32 External financing limit

The Trust is given an External financing limit against which it is permitted to underspend

	2019-20 £000	2018-19 £000
Cash flow financing	(3,787)	(7,733)
External financing requirement	**(3,787)**	**(7,733)**
External financing limit (EFL)	7,619	1,637
Under spend against EFL	**11,406**	**9,370**

Note 33 Capital Resource Limit

	2019-20 £000	2018-19 £000
Gross capital expenditure	7,985	10,065
Less: Disposals	(121)	(5,038)
Charge against Capital Resource Limit	**7,864**	**5,027**
Capital Resource Limit	8,298	5,826
Under spend against CRL	**434**	**799**

Note 34 Breakeven duty financial performance

	2019-20 £000	2018-19 £000
Adjusted financial performance surplus (control total basis)	4,238	2,026
Remove impairments scoring to Departmental Expenditure Limit	-	1,642
IFRIC 12 breakeven adjustment	389	295
Breakeven duty financial performance surplus	**4,627**	**3,963**

Note 35 Breakeven duty rolling assessment

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019-20
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	13	538	1,202	1,607	902	(4,180)	(3,311)	(1,224)	3,963	4,627
Breakeven duty cumulative position	3,913	4,451	5,653	7,260	8,162	3,982	671	(553)	3,410	8,037
Operating income	182,204	178,468	172,902	174,924	178,674	181,334	183,103	181,034	185,085	202,403
Cumulative breakeven position as a percentage of operating income	2.1%	2.5%	3.3%	4.2%	4.6%	2.2%	0.4%	(0.3%)	1.8%	4.0%

Glossary

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

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

Give us your feedback

There are many ways you can let us have your feedback. Each of our wards and services have PREM cards at their reception for you to complete. This card asks you specific questions about your care and we review each comment to enable us to continually review and improve our services. You can also do this online at www.kmpt.nhs.uk/prem

Compliments and concerns

Our staff are also at hand to listen to your comments. If you feel unable to speak with the team providing your care and would rather speak to the PALS and complaints team, please contact us and we will support you through the process.

All complaints will be carefully listened to and thoroughly investigated.

If you have something positive to say about our service, we would love to hear from you. Please speak to staff or log your compliment at www.kmpt.nhs.uk/feedback

East Kent: 0800 783 9972

West Kent and Medway: 0800 587 6757

Email: kmpt.pals.kmpt@nhs.net

PALS and Complaints Team
Eastern and Coastal Area Offices
St Martins Hospital
Littlebourne Road
Canterbury
Kent CT1 1AZ

Please call **01622 724131** if you would like this leaflet in a different language or format.

Visit us at www.kmpt.nhs.uk

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