NHS
Kent and Medway
NHS and Social Care Partnership Trust

Annual Report
2020-21

Brilliant care through brilliant people

CONTENTS

Welcome

This year's Annual Report covers an unprecedented and historic twelve months; twelve months that no one could have imagined and twelve months that have shaped and sharpened how we, KMPT, think about what we do and how we do it. It was a year too that included some truly remarkable acts of kindness and altruism both in KMPT and beyond, and twelve months that were also witness to the loss of so many.

To deliver Brilliant care through brilliant people has long been our mission and never has that simply stated intention been more important than in those unprecedented twelve months.

During 2020-2021, the world faced a global pandemic and the National Health Service here in the UK faced the most significant challenge in its history. For us in KMPT, we held fast to our aim and focused on keeping our patients, service users, clients and their loved ones safe. We focused too on keeping ourselves and each other safe.

This was also a time in which we in KMPT, along with the world, started to think and talk more openly about what it means to be a truly diverse and inclusive organisation. One where the experience and feedback of every single one of us is afforded the same status and importance and where diversity in all its forms is embraced and celebrated. Our work on becoming that organisation is in progress. It is exciting and engaging work and it is starting to show signs of making real differences as it unfolds.

Throughout the pandemic, our services remained open and we found new and creative ways to work. We kept people at the heart of what we were doing, and we steadfastly remembered our aim, to deliver Brilliant care through brilliant people.

It is against that historic backdrop that this Annual Report is shared, and it is shared with enormous gratitude to all those who supported and encouraged all of us in KMPT through this remarkable and unprecedented year. To all our friends in the community, to the local businesses, MPs, schools, voluntary groups and hospital friends we offer sincere thanks. To our service users, their loved ones and our staff, we formally record here, our thanks for their continued support of KMPT. It is your feedback and focus that enables us to hone our approach to ensure that we consistently deliver Brilliant care through our brilliant people.

Helen Greatorex
Chief Executive

THE PERFORMANCE REPORT

Annual overview

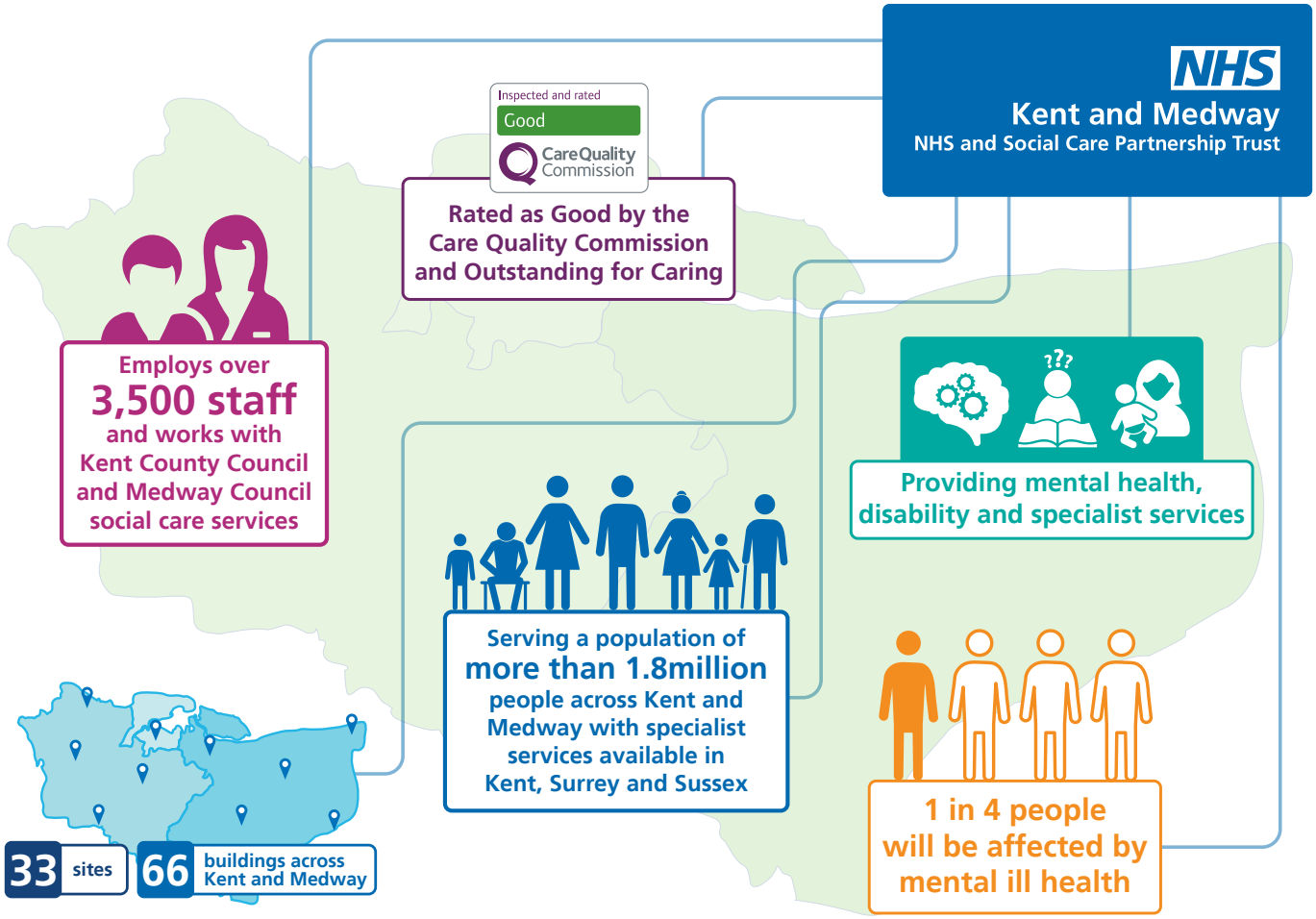
Kent and Medway NHS and Social Care Partnership Trust is a mental health Trust that provides mental health, learning disability, substance misuse and specialist services to approximately 1.8 million people across Kent and Medway.

Working in partnership with Kent County Council and the unitary authority in Medway, we are commissioned by Kent and Medway Clinical Commissioning Group (previously eight local commissioning groups) and NHS Specialist Commissioning. We have an annual income of £194.6 million and employ approximately 3,500 staff who either work from home or across 66 buildings on 33 sites.

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

Throughout the COVID-19 pandemic we have adapted the way we are working, ensuring our services continue to be as accessible as possible to those who need them. We have embraced technology and have listened to our staff and patients to continually improve how we deliver our services during this difficult time.

With the introduction of our Quality Improvement programme, we have begun outlining our first quality improvement projects, ensuring the patient is always at the heart of everything we do. To support this work, our Participation and involvement strategy has been rolled out which has seen changes to how we work with volunteers, patients and carers. Working together with our staff, we look forward to seeing further service improvements for mental health, learning disability, substance misuse and specialist services in the coming year.



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

The COVID-19 pandemic has challenged all healthcare providers to not only respond with urgency to the crisis but to also think far more creatively about how they could continue to provide the very best services while putting the needs and safety of everyone they support at the heart of every decision made.

In response to the pandemic, the Clinical care groups, those services that provide the care and support to people, rose to the challenge with a single aim; to provide safe and effective services within an ever changing situation. Within weeks digital options, telephone and video, were in place to provide treatment and support. The operating procedures to make sure we continued to work effectively and safely were rewritten to adapt to this new and every shifting environment to ensure our staff and people using services were safe and importantly meant during the pandemic.

The safety and wellbeing of people using our carers, visitors, staff and services has remained the primary concern of our clinical teams who have worked hard to ensure services remained person-centred and were delivered face-to-face where required.

Ensuring that the Trust has the right skill mix across its workforce has been essential and the work to ensure we are not only recruiting the very best people but placing them where they were most needed across the organisation to deliver the biggest positive impact, has been ongoing.

Our clinical services have continued to develop and learn throughout the pandemic to improve on the new ways of working alongside maintaining development work already in progress pre COVID-19. The Single Point of Access service adapted to offer a public facing crisis phone line; receiving double the volume of calls within its first month. This important and valued adaptation has been sustained ever since and work is now in place to embed this postive new way of working. Community teams offered some evening and weekend working and we are looking at ways this can also be continued. Not forgetting our urgent care and inpatient teams who adapted quickly to ensure people with COVID-19 and a serious mental illness had the best care possible.

In addition, we have not slowed in our pace to develop much needed improvements to our mental heath services as set out by NHS England and in line with the NHS long term plan and strategies; the learning from COVID-19 will be built into our Community mental health transformation work as an example.

Our Clinical Care Pathway Programme, which offers clear and consistent therapeutic care across all services, has been developed at pace despite the challenge of COVID-19, with a comprehensive roll out programme of therapeutic interventions across Community mental health teams throughout Kent and Medway.

It is clear, robust and innovation transformation work such as this that has stood us in good stead and will continue to ensure we remain strong, resilient and agile in the many months to come as we move into the next financial year and beyond.

Support for staff during COVID-19

The support from our communities has been vital in helping staff to keep going during these difficult times. All our staff were overwhelmed at the incredible outpouring of support from patients, families and even those who have never had contact with the Trust before.

It was the unexpected and generous actions that really made an impact. Just like Emma Davis, team leader for Thanet community rehabilitation services. When the cam belt gave up on her car, her colleagues appealed on Facebook for any cheap cars for sale.

A man called David responded to say he was shielding with his wife and would not need his Vauxhall Corsa for the next couple of months during the lockdown – so would Emma like to borrow it.

He even wrote to the chief executive of Admiral Insurance to successfully secure free cover for Emma. There was a full tank of fuel and he threw in his CD collection.

Emma said: "I was so overcome I cried all the way home after picking it up. This will keep the whole team going, he has given us hope and from the bottom of my heart I am so grateful."

Staff who work on acute hospital sites made sure they supported their colleagues and joined in with recognising all NHS staff during 'clap for our NHS'. Here our staff in Dartford celebrate with our acute colleagues at Darent Valley Hospital.

Voluntary services during COVID-19

Our amazing team of volunteers were unable to continue in their normal roles within wards and with our patients. Instead, they pulled together and helped both patients and staff during the pandemic.

Our community teams quickly identified patients who may benefit from additional support during the pandemic and volunteers helped our staff to stay in contact with them through check in phone calls and shopping trips. Appreciation was expressed that the contacts made people feel less isolated.

Volunteer drivers played an important role in ensuring much needed public protection equipment across our inpatient and rehabilitation sites.

Other support included helping with distributing donations and helping with administrative duties. All of which wouldn't have been achieved without their valuable assistance.

Strategically the service has focused on developing the range of voluntary opportunities we offer and implementing new training to support volunteer projects such as Life Stories.

Organisational strategy

We are pleased to have now developed our Organisational strategy for 2020-23 which will, in partnership with our NHS, local authority and community partners, help us develop accessible, high quality services ensuring our communities have access to what they need to stay physically and mentally fit and well.

Our strategy has been developed to align with national policies and priorities and will be continually reviewed as we take into account emerging themes, evidence and insights resulting from COVID-19, and any other changes which impact how we deliver our services and within our communities.

You can access our Organisational strategy on our website.

You can also view a summary and easy read document.

Aim 1: Quality

Consistently deliver outcomes that matter to people through outstanding quality of care that is underpinned by a mature approach to quality improvement

- Quality improvement
- Research and development
- Excellence
- Clinical care pathways
- Health inequalities
- Clinicial strategies

Vision:
To work with our partners across Kent and Medway to deliver Brilliant care through brilliant people.

Aim 2: Use our expertise to lead and partner

Partner effectively with other organisations in Kent and Medway to design and implement innovative primary and community care models for mental health, learning disability and substance misuse

Aim 3: Integration

Support the integration of mental and physical health services across Kent and Medway to deliver seamless care for our service users and carers and support delivery of the NHS Long Term Plan

Meeting the needs of our diverse population

Build Kent and Medway Partnerships

Research and Innovation

This year we were delighted to have recruited our largest number of KMPT service users, their family members, carers and our staff, giving 1311 the opportunity to get involved in research.

We have been especially proud to support several of the national and global COVID-19 studies with our data reported directly into the Scientific Advisory Group for Emergencies (SAGE). We were the only Kent site to support Virus Watch's investigation into the spread of coronavirus within communities and how social distancing affects the risk of infection. Its aim – to understand community incidence, symptom profiles, and transmission of COVID-19 in relation to population movement and behaviour.

Our Clinical Research Practitioners

KMPT acted as a pilot site for this NHS-wide initiative and now has six of the first ever professionally accredited clinical research practitioners (CRPs) under the Academy for Healthcare Science.

CRPs play an essential part in the delivery of research. They hold a patient-facing role and work alongside nurses and other clinical professionals to deliver the safe, ethical and high quality clinical research care that is transforming treatment and patient care within the NHS.

KMPT as research sponsor

In September 2020 we formally became a research sponsoring organisation.

This is a great development for KMPT with us now having in place the appropriate procedures, systems and capacity to consider sponsorship of research studies.

"PATH" (PerinAtal menTal Health)

In the last year, we have successfully launched the first PATH study which aims to evaluate the effectiveness of the PATH multimedia campaign relating to stigma of mental ill health for parents. On the NIHR Portfolio we have 16 sites across the south of England involved in recruitment. The first wave of the study is open; we have already achieved our proposed sample size and our numbers of participants continue to rise.

Using lived experience narrative

Our Senior research nurse, Alison, has led on the development of four pieces of co-authored work into the impact of face coverings on those who have previously experienced trauma.

With colleagues spanning secondary mental health, third sector and lived experience, their work has been shared in an article in PsychReg, two self-published pieces via Research Gate and a peer reviewed journal article published in the Journal of Psychiatric and Mental Health Nursing.

Our workforce

Our work on our organisational culture continues to make a significant difference. Our staff and our survey results have shown us that our workforce remains steadfast on making KMPT an employer of choice as they continue to share their experiences with us, knowing we are always ready to listen. We were also delighted to see our immediate line managers recognised as being the best in the country for all mental health, learning disability and community trusts. Continuing to support our staff both during this time and beyond is a primary focus and so we have also increased the number of mental health first aiders and freedom to speak up ambassadors across the Trust so any member of staff has the ability to have those important and confidential conversations in a supported way.

Recovery and Wellbeing College

When the pandemic caused the closure of all Recovery College (RC) community venues in March 2020, all face-to-face provision stopped. The team quickly set up weekly meetings, initially to support each other, but also to consider new ways of working and supporting individuals and communities being impacted by fears, difficulties and restrictions. The recovery college team watched and learned from other education providers as more virtual learning was developed. They recognised the potential and quickly acted providing virtual recovery college workshops and courses. The college is now fully utilising their virtual recovery college and are looking at how this can be incorporated as an ongoing provision.

The team has also expanded throughout the year as they have recruited an east Kent Clinical coordinator and three new locality coordinators for recovery college delivery in new east Kent locations. One of the team was delighted to have been nominated and won a Highly Commended Award for Patient Contribution in the KMPT Awards 2020. The wider recovery college team also received a Highly Commended Award for the category Digital Inspiration.

Engaging with our service users and carers

Participation and involvement strategy

In 2020 the impact of the pandemic on our traditional engagement structures, the ratification of our 5-year Participation and involvement strategy and new leadership combined to create a unique opportunity to reflect and review how we take forward engagement with our service users and their loved ones. In the summer of 2020 we commissioned an independent review led by Engaging Kent which resulted in a set of recommendations to support refocussing our approach to meet our strategy aspiration of service users being equal partners in their care and to influence the strategic direction of the organisation. Implementation of this new way of working has continued throughout 2020-21 with the establishment of our engagement pool, Keeping Connected events and development work on our proposed engagement council. Co-produced new engagement processes and a training and support offer unpin our revised approach.

In 2020-21 service users and carers have supported over 50 improvement / development projects across our services with over 70 new engagement relationships established adding to our existing participant pool. This has increased the diversity of those getting involved and enabled more services to meaningfully benefit from the input of lived experience.

Getting involved and keeping in touch

To keep in contact with all those involved in mental health across Kent and Medway, we have developed a series of ebulletins sharing learning and good practice across the Trust. This include an ebulletin for Voluntary services (Volunteer voices) and KMPT services (econnect) overall. Work is underway to develop a research ebulletin and a 'Keeping Connected' ebulletin for those getting involved in our participation and involvement work. Anyone can sign up to the ebulletins via our website or view previous copies. Keep in touch and get involved. www.kmpt.nhs.uk/news-and-events/kmpt-newsletters/

Managing finances

For the financial year ending 31 March 2021, the Trust has operated with the new financial regime due to the national pandemic. The objective was for all trusts to deliver a breakeven financial position. This has required coordination across the local health system to plan key areas of spend such as COVID-19 costs and capital. Despite the challenges the Trust has faced in this financial year, particularly those relating to the pandemic, the Trust has met the requirement to report a financial position of breakeven.

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 2020-21.

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 2020-21

The finance regime for 2020-21 operated in two halves, due to the impact of the pandemic on the NHS. At the start of the pandemic cash advances were made to all Trusts in the country to enable regular payments to suppliers. The investment into front line mental health services has continued, there was also capital infrastructure fund made available to address backlog maintenance, and top up support to ensure provider organisations were able to cover all additional expenses incurred as a result of COVID-19.

The first six months of the year the Trust was supported by a national top-up regime, with reimbursement of all expenditure above block income. The second six months of the year focused on system control totals instead of national reimbursement. The approach taken in the Kent and Medway system supported the Trust to breakeven through a combination of top up funding and support for COVID-19 expenditure.

The table below sets out the final financial performance against the Trust plan:

Table 1

	Plan 2020-21 £000	Actual 2020-21 £000	Variance 2020-21 £000
Income	212,781	220,039	7,258
Expenditure	-207,330	-216,315	-8,985
OPERATING SURPLUS	**5,451**	**3,724**	**-1,727**
Finance cost	-1,521	-1,506	15
PDC dividends	-4,661	-2,796	1,865
Net gain on disposal of fixed assets	619	454	-165
(DEFICIT) / SURPLUS	**-112**	**-124**	**-12**
Impairment	0	-127	-127
Depreciation on donated assets	0	0	0
(DEFICIT) / SURPLUS ON A CONTROL TOTAL BASIS	**0**	**3**	**3**
Control total	0	0	0
Variance against control total	**0**	**3**	**3**

Income

During this period, KMPT received the majority of its income from Kent and Medway Clinical Commissioning Group under block contract, accounting for 72 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 2020-21, the additional amount is paid by NHS England on providers' behalf but is reflected in the Trust annual accounts in both income and employee expenses. This equates to £6.2m and is shown in the table below.

Table 2

Income category	£000	%
Clinical commissioning groups	158,003	72%
NHS England	34,826	16%
Other NHS	1,258	1%
Pensions top up	6,219	3%
Local authorities	1,515	1%
Education and training	4,662	2%
Non-patient care services to other bodies	2,292	1%
Research and development income	778	0.4%
Reimbursement and top up funding	5,884	3%
Contributions to expenditure - consumables (inventory)	1,991	1%
Rental revenue from operating leases	1,297	1%
Other	1,314	1%
Total	**220,039**	**100%**

Further details regarding income are identified on pages 68 and 69, notes 3 and 4 of the accounts.

Expenditure

Operating expenditure in 2020-21 was £216m, £4m higher than the previous year. The largest area of spend for KMPT is employee expenses which accounted for 78 per cent of operating expenditure. There was a £19m increase from last year, including:

- Pay inflation - £3m
- Investment in new services, including perinatal community teams, psychiatric liaison, early intervention in psychosis, and a 24/7 crisis access line - £5m
- Temporary staff increased by £6m to cover staff sickness absence, vacancies and the additional staff needed to monitor patients on admission
- A provision of £0.7m for unused annual leave to allow NHS workers to carry forward annual leave over two years.

To support staff in the pandemic response, the Trust received personal protective equipment from the Department of Health and Social Care at nil cost. The deemed cost of these has been included within Supplies and services (£2m), with the same amount being reflected as notional income.

Analysis of operating expenditure is provided in the table on the next page.

Table 3

Annual expenditure	2020-21		2019-20	
	£000	%	£000	%
Employee expenses	169,177	78%	150,251	71%
Purchase of healthcare from NHS and non-NHS bodies	5,955	3%	6,025	3%
Establishment	3,422	2%	5,451	3%
Supplies and services	8,658	4%	4,805	2%
Drugs	3,177	1%	2,976	1%
Premises and transport	11,830	5%	12,101	6%
Impairments	247	0%	18,683	9%
Depreciation and amortisation	6,798	3%	5,689	3%
Other	7,051	3%	5,999	3%
Total	**216,315**		**211,980**	

Further details regarding this expenditure can be found on page 70 note 6 of the accounts.

Cost improvement programme

KMPT set a £5.9m cost improvement programme target for 2020-21. We delivered £4.9m of the planned savings with a gap of £975k at year end. Of the savings delivered £2.6m (53 per cent) recurrently and £2.3m (47 per cent) on a non-recurrent basis. It should be noted this was an achievement during a global pandemic.

The full details are shown in the table below.

Table 4

Care groups	2020-21		
	Plan (£000)	Actual (£000)	Variance (£000)
Acute	1,341	1,341	0
Older people	555	579	(24)
Forensic and specialist services	1,164	738	426
Community recovery	1,105	824	281
Support services	1,472	1,212	260
Trust-wide	280	250	30
Total	**5,917**	**4,944**	**973**
Recurrent	5,840	2,642	3,198
Non-recurrent	77	2,302	(2,225)

Capital expenditure

KMPT spent £14.7m on capital expenditure in 2020-21, in line with the system forecast. The most significant capital expenditure in the year includes the following items:

1. £4.4m on capital maintenance and minor schemes
2. £2.8m on refurbishing Orchards ward
3. £1.9m nationally funded backlog maintenance (critical infrastructure fund)

4. £2.4m in IT infrastructure to support delivery of the Trust's Clinical technology strategy
5. £1.1m on IT devices replacement and new purchases to support remote working
6. £0.9m on extending video conferencing facilities to support remote working
7. £0.5m on mobile working for clinical staff.

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 £53.5k + VAT. This work included accounts, governance and performance work.

Provision of information to auditors

The directors have taken all reasonable steps that might properly be taken as directors to make themselves aware of any material 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.

Looking forward to 2021-22

The coming financial year is one of recovery for the NHS. The finance regime will remain whilst we are living with a pandemic. National planning will be undertaken in two parts, the May submission with cover the first six months of the financial year (H1), the regime for the second half of the year (H2) is yet to be confirmed.

Our focus internally is to continue with productivity and efficiency initiatives and improve our financial performance, addressing the underlying deficit to ensure the Trust returns to long term financial sustainability. There is an expectation in the organisation that focus will continue on using the resources we have to the best effect for our population, and budgets are being produced to allow us to do this. We will focus on continuing to invest in priority front line services, in line with the mental health long term plan, with a further £6m expected for the coming year from commissioners to support this.

Our capital programme is reduced compared to last year as a result of national funding allocations. The Trust has prioritised the schemes to be completed and the plan will address high risk backlog maintenance. The Trust has also received £12.6m as part of the national initiative to eradicate dormitories. £4.7m will be received during 2021-22 for this scheme. Investment will continue into IT infrastructure to support the key aims of our Clinical technology strategy. The areas of investment for this year are mobilising RIO, implementing a bed management system and implementing E-Meds.

Our annual accounts for 2020-21 have been examined by our external auditor, Grant Thornton, and their report is set out on page 47.

Helen Greatorex, Chief Executive

ACCOUNTABILITY REPORT

The Directors' report

Our Board includes non-executive directors (NEDs), two of whom are associate NEDs, and executive-directors (EDs), including the Chair and Chief Executive respectively. They are, as a Unitary Board, a collectively responsible for our success. The associate NEDs, Chief Operating Officer and the Director of Workforce and Communications are non-voting directors.

The Board of directors brings a wide-range of experience and expertise to its stewardship of the Trust. In this unprecedented year the Board continued to demonstrate that their leadership, vision, oversight and encouragement have enabled the Trust to respond safely and to thrive.

During 2020-21 there have been a number of changes to the Board. Dr Jackie Craissati was appointed substantively to the role of Chair in January 2021. Three long standing NEDs, Tom Phillips, Mark Bryant and Rod Ashurst left at the end of November 2020 and five new non-executives joined the Board in August 2020. The new NEDs are Peter Conway, Kim Lowe, Fiona Carragher, Mickola Wilson and Sean Bone-Knell. All five joined in August 2020, initially as associate directors with Peter, Kim and Fiona becoming voting directors in September and October 2020 while Mickola and Sean continue as associate directors. A transition and induction period was facilitated by overlapping start and leave dates with departing NEDs remaining as associate NEDs from September to November 2020 and new NEDs joining as associate NEDs from August until October 2020.

There were no changes within the executive management team.

Board membership 2020-21 – table 6

Non-executive directors	Executive directors
Julie Nerney – Trust Chair - left July 2020	Helen Greatorex – Chief Executive
Dr Jackie Craissati – Interim Trust Chair from July 2020, Trust Chair from January 2021	Vincent Badu – Executive Director of Partnerships and Strategy and Deputy Chief Executive
Anne-Marie Dean	
Mark Bryant - left November 2020	Dr Afifa Qazi - Executive Medical Director
Tom Phillips - left November 2020	Mary Mumvuri - Executive Director of Nursing, Allied Health Professionals and Quality
Rodney Ashurst - left November 2020	
Venu Branch	Sheila Stenson Executive Director of Finance
Catherine Walker	Jacquie Mowbray-Gould, Chief Operating Officer
Peter Conway – joined August 2020	
Kim Lowe – joined August 2020	Sandra Goatley, Director of Workforce and Communications
Fiona Callagher – joined August 2020	
Mickola Wilson (Associate NED) – joined August 2020	
Sean Bone-Knell (Associate NED) – joined August 2020	

The Board

The Board is responsible for three key roles:

1. Setting the strategic direction
2. Formulating strategy, such as the clinical strategy
3. Holding 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
- 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 11 times during 2020-21. Board meetings have been broadcast live during 2020-21 and the Board has embraced the technology available to enable members of the public and staff to join these meetings. People who have experienced our services present to the Board, enabling members to hear first-hand how services work for users and carers, and areas of improvement.

Table 7 shows the attendance of every member of the Board at meetings held during 2020-21.

Director's attendance at board meetings 2020-21 – table 7

Non-executive directors 2020-21	Actual/possible
Julie Nerney	0/4
Jackie Craisatti	11/11
Mark Bryant	7/8
Tom Phillips	8/8
Anne-Marie Dean	11/11
Rodney Ashurst	8/8
Venu Branch	11/11
Catherine Walker	10/11
Peter Conway	6/6
Kim Lowe	6/6
Fiona Carragher	6/6
Mickola Wilson	6/6
Sean Bone-Knell	6/6

Declarations of interests

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

Register of Board members interests March 2021– table 8

Director	Position	Interest declared
Dr Jackie Craissati	Trust Chair	Jackie's current company, Psychological Approaches is on the NHS England framework for Independent Serous Incident Investigations but does not undertake investigations relating to KMPT. Jackie is Trustee on the Board of Samaritans and Independent Governor on the Board of the University of East London
Anne-Marie Dean	Non-executive director	None declared
Venu Branch	Deputy Trust Chair	None declared
Catherine Walker	Non-executive director (Senior Independent 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. Catherine is also a member of the Health Service Products (Pricing Cost Control and Information) Appeals Tribunal and a member of FPC
Fiona Carragher	Non-executive director	Fiona is an Executive Director – Alzheimer's Society and a Trustee of the UK Dementia Research Institute
Kim Lowe	Non-executive director	Kim is a Non-Executive Director – Central Surrey Health Lay member – University of Kent
Mikola Wilson	Non-executive director	None declared
Sean Bone-Knell	Non-executive director	None declared
Peter Conway	Non-executive director	Non-Executive Director – Kent Community Health NHS Foundation Trust
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
Dr Afifa Qazi	Executive Medical Director	None declared
Mary Mumvuri	Executive Director of Nursing, Allied Health Professionals and Quality and Director of Infection Prevention and Control	Mary is Vice-Chair of the National 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 Chief Executive appraises the executive directors. The Remuneration and Terms of Service Committee review all executive appraisals and agree the Chief Executive's appraisal based on the Chair's assessment.

Non-executive directors

Dr Jackie Craissati MBE Consultant Clinical and Forensic Psychologist – Trust Chair

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 took over the role of Trust Chair in July 2020. Prior to this she was Chair of the Quality Committee and Vice-Chair of the Board.

Mark Bryant BA (Hons) Engineering, Cambridge University – left November 2020

Mark joined the KMPT Board in October 2012 and left in November 2020. 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 was Chair of the Finance and Performance Committee until October 2020.

Tom Phillips - BSc (Hons) Physics, FCA (Fellow of Chartered Accountants) – left November 2020

Tom was appointed to the Board in November 2012 and left the Board in November 2020. 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 was the Chair of the Integrated Audit and Risk Committee and Senior Independent Director until October 2020.

Rodney Ashurst MBA Finance and Marketing, Diploma in French Studies – left November 2020

Rod joined the Board in November 2012 and left in November 2020.

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 was the Chair of the Workforce and OD Committee and Vice-Chair of the Quality Committee until his departure.

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

Anne-Marie has performed a number of roles, 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 was the Vice-Chair of the Mental Health Act Committee and is now a member of Quality Committee.

Venu Branch, Deputy Trust Chair

Venu joined the Board in August 2016 as an associate director and was appointed a non-executive director on 1 September 2016. On the 1 September 2020 Venu became the interim Deputy Trust Chair and from February 2021 she became the Deputy Trust Chair.

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.

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, appointed 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 two visiting professorships, at Nottingham Trent University and the University of the West of Scotland.

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

Catherine Walker MA Cantab (Law), Masters in European Law, Brussels – Senior Independent Director (SID)

Catherine Walker joined the Board in August 2016.

She qualified as a barrister and the majority of her early career was spent as an investment banker at NatWest and Schroders. She currently holds a judicial appointment with the Ministry of Justice, hearing appeals on health and disability cases in tribunal. Catherine is also a member of the Health Service Products (Pricing Cost Control and Information) Appeals 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.

She was Vice-Chair of the Finance and Performance committee and Vice-Chair of Integrated Audit and Risk Committee and is now a member of the Quality Committee and Senior Independent Director. Catherine is the Chair of the Remuneration and Terms of Service Committee.

Peter Conway

Joined the Trust in August 2020 as an associate non-executive director before being appointed as a non-executive director in October 2020. He has a professional background in banking and finance spanning 27 years, latterly as a Finance Director with Barclays Bank PLC. Between 2006 and 2011 he was NED and Audit Chair of NHS West Kent and since 2011 he has been NED, Vice-Chair and Audit/Risk Committee Chair for Kent Community Health NHS Foundation Trust (KCHFT). He has held a portfolio of public sector roles including, NED and Audit Chair of Rural Payments Agency, Independent Member of the Audit Committees of the Home Office, Ministry of Justice, DEFRA, Health and Safety Executive and Child Maintenance and Enforcement Commission, and he was also Trustee Director of Citizens Advice North and West Kent.

Peter's aspirations are to help the Trust become excellent in the eyes of patients, staff and regulators, encourage closer working with KCHFT and influence transformation across the wider Kent healthcare system.

Peter took over as Chair of the Audit and Risk Committee in October 2020 and is a member of the Finance and Performance Committee.

Kim Lowe

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

Kim is passionate about employee engagement which she believes lies at the heart of a successful enterprise. An empowered workforce delivers better service and happier working environment for all. She joined KMPT because of it's strong values and understanding of the importance of an inclusive culture.

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

Fiona Carragher

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

Fiona is passionate about collaboration and partnership and hopes her cross-sector experience will support the teams at KMPT reach their ambition to provide brilliant care for the people they serve.

Fiona has been the Chair of the Quality Committee since November 2020 and is a member of the Audit and Risk Committee.

Mickola Wilson

Joined the Trust in August 2020 as an associate non-executive director (NED). She is an Executive Director role at Seven Dials Fund Management, a real estate investment Consultancy and has a number of non-executive roles. She is a NED at both Palace Capital PLC and Government Property Agency (the GPA), and is Chair of the GPA Audit and Risk Committee and a NED at Kalmar Commercial, she is a member of the Investment Committee at the Health Foundation and the Real Estate Investment Committee at the Bank of London and the Middle East (BLME).She was formerly a Governor at the Queen Victoria Hospital NHS Foundation Trust (QVHNFT).

Spurred on by the sheer enthusiasm of the KMPT team, she hopes to add her experience as a NED in helping to drive forward an ambitious programme to ensure that health care in the community is treated equally with the outstanding work of hospitals and GPs in Kent.

Mickola is Chair of the Finance and Performance Committee.

Sean Bone-Knell, QFSM, MBA, MiFireE

Joined the Trust in August 2020 as an associate non-executive director (NED). He retired from his role as the Kent Fire and Rescue Service, Assistant Chief Fire Officer and Director of Operations in March 2020. During his 33 years of service he progressed through the ranks developing operational and strategic experience and in 2019 he was awarded the Kent Medal for Outstanding Service. He was a Corporate Management Board Member for 11 years and is experienced in community safety, partnership working, strategic planning, implementing and sustaining change projects. From 2012 until this year, he held a National Portfolio with the National Fire Chiefs Council for the areas of Road Safety, Marine Firefighting and Dementia. Whilst holding the Dementia portfolio, he worked as part of the Prime Minister's Challenge Group on Dementia with the Alzheimer's Society to introduce national policies and a Strategic Commitment for all emergency services in working with and supporting people living with dementia. Sean completed his MBA with the University of Kent at Canterbury and has also studied at Cranfield and Warwick Universities.

He has had close personal experiences of mental health issues and knows how effective and life-changing the right intervention can be. He wants to be part of the team that helps KMPT move to the next level and continue to build, develop and learn.

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

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

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 North East London Foundation Trust as a Consultant psychiatrist and as an Associate medical director for Essex and Kent Children and adolescent mental health services.

Mary Mumvuri, Executive Director of Nursing, Allied Health Professionals and Quality, RMN, MSc Mental Health Studies, MSc Health Management, Nye Bevan NHS Executive Leadership award

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 frontline 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.

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 Honours Degree in Business Studies.

Jacquie Mowbray-Gould, Chief Operating Officer, Registered Mental Health Nurse (RMN)

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 persons' 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.

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.

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 (renamed 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. All Members are non-executive directors.

During 2020-21 members include Tom Phillips (Chair until October 2020), Catherine Walker, Venu Branch, Peter Conway (Chair from October 2020), Fiona Carragher and Sean Bone-Knell.

Audit and Risk Committee – table 9

Members	Actual/possible
Tom Phillips (Chair until October 2020)	5/5
Catherine Walker	3/5
Venu Branch	8/8
Peter Conway (Chair from October 2020)	4/4
Fiona Carragher	3/4
Sean Bone-Knell	4/4

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 Dr Jackie Craissati (Chair until October 2020), Rod Ashurst, Venu Branch, Fiona Carragher (Chair from October 2020), Anne-Marie Dean and Catherine Walker.

Quality Committee – table 10

Members	Actual/possible
Jackie Craissati (Chair until October 2020)	6/6
Rodney Ashurst	7/7
Venu Branch	7/7
Fiona Carragher (Chair from November 2020)	6/6
Anne-Marie Dean	6/6
Catherine Walker	5/5
Mary Mumvuri	9/10
Afifa Qazi	9/10

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 until November 2020), Catherine Walker, Mickola Wilson (Chair from November 2020) and Peter Conway.

Finance and Performance Committee – table 11

Members	Actual/possible
Mark Bryant (Chair until November 2020)	7/7
Mickola Wilson (Chair from November 2020)	4/6
Peter Conway	6/6
Sheila Stenson	10/10
Jacquie Mowbray-Gould	10/10
Catherine Walker	10/10

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 until October 2020), Venu Branch (Chair from October 2020) and Kim Lowe.

Workforce and Organisational Development Committee – table 12

Members	Actual/possible
Rodney Ashurst (Chair until October 2020)	3/3
Venu Branch (Chair from October 2020)	6/6
Kim Lowe	3/3
Sandra Goatley	6/6
Jacquie Mowbray-Gould	6/6

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. All non-executive directors are members of this committee.

Remuneration Committee – table 13

Members	Actual/possible
Julie Nerney (left July 2020)	0/1
Mark Bryant (left November 2020)	1/1
Tom Phillips (left November 2020)	1/1
Rod Ashurst (left November 2020)	2/2
Anne-Marie Dean	2/2
Jackie Craissati	2/2
Venu Branch	2/2
Catherine Walker	2/2
Peter Conway	1/1
Kim Lowe	1/1
Fiona Carragher	1/1
Mickola Wilson	1/1
Sean Bone-Knell	1/1

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 until October 2020), Anne-Marie Dean, Kim Lowe (Chair from October 2020) and Sean Bone-Knell.

Mental Health Act Committee - table 14

Members	Actual/possible
Venu Branch (Chair until October 2020)	4/4
Anne-Marie Dean (stood down September 2020)	2/2
Kim Lowe (Chair from October 2020)	2/2
Sean Bone-Knell	2/2
Mary Mumvuri	4/4
Afifa Qazi	3/4

Helen Greatorex
Chief Executive

Annual governance statement

Scope of responsibility

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

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Kent and Medway NHS and Social Care Partnership Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

There is an on-going review within the estates directorate that is focused predominantly on contractual and financial management of a number of contracts that have been awarded through a procurement process. This review may lead to the Trust having to make some changes to the current governance processes operating with the estates directorate.

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, Allied Health Professionals (AHP) and Quality.

The Executive Director of Nursing, AHP 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 leadership of the risk management process.

The Non-Executive Committee members of the Audit and Risk Committee (ARC) play a key role in the internal control assurance processes. ARC scrutinises the effectiveness of management actions in mitigating risks through reviews of the corporate functions and Care Group risk registers, in addition to the Trust risk register. Board Committees also

have a responsibility for elements of the risk management system, with the Audit and Risk Committee providing assurance on its effectiveness.

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

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

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

The Trust provides mandatory and statutory training that all staff are required to attend in addition to specific training appropriate to individual responsibilities, such as Prevention and Management of Violence and Aggression. Through out 2020-21 managers and their nominated risk assessors have been offered tailored further training on the principles and application of risk assessment and the tools used by the Trust to identify, record, monitor and review risk.

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

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

The risk and control framework

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

COVID-19 has been the biggest event to impact both strategically and operationally upon the governance, risk and internal control arrangements. The Trust leadership has had to be agile and swift in its response to changing conditions and the Trust's risk and control framework has proved robust in identifying and managing risks in order to maintain a safe and effective environment.

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 2020-21.

- Financial risk has remained a constant throughout the year although the relative potential impacts have changed proportionately as a result of controls, mitigations and external changes. The three key elements have been long term financial sustainability, CIP programme and a new finance regime.
- Operational risks to quality of care have been demand and capacity for adult and older adult community mental health teams and the development of a crisis line.

- Operational risk has focused on COVID-19 risks both ensuring COVID-19 secure workplaces and agile working in response to the easing of lockdown national COVID-19 Roadmap.

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

All risks are assigned 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.

Risk registers 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. 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. 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.

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.

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

Staff reporting is a key element of risk identification. Freedom to Speak Up is an important part of the control framework within the Trust. A Freedom to Speak Up Guardian is in

place with a network of diverse ambassadors to encourage open and honest relationships as part of the Trust's Just and Learning Culture. There were 199 contacts during the year and as a result of contacts, changes were made to support staff following Serious Incidents, lessons learned in relation to the value of communications and managers supporting one another to enable them to have difficult conversations with patients and their families.

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

The Trust has in place an overarching People Strategy which ensures that short, medium and long term workforce strategies and staffing systems are in place and effective. Progress against the People Strategy is reported to the Workforce and OD Committee and directly to the Trust Board on a periodic basis throughout the year. The Board is assured directly that staffing processes are safe, sustainable and effective by the Director of Workforce, OD and Communications. In developing the people strategy the Trust has ensured that it aligns with the national strategies including the NHS People Plan and Developing Workforce Safeguards. Recommendations in relation to workforce planning and establishment reviews have been reviewed to ensure best practice is maintained.

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

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 completed its cycle of implementation at the end of March 2020 and apart from refurbishments being outstanding, the majority of actions had been completed.

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, Allied Health Professionals and Quality. This group meets on a bi-monthly basis and reports directly to the Quality Committee. This group supported the preparations and responses to CQC COVID-19 enquiries and reviews.

In 2020, KMPT was due to receive its next well-led inspection from the CQC however due to the COVID-19 pandemic, all inspection activity was suspended. In October and November 2020, KMPT received two unannounced focused inspections to the community mental health teams (CMHTs) for working age adults and the acute and psychiatric intensive care unit (PICU) wards. Both inspections were conducted due to information being received that raised concerns about the safety and quality of these services. The areas identified for improvement were as follows:

- Patient nutritional needs assessments
- Outstanding maintenance issues
- Quality of patient risk assessments and crisis plans

The ratings were not affected for the acute wards inspection however the overall rating for the CMHTs changed from a good to requires improvement. QIPs have been put in place following both inspections with progress being monitored on a quarterly basis.

The Trust has published on its website an up-to-date register of interests, including gifts

and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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

The Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

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

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

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

Clinical risk and patient safety are overseen by the Quality Committee, the Executive Director for Nursing, AHPs and Quality, the Executive Medical Director and the Chief Operating Officer. The Board receives monthly quality reports encompassing the quality and patient safety aspects for the trust. The Quality Committee focusses on quality compliance and risks to quality (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 review the Quality Digest which analyses incidents and serious incidents by severity, theme, care group and location. Numbers and types of incidents are reported over time to establish any trends and benchmarked against national indicators to identify outliers. Resulting actions initiated by care groups, the Central Incident Investigation Team or the Quality Committee are reported and monitored to ensure effectiveness. The Quality Committee oversees the production of the Trust's Quality Account as part of its established annual schedule and monitors performance against current quality objectives through the year. The Quality Committee provides regular updates to the Board on progress against the Quality Account priorities, which are set each year with wide consultation and devised to be challenging.

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

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

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

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

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

Information governance update for 2020-21

The Trust has adopted a number of increasingly more secure electronic methods of communication and remote working, enabling all services to continue to interact and support our patients, partners and the public during these unprecedented times. The Trust has worked alongside its partners to implement shared care records, ensuing that the correct information is in the correct place at the correct time.

In line with NHS Digital guidance on Data Security and Protection Incidents, it is necessary for all NHS Trusts to report any incidents of Data Security and Data Protection breaches on the DSPT and also in their respective annual reports.

The Trust had two Data Security and Protection incidents as defined the NHS Digital guidance. Both incidents were reported to NHS Digital on the DSPT and automatically reported via the DSPT to the Information Commissioners' Office (ICO). One of these incidents related to information not being correctly provided as part of a subject access request, and the other, a potential loss of medical information. Both incidents were thoroughly investigated internally, and by the ICO, who in both cases advised that the actions taken and lessons learnt by the Trust were sufficient. These incidents have informed risk improvements to the organisation's information risk management process and enabled process changes surrounding storage of old paper records.

Data quality and governance

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, the Data Protection Officer 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.

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

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

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

The Trust achieved an overall "high" confidence level and substantial assurance from TIAA for this year's audit of the 2020-21 DSPT evidence.

Review of effectiveness

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

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

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

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

There is an established mechanism to maximise the effectiveness of 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 Audit and Risk Committee (ARC) supports the Board in reviewing the effectiveness of the system of internal control, through a structured annual work plan. The main role of the Committee is to seek assurance that the Trust's governance and risk management systems are fit for purpose, adequately resourced and effectively deployed. To aid this assurance, the coverage of the Committee's work plan incorporates the review of the organisation's risk management processes, and associated risk registers, from service, directorate to corporate level. This includes an annual presentation from all care groups, support services and corporate directors on their risk management process.

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

Internal Audit carried out 18 reviews in 2020-21, which were designed to ascertain the extent to which the internal controls in the system are adequate to ensure that activities and procedures are operating to achieve Kent and Medway NHS and Social Care Partnership Trust's objectives. For each assurance review an assessment of the combined effectiveness of the controls in mitigating the key control risks was provided.

There was one area reviewed by internal audit, Use of Temporary Staff, where it was assessed that the effectiveness of some of the internal control arrangements provided 'limited assurance'. Recommendations were made to further strengthen the control and these were accepted and implemented.

Head of Internal Audit overall opinion is that Reasonable assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

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

The LCFS concluded that 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. In previous years the Trust has been measured against the NHS Fraud Standards. In April 2021 these standards will be replaced by the Government Functional Standards. The LCFS carried out a gap analysis to measure the Trust's achievements against these new standards. It is anticipated that the Trust will partially meet all of the standards and work will be ongoing in 2021-22 to ensure the Trust attain an overall green rating.

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

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

Conclusion

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

- The Audit and Risk Committee which considers the annual plans and reports of External and Internal Audit
- The Quality Committee which ensures that comprehensive and robust systems and processes are in place for clinical governance and quality within the Trust
- The Executive Management Team which oversees the implementation of the strategic direction of the Trust.
- The 2020-21 Quality Account disclosure and associated internal assurances in place to validate its accuracy, which include data quality verification, and associated Quality Committee assurance.
- Board assurance that each director knows of no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and; have taken all the steps that he or she ought to have taken to make himself/ herself aware of any such information and to establish that the auditors are aware of it.

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

The impact of the COVID-19 pandemic has touched every area of trust's work and operation and for the purposes of this statement, is included as a significant control issue. This is on the basis that the annual plan, goals and finances were significantly impacted.

The trust has identified significant control issues for the 2020-21 period relating two 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 2021

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 2021

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 2020-21 salaries are to be considered, as per the NHSI/E guidance recommendation of a consolidated increase of 1 per cent payable from 1 April 2020 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

Name and title	2020-21 Salary (bands of £5k)	2020-21 Expense payments (taxable) to nearest £100	2020-21 All pension related benefits (bands of £2.5k)*	2020-21 TOTAL (bands of £5k)	2019-20 Salary (bands of £5k)	2019-20 Expense payments (taxable) to nearest £100	2019-20 All pension related benefits (bands of £2.5k)*	2019-20 TOTAL (bands of £5k)
	£000	£	£000	£000	£000	£	£000	£000
Helen Greatorex - Chief Executive Officer	155 - 160	0	15 - 17.5	170 - 175	150 - 155	2,500	50 - 52.5	205 - 210
Vincent Badu - Executive Director Partnerships and Strategy / Deputy Chief Executive	130 - 135	0	35 - 37.5	165 - 170	125 - 130	400	52.5 - 55	180 - 185
Sheila Stenson - Executive Director of Finance	125 - 130	0	27.5 - 30	155 - 160	125 - 130	400	42.5 - 45	165 - 170
Afifa Qazi - Executive Medical Director	180 - 185	0	140 - 145	320 - 325	70 - 75	400	85 - 87.5	155 - 160
Mary Mumvuri - Executive Director of Nursing, Allied Health Professionals and Quality	115 - 120	0	0.00	115 - 120	115 - 120	1,800	0.00	115 - 120
Jacquie Mowbray-Gould - Chief Operating Officer	110 - 115	0	62.5 - 65	175 - 180	105 - 107	2,600	37.5 - 40	145 - 150
Sandra Goatley - Director of Workforce and Communications	120 - 125	0	30 - 32.5	150 - 155	115 - 120	1,200	27.5 - 30	150 - 155
Catherine Kinane - Executive Medical Director	0.00	0	0.00	0.00	20 - 25	100	(7.5 - 10)	15 - 20
Rosarii Harte - Interim Medical Director	0.00	0	0.00	0.00	90 - 95	2,000	112.5 - 115	205 - 210
Andrew Ling - Chair	0.00	0	0.00	0.00	0 - 5	300	0.00	0 - 5
Julie Nerney - Chair	5 - 10	0	0.00	5 - 10	25 - 30	2,100	0.00	0.00
Jackie Craissati - Chair	35 - 40	0	0.00	35 - 40	5 - 10	1,400	0.00	5 - 10
Tom J Philips - Non-executive Director	5 - 10	0	0.00	5 - 10	5 - 10	200	0.00	5 - 10
Rod Ashurst - Non-executive Director	5 - 10	0	0.00	5 - 10	5 - 10	800	0.00	5 - 10
Mark Bryant - Non-executive Director	5 - 10	0	0.00	5 - 10	5 - 10	600	0.00	5 - 10
Anne-Marie Dean - Non-executive Director	10 - 15	0	0.00	10 - 15	10 - 15	2,300	0.00	10 - 15
Venu Branch - Non-executive Director	10 - 15	0	0.00	10 - 15	5 - 10	1,200	0.00	5 - 10
Catherine Walker - Non-executive Director	10 - 15	0	0.00	10 - 15	5 - 10	1,000	0.00	5 - 10
Fiona Carragher	5 - 10	0	0.00	5 - 10	0	0	0	0
Peter Conway	5 - 10	0	0.00	5 - 10	0	0	0	0
Kim Lowe	5 - 10	0	0.00	5 - 10	0	0	0	0
Sean Bone-Knell	5 - 10	0	0.00	5 - 10	0	0	0	0
Mickola Wilson	5 - 10	0	0.00	5 - 10	0	0	0	0

* Annual increase in pension entitlement

1) Andrew Ling resigned as Chairman on 30 June 2019.
2) Catherine Kinane resigned and ceased as a voting board member and Executive Medical Director from 21 April 2019.
3) Afifa Qazi was appointed Executive Medical Director from 4 November 2019.
4) Julie Nerney was appointed as Chairman on 1 July 2019 and resigned on 14 July 2020.
5) Jackie Craissati was appointed Acting Chair from 1 April 2020 and was appointed Substantive Chair in January 2021.
6) Tom J Philips, Rod Ashurst and Mark Bryant resigned as Non-Executive Directors on 30 November 2020.
7) Fiona Carragher, Peter Conway, Kim Lowe, Sean Bone-Knell and Mickola Wilson joined as Non-Executive Directors on 1 August 2020.

The figures in the above table relate to the amounts received during the financial year. For 2020-21 and 2019-20, there were no taxable benefits or annual or long-term performance-related bonuses.

b) Pension benefits

Pensions table 16 2020-21 - audited

Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2020	Cash Equivalent Transfer Value at 1 April 2020	Cash Equivalent Transfer Value at 31 March 2021
	£000	£000	£000	£000	£000	£000	£000
Helen Greatorex - Chief Executive Officer	0 - 2.5	2.5 - 5	70 - 75	215 - 220	1590	54	1694
Vincent Badu - Executive Director Partnerships and Strategy / Deputy Chief Executive	2.5 - 5	0 - 2.5	20 - 25	40 - 45	395	26	446
Sheila Stenson - Executive Director of Finance	0 - 2.5	0 - 2.5	30 - 35	60 - 65	428	14	467
Afifa Qazi - Executive Medical Director	7.5 - 10	5 - 7.5	50 - 55	35 - 40	589	103	728
Mary Mumvuri - Executive Director of Nursing, Allied Health Professionals and Quality	0	0	0	0	0	0	0
Jacquie Mowbray-Gould - Chief Operating Officer	2.5 - 5	2.5 - 5	40 - 50	105 - 110	831	68	928
Sandra Goatley - Director of Workforce and Communications	2 - 2.5	0	10 - 15	0	138	22	180

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. Mary Mumvuri did not make any contributions into the NHS Pension Scheme in 2020-21.

5. No contributions were made to stakeholder pensions.

Pensions table 17 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 Mecdical Direcotr	2.5 - 5	2.5 - 5	40 - 45	30 - 35	503	30	589
Mary Mumvuri - Executive Director of Nursing, Allied Health Professionals and Quality	0	0	0	0	0	0	0
Jacquie Mowbray-Gould - Chief Operating Officer	2.5 - 5	2.5 - 5	40 - 45	100 - 105	756	43	831
Sandra Goatley - Director of Workforce and Communications	2.5 - 5	0	5 - 10	0	99	20	138

c) Loss of office

There were no directors who had loss of office in 2020-21.

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 2021 and had no new off-payroll engagements between 1 April 2020 and 31 March 2021, for more than £245 per day and that last longer than six months.

f) Exit packages - audited

Table 18

Exit package cost band (including any special payment element)	2020-21 Number of compulsory redundancies	2020-21 Cost of compulsory redundancies £	2020-21 Total number of exit packages	2019-20 Number of compulsory redundancies	2019-20 Cost of compulsory redundancies £	2019-20 Total number of exit packages
<£10,000	0	0	**0**	1	1,503	**1**
£10,001 - £25,000	0	0	**0**	2	39,714	**2**
£25,001 - 50,000	1	30,412	**1**	1	25,760	**1**
£50,001 - £100,000	1	66,755	**1**	0	0	**0**
£100,001 - £150,000	0	0	**0**	0	0	**0**
£150,001 - £200,000	0	0	**0**	0	0	**0**
>£200,000	0	0	**0**	0	0	**0**
Total number of exit packages by type	**2**	**0**	**2**	**4**	**0**	**4**
Total resource cost (£)	0	97,167	0	0	66,977	0

In 2020-21 there have been no departures where special payments have been made.
There have been no non-compulsory departures in year.

'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 2020-21 was £180k-185k (2019-20, £175k - £180k). This was six times (2019-20, seven times) than the median remuneration of the workforce, which was £29,538 (2019-20, £26,220).

In 2020-21, 0 (2019-20, 0) employees received remuneration in excess of the highest-paid director/member. Remuneration ranged from £6k to £180k (2019-20 £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 costs

	Permanent £000	Other £000	**2020-21 Total £000**	2019-20 Total £000
Salaries and wages	111,202	163	**111,365**	100,992
Social security costs	11,385	-	**11,385**	9,951
Apprenticeship levy	532	-	**532**	487
Employer's contributions to NHS pension scheme	20,484	-	**20,484**	18,881
Pension cost - other	39	-	**39**	31
Termination benefits	97	-	**97**	67
Temporary staff	-	25,708	**25,708**	19,955
Total gross staff costs	**143,739**	**25,871**	**169,610**	150,364
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	**143,739**	**25,871**	**169,610**	150,364
Of which				
Costs capitalised as part of assets	**336**	**-**	**336**	46

Average number of employees (WTE basis)

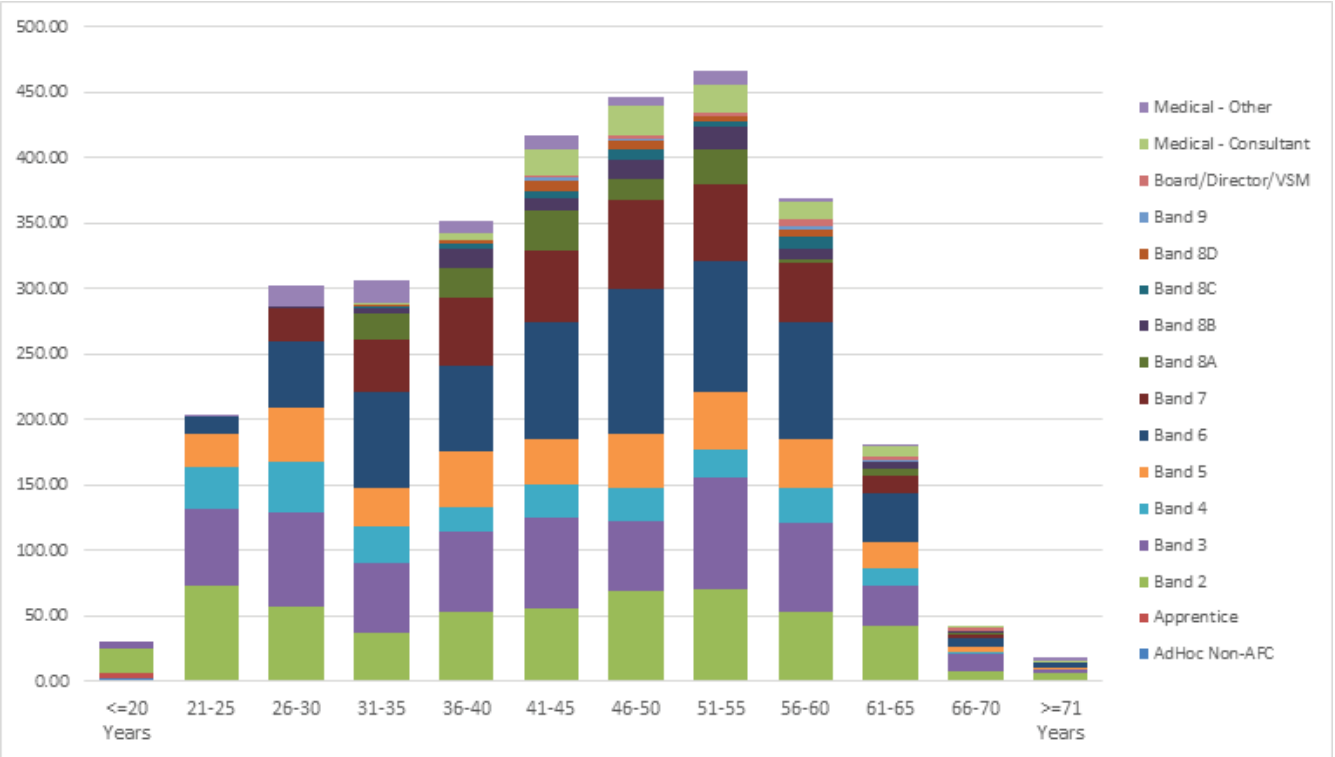
	Permanent Number	Other Number	**2020-21 Total Number**	2019-20 Total Number
Medical and dental	136	24	**160**	171
Ambulance staff	-	-	**-**	-
Administration and estates	824	45	**869**	705
Healthcare assistants and other support staff	750	15	**765**	962
Nursing, midwifery and health visiting staff	845	10	**855**	979
Nursing, midwifery and health visiting learners	4	17	**21**	18
Scientific, therapeutic and technical staff	393	6	**399**	207
Total average numbers	**2,952**	**117**	**3,069**	3,044
Of which:				
Number of employees (WTE) engaged on capital projects	6	-	**6**	-

Staff numbers by band and gender - table 19

Sum of FTE			
	Female	Male	Grand Total
Apprentice	7.00	2.01	9.01
Band 1	0.00	0.00	0.00
Band 2	371.27	166.33	537.60
Band 3	43.95	137.15	572.10
Band 4	204.18	29.40	233.58
Band 5	246.60	27.23	318.83
Band 6	494.47	144.89	639.36
Band 7	255.63	103.78	359.41
Band 8a	97.11	28.21	125.32
Band 8b	53.33	22.92	76.25
Band 8c	22.76	9.20	31.96
Band 8d	15.70	10.51	26.21
Band 9	4.00	4.87	8.87
Board/Director/VSM	12.00	4.00	16.00
Medical - Consultant	34.75	59.70	94.45
Medical - Other	49.63	29.50	79.13
Adhoc Non-AFC	2.80	2.00	4.80
Grand Total	**2306.18**	**826.70**	**3132.88**

Source: Average full time equivalent (FTE) numbers during 2020-21 from the Electronic Staff Record (ESR)

Table 20 staff by age band



Source: Average full time equivalent (FTE) numbers during 2020-21 from the Electronic Staff Record (ESR)

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

Sum of FTE	Additional 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
Adhoc Non AFC	1	2	0	0.6	0	0	0	1.2	4.8
Apprentice	0	0	9.01	0	0	0	0	0	9.01
Band 2	0	301.69	108.23	0	127.69	0	0	0	537.6
Band 3	7.8	366.29	192.95	0	5.07	0	0	0	572.1
Band 4	3.6	103.16	121.82	0	5	0	0	0	233.58
Band 5	10.5	2.33	82.11	34.3	0	0	189.59	0	318.83
Band 6	22.3	3	69.18	104.57	1	0	439.31	0	639.36
Band 7	62.06	10.55	70.85	34.58	0	0	181.37	0	359.41
Band 8a	59.95	0	29.17	3.8	0	0	32.4	0	125.32
Band 8b	24.64	0.8	22	7	0	0	21.81	0	76.25
Band 8c	18.21	0	8.85	2.8	0	0.6	1.5	0	31.96
Band 8d	6.4	0	16.91	0	0	0	2.9	0	26.21
Band 9	3.27	0	5.6	0	0	0	0	0	8.87
Board/Director/VSM	0	0	15	0	0	0	1	0	16
Medical - Consultant	0	0	0	0	0	94.45	0	0	94.45
Medical - Other	0	0	0	0	0	79.13	0	0	79.13
Grand Total	**219.73**	**789.82**	**751.68**	**187.65**	**138.76**	**174.18**	**869.88**	**1.2**	**3132.88**

Source: Average Full Time Equivalent (FTE) numbers during 2020-21 from the Electronic Staff Record (ESR).

Staff by ethnicity - audited - table 22

Ethnic Origin	Sum of FTE	%	BME %
A White - British	2145.98	68.50	
B White - Irish	33.04	1.05	
C White - Any other White background	160.64	5.13	
D Mixed - White & Black Caribbean	10.80	0.34	
E Mixed - White & Black African	12.27	0.39	
F Mixed - White & Asian	13.13	0.42	
G Mixed - Any other mixed background	26.13	0.83	
H Asian or Asian British - Indian	108.13	3.45	
J Asian or Asian British - Pakistani	9.37	0.30	
K Asian or Asian British - Bangladeshi	8.00	0.26	**23.73**
L Asian or Asian British - Any other Asian background	73.49	2.35	
M Black or Black British - Caribbean	29.39	0.94	
N Black or Black British - African	332.34	10.61	
P Black or Black British - Any other Black background	57.17	1.82	
R Chinese	5.45	0.17	
S Any Other Ethnic Group	57.83	1.85	
Unspecified	8.80	0.28	
Z Not Stated	40.91	1.31	
Grand Total	**3132.88**		

Source: Average Full Time Equivalent (FTE) numbers during 2020-21 from the Electronic Staff Record (ESR).

Sickness absence data

We continue to set challenging target; 4.22 per cent in 2020-21 and plan to further reduce to 4.1 for 2021-22. We achieved a rate of 4.54 per cent in 2019-20, which was a slight increase on 2018-19, and achieved a total sickness rate of 4.70 per cent. However, 0.62 per cent of this was attributable to COVID-19, and so without this would be 4.08 per cent.

We have refreshed our KMPT People Plan to align with the new National People Plan and continue to have a specific area entitled 'Looking after our People'. The aim is to create the perfect day and supporting People Recovery Plan, with outcome to deliver People Recovery Plans, drawing from our learning from trauma informed care.

Staff engagement

We had a 61 per cent response rate in the 2020 NHS National Staff Survey. Whilst the staff survey response rates dropped year on year (from 66 per cent the previous year), staff engagement is high. We retained a 7.1 score for engagement, and a generally positive staff satisfaction picture with no overall decline in a tough year.

Staff policies applied during the year

Policies applied for giving full and fair consideration for employment made by disabled persons	KMPT 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 Workforce 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	Regular messaging was put in place to ensure teams were updated during the pandemic. This included all staff emails, managers briefings and messages from the Chief Executive and others from our executive management team. The new i-connect platform is in progress and expected to be delivered in June 2021. This project was delayed due to COVID-19.
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 96 per cent of staff. The Trust has 127 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 contract review meetings with the external occupational health provider, reviewing all elements of service; for pre-employment and in employment activity.
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.

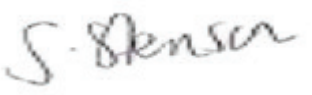
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They 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 2021



Sheila Stenson, Finance Director Date: 24 June 2021

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

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of Kent and Medway NHS and Social Care Partnership Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the Directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2020 to 2021 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2020) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of the Directors and Those Charged with Governance for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report1, 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.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021[2]; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

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

[1] The term used to describe the Annual Report should be the same as that used by the Trust.

Responsibilities of the Directors and Those Charged with Governance for the financial statements

As explained in the Statement of directors' responsibilities in respect of the accounts [set out on page x], 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 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Audit and Risk Committee, concerning the Trust's policies and procedures relating to:
    - the identification, evaluation and compliance with laws and regulations;
    - the detection and response to the risks of fraud; and
    - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

- We enquired of management, internal audit and the Audit and Risk committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
    - Journal entries posted which met a range of criteria determined during the course of the audit
- Our audit procedures involved:
    - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
    - journal entry testing
    - challenging the expenditure and income recognition given the challenges of operating during the pandemic
    - challenging assumptions and judgements made by management in its significant accounting
    - estimates in respect of property, plant and equipment valuations
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and/or expenditure recognition, and the significant accounting estimates related to property plant and equipment valuations.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's.
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
    - knowledge of the health sector and economy in which the Trust operates
    - understanding of the legal and regulatory requirements specific to the Trust including:
        - the provisions of the applicable legislation
        - NHS Improvement's rules and related guidance
        - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
    - the Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

- the Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

Our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources is not yet complete. The outcome of our work will be reported in our commentary on the Trust's arrangements in our Auditor's Annual Report. If we identify any significant weaknesses in these arrangements, these will be reported by exception in our Audit Completion Certificate. We are satisfied that this work does not have a material effect on our opinion on the financial statements for the year ended 31 March 2021.

Responsibilities of the Accountable Officer

As explained in the Statement of the chief executive's responsibilities as the accountable officer of the Trust [set out on page 36], the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(3)(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. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

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

We cannot formally conclude the audit and issue an audit certificate for Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2021in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

Sarah Ironmonger

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

London

Date: 28 June 2021

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

In our auditor's report issued on 28 June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice, until we had:

- Completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have now completed this work, and the results of our work are set out below.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 28 June 2021 we reported that, in our opinion the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave this opinion.

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

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

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

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

Responsibilities of the Accountable Officer

The Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(3)(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. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in April 2021. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

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

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

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Kent and Medway NHS and Social Care Partnership Trust for the year ended 31 March 2021 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

Sarah Ironmonger

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

London

20 September 2021

Annual accounts for the year ending 31 March 2020

Statement of Comprehensive Income

	Note	2020-21 £000	2019-20 £000
Operating income from patient care activities	3	**202,580**	187,871
Other operating income	4	**17,459**	14,532
Operating expenses	6, 8	**(216,315)**	(211,980)
Operating surplus/(deficit) from continuing operations		**3,724**	(9,577)
Finance income	11	**3**	101
Finance expenses	12	**(1,509)**	(1,437)
PDC dividends payable		**(2,796)**	(3,500)
Net finance costs		**(4,302)**	(4,836)
Other gains / (losses)	13	**454**	(120)
Surplus / (deficit) for the year		**(124)**	(14,533)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	**(2,343)**	(3,393)
Revaluations	16	**434**	7,728
Total comprehensive income / (expense) for the period		**(2,033)**	(10,198)

Adjusted financial performance - note

The Trust's deficit for 2020-21 was £124k. NHS England and Improvement excludes the impact of certain transactions - impairments, revaluations and capital grants for the purposes of measuring NHS Trusts' financial performance. After adjusting for these transactions the Trust's adjusted financial performance is £3k, as shown in the table below, this table does not form part of the Statement of Comprehensive Income and represents a note to the accounts.

Note: Adjusted financial performance (control total basis):		
Surplus / (deficit) for the period	**(124)**	(14,533)
Remove net impairments not scoring to the Departmental expenditure limit	**127**	18,683
Remove I&E impact of capital grants and donations	**-**	88
Adjusted financial performance surplus / (deficit)	**3**	4,238

Statement of Financial Position

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Intangible assets	14	**2,221**	461
Property, plant and equipment	15	**125,965**	122,971
Investment property	17	**1,091**	1,091
Receivables	19	**725**	403
Total non-current assets		**130,002**	124,926
Current assets			
Inventories	18	**-**	-
Receivables	19	**5,416**	8,510
Cash and cash equivalents	21	**17,266**	15,678
Total current assets		**22,682**	24,188
Current liabilities			
Trade and other payables	22	**(20,935)**	(17,233)
Borrowings	24	**(1,055)**	(3,203)
Provisions	26	**(855)**	(1,208)
Other liabilities	23	**(1,932)**	(2,576)
Total current liabilities		**(24,777)**	(24,220)
Total assets less current liabilities		**127,907**	124,894
Non-current liabilities			
Borrowings	24	**(9,886)**	(10,941)
Provisions	26	**(2,090)**	(1,492)
Total non-current liabilities		**(11,976)**	(12,433)
Total assets employed		**115,931**	112,461
Financed by			
Public dividend capital		**121,821**	116,318
Revaluation reserve		**15,821**	18,622
Other reserves		**(5,280)**	(5,280)
Income and expenditure reserve		**(16,431)**	(17,199)
Total taxpayers' equity		**115,931**	112,461

The notes on pages 57 to 94 form part of these accounts.

The financial statements on pages 54 to 94 were approved by the board on the 24 June 2021 and signed on its behalf by

Helen Greatorex, Chief Executive Date: 24 June 2021

Statement of Changes in Equity for the year ended 31 March 2021

	Note	Public dividend capital	Revaluation reserve	Other reserves	Income and expenditure reserve	Total
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2020 - brought forward		**116,318**	**18,622**	**(5,280)**	**(17,199)**	**112,461**
Surplus/(deficit) for the year		-	-	-	(124)	**(124)**
Other transfers between reserves		-	(283)	-	283	**-**
Impairments	7	-	(2,343)	-	-	**(2,343)**
Revaluations	15.1	-	434	-	-	**434**
Transfer to retained earnings on disposal of assets		-	(609)	-	609	**-**
Public dividend capital received		5,503	-	-	-	**5,503**
Taxpayers' and others' equity at 31 March 2021		**121,821**	**15,821**	**(5,280)**	**(16,431)**	**115,931**

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	7	-	(3,393)	-	-	**(3,393)**
Revaluations	15.2	-	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**

* 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. A charge, reflecting the cost of capital utilised by the Trust, is payable to the DHSC as the PDC.

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.

Merger reserve
This reserve reflects balances formed on merger of NHS bodies.

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

Statement of cash flows

	Note	2020-21 £000	2019-20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		**3,724**	(9,577)
Non-cash income and expense:			
Depreciation and amortisation	6	**6,798**	5,689
Net impairments	7	**247**	18,683
(Increase) / decrease in receivables and other assets		**2,636**	(80)
Increase / (decrease) in payables and other liabilities		**431**	4,341
Increase / (decrease) in provisions		**238**	677
Net cash flows from / (used in) operating activities		**14,074**	19,733
Cash flows from investing activities			
Interest received		**3**	101
Purchase of intangible assets		**(2,067)**	2
Purchase of PPE and investment property		**(10,055)**	(10,865)
Sales of PPE and investment property		**1,495**	1
Net cash flows from / (used in) investing activities		**(10,624)**	(10,761)
Cash flows from financing activities			
Public dividend capital received		**5,503**	963
Movement on loans from DHSC		**(2,300)**	(800)
Capital element of finance lease rental payments		**(173)**	(162)
Capital element of PFI, LIFT and other service concession payments		**(723)**	(655)
Interest on loans		**(7)**	(42)
Other interest		**(1)**	(5)
Interest paid on finance lease liabilities		**(70)**	(81)
Interest paid on PFI, LIFT and other service concession obligations		**(1,431)**	(1,277)
PDC dividend (paid) / refunded		**(2,660)**	(3,780)
Net cash flows from / (used in) financing activities		**(1,862)**	(5,839)
Increase / (decrease) in cash and cash equivalents		**1,588**	3,133
Cash and cash equivalents at 1 April - brought forward		**15,678**	12,545
Cash and cash equivalents at 31 March	21.1	**17,266**	15,678

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care (DHSC) has directed that the financial statements of the Trust shall meet the accounting requirements of theDHSC Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2020/21 issued by the DHSC. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case. Budgets and cashflow forecasts for 2021-22 do not indicate a going concern risk.

Note 1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of NHS trust accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ 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 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
- The valuation under a Modern Equivalent Asset on an Alternative Site basis
- The valuation of non specialised property assets on a Market Value for Existing Use basis
- The valuation of the investment property at fair value
- The valuation of the Private Finance Initiative assets on a net of VAT basis.

Note 1.3.2 Sources of estimation uncertainty

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

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

Property valuations

Valuations of land and buildings (included in Note 15) were carried out by external valuers. These were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

The value of land and buildings could materially differ for two main reasons:
1.If assumptions around future use of the assets was to change e.g. from specialised use to non-specialised use this would alter the basis of valuation from Depreciated Replacement Cost (DRC) to Equivalent Use Value (EUV).
2.If the indices used by the valuers materially changed, this would alter the total valuation. Over the past 12 months, BCIS indices have fluctuated by a maximum of 3 per cent.

Land is currently valued at £18,957k, a 10 per cent reduction in the valuation would decrease asset values by £1.9m. Buildings are valued at £93,437k, a 5 per cent decrease in values would result in a £4.7m reduction in asset values.

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

2020-21

As a result of COVID-19 the financial regime for NHS organisations was amended. During the first half of the year the Trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust has received additional income outside of the block and system envelopes to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

Comparative period (2019-20)

In the comparative period (2019-20), the Trust's contracts with NHS commissioners included those where the Trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. As a mental health provider a delivery spell is less relevant to the Trust as we generally operate on a block contract.

In 2019-20, the Provider Sustainability Fund and Financial Recovery Fund enabled providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Revenue from research contracts

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

Note 1.4.2 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. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

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

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

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

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 values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years and in the intervening third year by a 'desk top' review, or on the completion of a material refurbishment scheme. In light of the material impairment recognised in the last annual accounts, the Trust has taken the decision to undertake a valuation more frequently, and is completing this annually at present, in 2020-21 a desktop revaluation of the estate was carried out.

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

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

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

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

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

Modern Equivalent Asset on an Alternative Site Basis

In 2017-18 the Trust adopted the alternative site for its land valuations. The valuation assumption within note 15.1, 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 expenditure.

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

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

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

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

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

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 i.e.:
- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be abandoned or significant changes made to it.

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

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

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.

In 2020-21 this includes assets donated to the Trust by the DHSC as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

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 Financial Reporting Manual (FReM), are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as Property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as Property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The 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	2	90
Plant & machinery	5	15
Transport equipment	7	10
Information technology	4	5
Furniture & fittings	5	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.

Useful lives of intangible assets

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

	Min life Years	Max life Years
Information technology	3	7
Software licences	3	5
Licences & trademarks	-	-

Note 1.9 Inventories

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

In 2020-21, the Trust received inventories including personal protective equipment from the DHSC at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the DHSC.

Note 1.10 Investment properties

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Note 1.12.1 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 1.12.2 Classification and measurement

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

Financial assets and financial liabilities at amortised cost

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

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

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

Financial assets and financial liabilities at fair value through income and expenditure

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

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

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

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

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

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

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

Note 1.12.3 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.

Note 1.13 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 1.13.1 The Trust as a 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 in other liabilities on the statement of financial position 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 1.13.2 The Trust as a 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 1.14 Provisions

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

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 26.2 but is not recognised in the Trust's accounts.

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

Note 1.15 Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.16 Public dividend capital
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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

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,
(iii) approved expenditure on COVID-19 capital assets
(iv) assets under construction for nationally directed schemes,
(v) cash support for revenue requirements PDC drawn in-year, and
(v) any PDC dividend balance receivable or payable.

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

Note 1.17 Value added tax
Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.18 Third party assets
Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.19 Losses and special payments

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

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

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2020-21.

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

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 2022. 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 remeasurement 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 2022, 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 defined by HM Treasury. Currently this rate is 0.91 per cent 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 2022 for existing finance leases.

For leases commencing in 2022-23, 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 implementation date for IFRS 16 in the NHS was revised to 1 April 2022 in November 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity in from April 2022 and beyond, a quantification of the expected impact of applying the standard in 2022-23 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Other standards, amendments and interpretations

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

Note 2 Segmental Reporting

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

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

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2020-21	Restated 2019-20
	£000	£000
Mental health services		
Block contract / system envelope income*	**191,996**	180,597
Clinical partnerships providing mandatory services (including S75 agreements)	**2,539**	678
All services		
Private patient income	**52**	-
Additional pension contribution central funding**	**6,219**	5,744
Other clinical income***	**1,774**	852
Total income from activities	**202,580**	187,871

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020-21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership. Prior year figures in this have been restated to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

*** Prior year figures have been restated to be comparable with classifications for the current year.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020-21 £000	2019-20 £000
NHS England	**34,826**	32,059
Clinical commissioning groups	**164,222**	153,117
Department of Health and Social Care	**5**	119
Other NHS providers	**1,258**	1,785
Local authorities	**1,515**	273
Non-NHS: private patients	**52**	98
Non NHS: other	**702**	420
Total income from activities	**202,580**	187,871
Of which:		
Related to continuing operations	**202,580**	187,871

Note 4 Other operating income

	2020-21			2019-20		
	Contract income	**Non-contract income**	**Total**	Contract income	Non-contract income	Total
	£000	**£000**	**£000**	£000	£000	£000
Research and development	**778**	**-**	**778**	682	-	682
Education and training	**4,203**	**459**	**4,662**	3,596	275	3,871
Non-patient care services to other bodies	**2,292**	**-**	**2,292**	2,233	-	2,233
Provider sustainability fund (2019-20 only)	**-**	**-**	**-**	1,456	-	1,456
Financial recovery fund (2019-20 only)	**-**	**-**	**-**	4,516	-	4,516
Reimbursement and top up funding	**5,884**	**-**	**5,884**	-	-	-
Income in respect of employee benefits accounted on a gross basis	**194**	**-**	**194**	247	-	247
Contributions to expenditure - consumables donated from DHSC for COVID response*	**-**	**1,991**	**1,991**	-	-	-
Rental revenue from operating leases	**-**	**1,297**	**1,297**	-	1,211	1,211
Other income	**361**	**-**	**361**	316	-	316
Total other operating income	**13,712**	**3,747**	**17,459**	13,046	1,486	14,532
Of which:						
Related to continuing operations			**17,459**			14,532

* In 2020-21, the Trust received inventories including personal protective equipment from the DHSC at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost.

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

	2020-21	2019-20
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**-**	10

Note 6 Operating expenses

	2020-21	2019-20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	**1,718**	2,595
Purchase of healthcare from non-NHS and non-DHSC bodies	**4,237**	3,430
Staff and executive directors costs	**169,177**	150,251
Remuneration of non-executive directors	**161**	114
Supplies and services - clinical (excluding drugs costs)*	**4,972**	2,148
Supplies and services - general	**3,686**	2,657
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**3,177**	2,976
Consultancy costs	**91**	150
Establishment	**3,422**	5,451
Premises	**9,930**	8,220
Transport (including patient travel)	**1,900**	1,953
Depreciation on property, plant and equipment	**6,495**	5,321
Amortisation on intangible assets	**303**	368
Net impairments	**247**	18,683
Movement in credit loss allowance: contract receivables / contract assets	**(344)**	(7)
Increase/(decrease) in other provisions	**98**	352
Change in provisions discount rate(s)	**62**	97
Audit fees payable to the external auditor		
audit services- statutory audit	**64**	52
other auditor remuneration (external auditor only)	**-**	11
Internal audit costs	**129**	120
Clinical negligence	**1,070**	980
Legal fees	**109**	547
Insurance	**271**	238
Education and training	**1,266**	1,516
Rentals under operating leases	**2,063**	1,928
Redundancy	**97**	67
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	**1,062**	1,057
Car parking & security	**233**	172
Hospitality	**-**	7
Losses, ex gratia & special payments	**78**	72
Other	**541**	454
Total	**216,315**	211,980
Of which:		
Related to continuing operations	**216,315**	211,980

*Supplies and services - clinical includes £1,991k for uilisation of personal protective equipment consumables donated from DHSC for COVID response.

The audit fees included within Note 6 above are reported as the gross position, the value excluding VAT for 2020-21 is £54k (2019-20 £43k). An additional charge of £10k was agreed in 2020-21 in relation to the statutory audit for 2019-20, this has been included above within Other and took the total fee for 2019-20 to £53k.

Note 6.1 Other auditor remuneration

	2020-21	2019-20
	£000	£000
Other auditor remuneration paid to the external auditor:		
Audit-related assurance services	**-**	11
Total	**-**	11

The 2019-20 figures above are inclusive of VAT, they relate to the audit of the quality accounts (£6k excluding VAT) and the grant certification on the 'PATH' project (£3k excluding VAT).

Note 6.2 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2019-20: £2 million).

Note 7 Impairment of assets

	2020-21	2019-20
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Abandonment of assets in course of construction	**120**	-
Changes in market price	**127**	18,683
Total net impairments charged to operating surplus / deficit	**247**	18,683
Impairments charged to the revaluation reserve	**2,343**	3,393
Total net impairments	**2,590**	22,076

Note 8 Employee benefits

	2020-21	2019-20
	Total	Total
	£000	£000
Salaries and wages	**111,365**	100,992
Social security costs	**11,385**	9,951
Apprenticeship levy	**532**	487
Employer's contributions to NHS pensions	**20,484**	18,881
Pension cost - other	**39**	31
Termination benefits	**97**	67
Temporary staff (including agency)	**25,708**	19,955
Total gross staff costs	**169,610**	150,364
Recoveries in respect of seconded staff	**-**	-
Total staff costs	**169,610**	150,364
Of which		
Costs capitalised as part of assets	**336**	46

Note 8.1 Retirements due to ill-health

During 2020-21 there were six early retirements from the Trust agreed on the grounds of ill-health (two in 2019-20). The estimated additional pension liabilities of these ill-health retirements is £264k (£188k in 2019-20).

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 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6 per cent of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

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 per cent of the employee's total fund each year. Also a charge of 1.8 per cent 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.

	2020-21	2019-20
	£000	£000
Operating lease revenue		
Other	**1,297**	1,211
Total	**1,297**	1,211

	31 March 2021	31 March 2020
	£000	£000
Future minimum lease receipts due:		
On building leases:		
- not later than one year;	**1,297**	1,211
- later than one year and not later than five years;	**-**	-
- later than five years.	**-**	-
Total	**1,297**	1,211

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.

	2020-21	2019-20
	£000	£000
Operating lease expense		
Minimum lease payments	**2,063**	1,928
Total	**2,063**	1,928

	31 March 2021	Restated 31 March 2020
	£000	£000
Future minimum lease payments due:		
On building leases:		
- not later than one year;	**1,889**	1,812
- later than one year and not later than five years;	**4,787**	3,998
- later than five years.	**17,003**	13,312
On other leases:		
- not later than one year;	**146**	176
- later than one year and not later than five years;	**81**	185
- later than five years.	**-**	-
On all leases		
- not later than one year;	**2,035**	1,988
- later than one year and not later than five years;	**4,868**	4,183
- later than five years.	**17,003**	13,312
Total	**23,906**	19,483

Note 11 Finance income

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

	2020-21	2019-20
	£000	£000
Interest on bank accounts	3	101
Total finance income	3	101

Note 12.1 Finance expenditure

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

	2020-21	2019-20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	-	39
Finance leases	70	81
Interest on late payment of commercial debt	1	5
Main finance costs on PFI and LIFT schemes obligations	681	721
Contingent finance costs on PFI and LIFT scheme obligations	750	556
Total interest expense	1,502	1,402
Unwinding of discount on provisions	7	35
Total finance costs	1,509	1,437

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

	2020-21	2019-20
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	1	5

Note 13 Other gains / (losses)

	2020-21	2019-20
	£000	£000
Gains on disposal of assets	619	4
Losses on disposal of assets	(165)	(124)
Total gains / (losses) on disposal of assets	454	(120)

Note 14 Intangible assets - 2020-21

	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2020 - brought forward	**1,366**	**3,205**	**4,571**
Additions	1,159	908	**2,067**
Reclassifications	1	-	**1**
Disposals / derecognition	(209)	(2,448)	**(2,657)**
Valuation / gross cost at 31 March 2021	**2,317**	**1,665**	**3,982**
Amortisation at 1 April 2020 - brought forward	**1,158**	**2,952**	**4,110**
Provided during the year	113	190	**303**
Disposals / derecognition	(209)	(2,443)	**(2,652)**
Amortisation at 31 March 2021	**1,062**	**699**	**1,761**
Net book value at 31 March 2021	**1,255**	**966**	**2,221**
Net book value at 1 April 2020	**208**	**253**	**461**

Note 14.1 Intangible assets - 2019-20

	Software licences	Internally generated information technology	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - as previously stated	**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 - as previously stated	**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 15.1 Property, plant and equipment - 2020-21

	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 2020 - brought forward	**19,464**	**101,278**	**1,944**	**1,424**	**176**	**11,802**	**1,941**	**138,029**
Additions	-	3,262	7,779	82	-	1,550	7	**12,680**
Impairments charged to operating expenses	(159)	(1,082)	(120)	-	-	-	-	**(1,361)**
Impairments charged to the revaluation reserve	(35)	(2,308)	-	-	-	-	-	**(2,343)**
Reversals of impairments	290	824	-	-	-	-	-	**1,114**
Revaluations	6	(5,150)	-	-	-	-	-	**(5,144)**
Reclassifications	-	323	(510)	27	-	170	(11)	**(1)**
Transfers to / from assets held for sale	(609)	(261)	-	-	-	-	-	**(870)**
Disposals / derecognition	-	(148)	-	(521)	(38)	(6,882)	(1,065)	**(8,654)**
Valuation/gross cost at 31 March 2021	**18,957**	**96,738**	**9,093**	**1,012**	**138**	**6,640**	**872**	**133,450**
Accumulated depreciation at 1 April 2020 - brought forward	**-**	**4,116**	**-**	**1,059**	**172**	**8,113**	**1,598**	**15,058**
Provided during the year	-	4,906	-	123	1	1,341	124	**6,495**
Revaluations	-	(5,578)	-	-	-	-	-	**(5,578)**
Reclassifications	-	-	-	20	-	-	(20)	**-**
Transfers to / from assets held for sale	-	-	-	-	-	-	-	**-**
Disposals / derecognition	-	(143)	-	(495)	(38)	(6,787)	(1,027)	**(8,490)**
Accumulated depreciation at 31 March 2021	**-**	**3,301**	**-**	**707**	**135**	**2,667**	**675**	**7,485**
Net book value at 31 March 2021	**18,957**	**93,437**	**9,093**	**305**	**3**	**3,973**	**197**	**125,965**
Net book value at 1 April 2020	**19,464**	**97,162**	**1,944**	**365**	**4**	**3,689**	**343**	**122,971**

Note 15.2 Property, plant and equipment - 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
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)
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 15.3 Property, plant and equipment financing - 2020-21

	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 2021								
Owned - purchased	18,957	69,011	9,093	305	3	3,973	197	**101,539**
Finance leased	-	515	-	-	-	-	-	**515**
On-SoFP PFI contracts and other service concession arrangements	-	23,911	-	-	-	-	-	**23,911**
NBV total at 31 March 2021	**18,957**	**93,437**	**9,093**	**305**	**3**	**3,973**	**197**	**125,965**

Note 15.4 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/granted	609	225	-	-	-	-	-	834
NBV total at 31 March 2020	19,464	97,162	1,944	365	4	3,689	343	122,971

Note 16 Revaluations of property, plant and equipment

Montagu Evans LLP, who is a member of the Royal Institute of Chartered Surveyors (RCIS) and is independent of the Trust, undertook a desk top valuation of the Trust's land and buildings as at 31 March 2021. The last full valuation was undertaken by the Montagu Evans LLP as at 31st March 2020. The valuations were carried out in accordance with the RICS Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the DHSC and HM Treasury. The valuations were undertaken in accordance with the Trust's accounting policy (see note 1).

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

Overall the valuation has contributed to net downward movement of £2.3m of which £0.1m was an impairment to the Statement of Comprehensive Income.

The valuation exercise was carried out in March 2021 with a valuation date of 31 March 2021. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has confirmed that whilst COVID-19 continues to affect economies and real estate markets, as at the valuation date property markets are functioning and transaction volumes and other relevant evidence are at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, the valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Note 17 Investment Property

	2020-21	2019-20
	£000	£000
Carrying value at 1 April - brought forward	**1,091**	-
Reclassifications to/from PPE	-	1,091
Carrying value at 31 March	**1,091**	1,091

Note 18 Inventories

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020-21 the Trust received £1,991k of items purchased by DHSC.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 19.1 Receivables

	31 March 2021	31 March 2020
	£000	£000
Current		
Contract receivables	**2,290**	6,000
Allowance for impaired contract receivables / assets	**(159)**	(546)
Prepayments (non-PFI)	**1,545**	1,915
PDC dividend receivable	**303**	439
VAT receivable	**1,304**	569
Other receivables	**133**	133
Total current receivables	**5,416**	8,510
Non-current		
Contract receivables	-	353
Prepayments (non-PFI)	65	-
Other receivables	660	50
Total non-current receivables	**725**	**403**
Of which receivable from NHS and DHSC group bodies:		
Current	2,392	5,529
Non-current	397	50

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 19.2 Allowances for credit losses

	2020-21	2019-20
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April - brought forward	**546**	1,525
New allowances arising	**65**	699
Reversals of allowances	**(409)**	(706)
Utilisation of allowances (write offs)	**(43)**	(972)
Allowances as at 31 Mar	**159**	546

Note 20 Non-current assets held for sale and assets in disposal groups

	2020-21 £000	2019-20 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**-**	**-**
Assets classified as available for sale in the year	870	-
Assets sold in year	(870)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**-**

During the year Canada House was transferred from Property, Plant and Equipment and sold at auction, realising a profit of £0.6m.

Note 21.1 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.

	2020-21 £000	2019-20 £000
At 1 April	**15,678**	12,545
Net change in year	**1,588**	3,133
At 31 March	**17,266**	15,678
Broken down into:		
Cash at commercial banks and in hand	**32**	38
Cash with the Government Banking Service	**17,234**	15,640
Total cash and cash equivalents as in SoFP	**17,266**	15,678
Total cash and cash equivalents as in SoCF	**17,266**	15,678

Note 21.2 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 2021 £000	31 March 2020 £000
Total third party assets	**131**	170

Note 22 Trade and other payables

	31 March 2021 £000	31 March 2020 £000
Current		
Trade payables	**4,386**	5,617
Capital payables	**4,809**	2,184
Accruals	**6,696**	5,216
Social security costs	**1,593**	1,356
Other taxes payable	**1,441**	1,030
Other payables	**2,010**	1,830
Total current trade and other payables	**20,935**	17,233
Of which payables from NHS and DHSC group bodies:		
Current	1,967	3,061

Note 22.1 Early retirements in NHS payables above

During 2020-21 there were 6 early retirements from the Trust agreed on the grounds of ill-health (2 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements is 264k (£188k in 2019-20).

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

Note 23 Other liabilities

	31 March 2021 £000	31 March 2020 £000
Current		
Deferred income: contract liabilities	**1,932**	2,576
Total other current liabilities	**1,932**	2,576

Note 24.1 Borrowings

	31 March 2021 £000	31 March 2020 £000
Current		
Loans from DHSC	**-**	2,307
Obligations under finance leases	**185**	173
Obligations under PFI, LIFT or other service concession contracts	**870**	723
Total current borrowings	**1,055**	3,203
Non-current		
Obligations under finance leases	**638**	823
Obligations under PFI, LIFT or other service concession contracts	**9,248**	10,118
Total non-current borrowings	**9,886**	10,941

Note 24.2 Reconciliation of liabilities arising from financing activities - 2020-21

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£000
Carrying value at 1 April 2020	**2,307**	**996**	**10,841**	**14,144**
Cash movements:				
Financing cash flows - payments and receipts of principal	(2,300)	(173)	(723)	**(3,196)**
Financing cash flows - payments of interest	(7)	(70)	(681)	**(758)**
Non-cash movements:				
Application of effective interest rate	-	70	681	**751**
Carrying value at 31 March 2021	**-**	**823**	**10,118**	**10,941**

Note 24.3 Reconciliation of liabilities arising from financing activities - 2019-20

	Loans from DHSC	Finance leases	PFI and LIFT schemes	Total
	£000	£000	£000	£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 25.1 Kent and Medway NHS and Social Care Partnership Trust as a lessee

Obligations under finance leases where the 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 2021	31 March 2020
	£000	£000
Gross lease liabilities	**972**	1,215
of which liabilities are due:		
- not later than one year;	**243**	243
- later than one year and not later than five years;	**729**	972
- later than five years.	**-**	-
Finance charges allocated to future periods	**(149)**	(219)
Net lease liabilities	**823**	996
of which payable:		
- not later than one year;	**185**	173
- later than one year and not later than five years;	**638**	823
- later than five years.	**-**	-

All of the above lease liabilities relate to buildings.

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 25 above.

Note 26.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	**Legal claims**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
At 1 April 2020	**1,566**	**524**	**610**	**2,700**
Change in the discount rate	62	-	-	**62**
Arising during the year	177	113	479	**769**
Utilised during the year	(126)	(56)	(87)	**(269)**
Reversed unused	-	(151)	(173)	**(324)**
Unwinding of discount	7	-	-	**7**
At 31 March 2021	**1,686**	**430**	**829**	**2,945**
Expected timing of cash flows:				
- not later than one year;	126	430	299	**855**
- later than one year and not later than five years;	504	-	133	**637**
- later than five years.	1,056	-	397	**1,453**
Total	**1,686**	**430**	**829**	**2,945**

Legal Claims reflect cases covered by the Liabilities to Third Party Scheme (LTPS) for which NHS Resolution provide estimates and employment tribunal claims whose timings are based on current assumptions from the Trust's Legal Department.
Other claims relate to dilapidations provisions and the clinicians pension provision.

Note 26.2 Clinical negligence liabilities

At 31 March 2021, £3,409k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Kent and Medway NHS and Social Care Partnership Trust (31 March 2020: £3,498k).

Note 27 Contingent assets and liabilities

	31 March 2021	31 March 2020
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	**-**	(56)
Other	**(815)**	(855)
Net value of contingent liabilities	**(815)**	(911)

Contingent liabilities relate to £0k (£56k 2019-20) LTPS notified by NHS Resolution and £1m (£0.9m 2019-20) dilapidation costs for future years.

Note 28 Contractual capital commitments

	31 March 2021	31 March 2020
	£000	£000
Property, plant and equipment	**4,222**	159
Intangible assets	**-**	-
Total	**4,222**	159

Note 29 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	**2020-21**	2019-20
	£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.

	2020-21	2019-20
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**

	2020-21	2019-20
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 29.1 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 2021	31 March 2020
	£000	£000
Gross PFI, LIFT or other service concession liabilities	**15,152**	16,556
Of which liabilities are due		
- not later than one year;	**1,504**	1,404
- later than one year and not later than five years;	**5,060**	5,947
- later than five years.	**8,588**	9,205
Finance charges allocated to future periods	**(5,034)**	(5,715)
Net PFI, LIFT or other service concession arrangement obligation	**10,118**	10,841
- not later than one year;	**870**	723
- later than one year and not later than five years;	**3,087**	3,753
- later than five years.	**6,161**	6,365

Note 29.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future commitments under these on-SoFP schemes are as follows:

	31 March 2021	31 March 2020
	£000	£000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**43,363**	46,593
Of which payments are due:		
- not later than one year;	**3,511**	3,397
- later than one year and not later than five years;	**12,757**	13,869
- later than five years.	**27,095**	29,327

Note 29.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2020-21	2019-20
	£000	£000
Unitary payment payable to service concession operator	**3,216**	2,989
Consisting of:		
- Interest charge	**681**	721
- Repayment of balance sheet obligation	**723**	655
- Service element and other charges to operating expenditure	**1,062**	1,057
- Contingent rent	**750**	556
Total amount paid to service concession operator	**3,216**	2,989

Note 30 Financial instruments

Note 30.1 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 2021 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 30.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2021	**Held at amortised cost**	**Total book value**
	£000	**£000**
Trade and other receivables excluding non financial assets	**2,924**	**2,924**
Cash and cash equivalents	**17,266**	**17,266**
Total at 31 March 2021	**20,190**	**20,190**

The above figure for Trade and other receivables excludes the following which are classed as non financial assets - Prepayments, £1,610k, PDC dividend receivable, £303k and VAT receivable, £1,304k.

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£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

Note 30.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2021	**Held at amortised cost**	**Total book value**
	£000	**£000**
Loans from the Department of Health and Social Care	-	**-**
Obligations under finance leases	823	**823**
Obligations under PFI, LIFT and other service concession contracts	10,118	**10,118**
Trade and other payables excluding non financial liabilities	15,891	**15,891**
Clinical pension provision	397	**397**
Total at 31 March 2021	**27,229**	**27,229**

The above figure for Trade and other payables excludes liabilities for Social security costs, Other taxes payable and Other payables (£5,044k) as these are defined as non 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

Note 30.4 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	31 March 2021	31 March 2020 restated*
	£000	£000
In one year or less	**17,638**	16,971
In more than one year but not more than five years	**5,789**	6,919
In more than five years	**8,985**	9,205
Total	**32,412**	33,095

* This disclosure has previously been prepared using discounted cash flows. The comparatives have therefore been restated on an undiscounted basis.

Note 30.5 Fair values of financial assets and liabilities

For all financial instruments the disclosed amounts relate to book value (carrying value) as a reasonable approximation of fair value

Note 31 Losses and special payments

	2020-21		2019-20	
	Total number of cases	**Total value of cases**	Total number of cases	Total value of cases
	Number	**£000**	Number	£000
Losses				
Cash losses	**29**	**20**	22	3
Fruitless payments and constructive losses	**1**	**1**	-	-
Bad debts and claims abandoned	**23**	**28**	10	2
Stores losses and damage to property	**1**	**1**	-	-
Total losses	**54**	**50**	32	5
Special payments				
Ex-gratia payments	**22**	**28**	30	67
Total special payments	**22**	**28**	30	67
Total losses and special payments	**76**	**78**	62	72

Note 32 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 payment made by the Trust was material to a related party, H & Moss Consultancy Ltd, amounting to £3,000 in respect of procurement consultancy work.

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 32.1 Related Party Income

Health Education England

NHS Kent and Medway Clinical Commissioning Group

NHS England (including CSUs)

Department of Health and Social Care

Note 32.2 Related Party Expenditure

NHS Pensions Scheme

NHS Resolution

Note 32.3 Events after the reporting date

There have been no material events after the reporting date.

Note 33 Better Payment Practice code

	2020-21	2020-21	2019-20	2019-20
Non-NHS Payables	**Number**	**£000**	Number	£000
Total non-NHS trade invoices paid in the year	**13,936**	**71,966**	13,954	58,531
Total non-NHS trade invoices paid within target	**12,935**	**69,161**	13,061	56,282
target	**92.8%**	**96.1%**	93.6%	96.2%
NHS Payables				
Total NHS trade invoices paid in the year	**1,160**	**7,650**	1,308	8,360
Total NHS trade invoices paid within target	**1,121**	**7,471**	1,267	8,127
Percentage of NHS trade invoices paid within target	**96.6%**	**97.7%**	96.9%	97.2%

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 34 External financing limit

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

	2020-21	2019-20
	£000	£000
Cash flow financing	**719**	(3,787)
Finance leases taken out in year	**-**	-
Other capital receipts	**-**	-
External financing requirement	**719**	(3,787)
External financing limit (EFL)	**8,672**	7,619
Under / (over) spend against EFL	**7,953**	11,406

Note 35 Capital Resource Limit

	2020-21	2019-20
	£000	£000
Gross capital expenditure	**14,747**	7,985
Less: Disposals	**(1,039)**	(121)
Charge against Capital Resource Limit	**13,708**	7,864
Capital Resource Limit	**13,767**	8,298
Under / (over) spend against CRL	**59**	434

Note 36 Breakeven duty financial performance

	2020-21	2019-20
	£000	£000
Adjusted financial performance surplus / (deficit) (control total basis)	**3**	4,238
Remove impairments scoring to Departmental Expenditure Limit	**120**	-
IFRIC 12 breakeven adjustment	**545**	389
Breakeven duty financial performance surplus / (deficit)	**668**	4,627

Note 37 Breakeven duty rolling assessment

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£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	668
Breakeven duty cumulative position	3,913	4,451	5,653	7,260	8,162	3,982	671	(553)	3,410	8,037	8,705
Operating income	182,204	178,468	172,902	174,924	178,674	181,334	183,103	181,034	185,085	202,403	220,039
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%	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

Or write to:

PALS and Complaints (East Kent)
Eastern and Coastal Area Office
Littlebourne Road
Canterbury
Kent CT1 1AZ

PALS and Complaints (West Kent)
Priority House
Hermitage Lane
Maidstone
Kent ME16 9PH

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

Visit us at www.kmpt.nhs.uk

Review April 2022 KM1387