NHS
Kent Community Health
NHS Foundation Trust

Annual report

2022 to 2023

we care

Welcome to our **12th annual report**

Kent Community Health NHS Foundation Trust

Annual report and accounts 2022 to 2023

Presented to Parliament pursuant to Schedule 7,
paragraph 25 (4) (a) of the National Health Service Act 2006

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Overview of performance: Welcome to our 12th annual report

Introduction from the chair and chief executive

It's been another year of rising pressures, difficult decisions and extraordinary efforts by everyone at Kent Community Health NHS Foundation Trust to deliver the very best care for our communities.

As always, we need to pay tribute to #TeamKCHFT – our 5,300 hardworking colleagues – who continued to encourage each other to meet every demand placed on them.

There have been moments, winter 2022 in particular, where the pressure in many ways was greater than wave one of the Covid-19 pandemic, as across the country a huge demand for services, coupled with rising Covid, flu and other infection rates, saw everyone pulling out all the stops to care for patients.

It's important for us to recognise the difficult decisions colleagues have had to take on a daily basis – and continue to do so – as we have come together as a health and care community to grapple with the rising demand.

At times this year, we have needed to create additional capacity in our community hospitals, provide more support at home, expand and develop our virtual wards and act swiftly to cope with the demands on our 70 services across Kent and Medway, East Sussex and parts of London, where we deliver care.

We are really pleased patient satisfaction remains high with 98.4 per cent of people rating their overall experience of the service they received as very good or good, but we are not complacent.

We take huge pride in the quality of care we provide. Our staff chose the quality priorities for the year and I'm pleased we have achieved eight of those, with a robust plan in place to progress the others this year.

We continued to be committed to listening and learning from our service-users, their carers and families, and working with all services to make sure carers are recognised as equal partners in the patient journey. This has ranged from carrying out listening events to help finalise our new Edenbridge Memorial Health Centre community hub, to helping to design our new respiratory virtual ward. Our People's Network has also continued to grow.

We've worked hard to reset our services after the pandemic and tackle waiting lists. We know we have more work to do, particularly to support children with special educational needs and adults and children on our neuro-developmental pathways.

We have also needed to recognise as a health and social care system, that we have to do things differently in the future and are excited about the year ahead. This year, we were named as one of nine national pilots to develop a new model of rehabilitation and recovery, which will be one of our key priorities for the year ahead.

Against a backdrop of a country facing a cost of living crisis, this has been felt by our communities and our colleagues. We don't underestimate how difficult it was for any colleague who voted for or took industrial action – this was their personal decision, which we respected. It is testament to each and every one of our colleagues we were able to maintain safe care during strike action.

This year, we developed a new approach to reducing health inequalities by establishing a new programme of work. Asking someone's ethnicity is more than just a tick box exercise, it's vital to how we shape and plan

services and our Health Visiting Service and London dental services are just two examples leading the way in making sure we reach all the people we need to and break down barriers.

We have continued to invest in the maintenance of our buildings to improve the environment used by our patients and staff, recognising we have more to do. We have also persisted on our journey to becoming carbon neutral and improve the environmental sustainability of our services.

Once again, our staff, public and appointed governors have provided support and direction to the Board and we want to thank all of them for their ongoing enthusiasm and commitment to our colleagues and patients.

Our partners in health and social care, along with the voluntary sector, have also been instrumental in driving improvements. It's been a true partnership as we all worked hard together to improve outcomes for patients and tackle waiting times, whether this is through our health and care partnerships, or one of the provider collaboratives in Kent and Medway, which are being established.

Next year will see a focus on developing integrated neighbourhood teams working to provide a more preventive approach, stopping people from going into hospital and getting them home sooner, something we can only do if we break down barriers to provide seamless care.

While KCHFT has ended the year with a surplus of £19k, having fully achieved its £6.78million cost improvement plan savings, we know the systems we work in are extremely financially challenged. It's vital we work even better together in the year ahead, if we are to meet all our demands, within our resources.

We are delighted we have ended the year with our new co-designed *'We care' strategy*, which will build on the successes of the past. It will focus on fewer priorities, concentrating on those that will make the biggest breakthroughs in delivering high-quality care for our patients and a better working life for our colleagues.

Finally, we also can't forget to thank our amazing volunteers who have supported us, fundraised for us, guided us and championed us through another year of challenges.

Every single one of you is appreciated and valued.

John Goulston
Chair

Mairead McCormick
Chief Executive

Our year in numbers

This year we delivered more than

2 million patient contacts

three quarters face-to-face

one quarter virtual.

500,000

were in children's services.

Our **urgent treatment centres** and **minor injury units** treated almost

180,000 people

reducing pressure on A&Es across Kent and Medway.

2,000

people were treated as inpatients in our community hospitals.

Our **sexual health services** provided vital treatment and advice to

55,000 people.

230,000 vaccinations administered

protecting our school-age children.

Our adult health improvement services saw

7,000 people

in Kent attend a One You Health Walk.

5,000 people

set a quit date with our Stop Smoking Service.

1,000 people

attended a weight loss session.

3,000

people saw a lifestyle advisor for help to overcome obstacles to a healthier life.

Our charity, i care

spent more than

£300,000

on items and services which enhance patient care and boost morale, including a major refurbishment of the ward at the Queen Victoria Memorial Hospital in Herne Bay.

The charity generated £21,000 income during the year.

2,800

colleagues vaccinated against flu.

2,600

colleagues vaccinated against the latest strain of Covid-19.

Our year in headlines

April

Hospitals come into our ownership

We took ownership of Queen Victoria Memorial Hospital (QVMH) in Herne Bay and Sevenoaks Hospital, thanks to a Department of Health and Social Care (DHSC) initiative. The programme helps providers take ownership of buildings previously owned by NHS Property Services.

Last Covid jabs at Pentagon

After 13 months and more than 162,000 jabs, our teams gave their last Covid-19 vaccinations at the Pentagon Centre in Chatham, an incredible achievement from everyone involved, which was also recognised at the Healthwatch Awards. We also scooped a further three Healthwatch awards in April for involving and listening to patients.

May

Shifting attitudes on sexual health

We launched the SHIFT sexual health website on behalf of several European partners. The project is focused on shifting attitudes towards sex and sexual health in people over 45. The Sexual Health Team was involved in the research and the roll out of the project and our Communications Team was contracted to design and build the project website, which by the end of the year will have received 20,000 views. There was a 50 per cent increase in people over the age of 45 presenting for support and advice in our sexual health clinics following the implementation of the SHIFT project.

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SHIFT

June

Edenbridge underway

Our ground-breaking ceremony in June 2022 marked the start of the build of the new £13.5 million Edenbridge Memorial Health Centre, a project to provide integrated care at the heart of the Edenbridge community.

Queen's Platinum Jubilee

We joined the nation to celebrate Her Majesty Queen Elizabeth II's Platinum Jubilee with garden parties at Faversham Cottage Hospital and Hawkhurst Community Hospital. Queen's Nurse Caroline Knott, celebrated with an invitation to a garden party at Buckingham Palace. Fundraiser Steve Bamford also went along to Buckingham Palace thanks to an invitation from i care through NHS Charities Together, as a thank you for all his incredible fundraising activity.

i care

Real Living Wage

There was another first for us as we became an accredited Real Living Wage employer, the first trust in Kent and Medway to do so. Being a Real Living Wage employer means that we have committed to paying our colleagues a wage which reflects the real costs and pressures of everyday life.

July

A new chapter for KCHFT as Mairead becomes our chief executive

Our new Chief Executive Mairead McCormick took the reins on 1 July, taking over from acting Chief Executive Gordon Flack, who had been in the role since January. Mairead reflected on her appointment in her first ever blog for the trust, saying: "Great partnerships, bring great change. I sincerely hope and am committed to forging and building those relationships to make things better for you, our communities."

Improving oral health in London

The amazing work of our London Dental Services to tackle the oral health of hard-to-reach groups, including refuges, travellers and the Charedi community, saw us re-contracted to provide services in Redbridge in July 2022, and in Hackey in January 2023. The teams ran oral health promotion sessions, trained community champions and attended 23 community events, hosted 262 community sessions and gave out more than 7,600 oral health packs.

August

Pride in our NHS and helping people to live well

We celebrated Pride events alongside NHS colleagues from trusts across Kent and East Sussex. From June to August we attended events in London, Canterbury, Margate, Hastings and Gravesend to show support for our LGBTQ+ colleagues.

People in east Kent were able to get advice about how to shop, cook and eat well for less at a series of special events during the summer. One You Kent worked with district councils in east Kent as part of the East Kent Wellbeing and Health Integrated Partnership to deliver the events.

TV and radio presenter Gloria Hunniford cut the ribbon to open the newly-transformed garden at Sevenoaks Hospital. The garden was given a makeover in memory of Susan Hamilton-Rigby, who worked at the hospital for 28 years.

September

Honouring our late Queen and others in special awards

Patients and colleagues at our community hospitals gathered in day rooms, joining more than seven billion people worldwide to watch the funeral of Her Majesty Queen Elizabeth II.

We were awarded the highest accolade in the Kent and Medway Workplace Wellbeing Awards – a platinum award for our work on staff health and wellbeing. Initiatives highlighted were our staff choir, football team, easy access to counselling and fast track physiotherapy.

Thanet Health Community Interest Company's Home Visiting Service and our Complex Acute Response Team (C-ART) gained national recognition at the NHS Parliamentary Awards.

Mega-fundraiser Steve Bamford completed a grand biking tour of our hospitals, urgent treatment centres and sexual health clinics in Kent to raise money for our charity, i care, and improve awareness of the undetectable = untransmissable HIV campaign.

October

A new-look ward for Herne Bay

There were emotional scenes at Queen Victoria Memorial Hospital in Herne Bay as overjoyed colleagues returned to the newly-refurbished Heron Ward.

Following the £900,000 makeover at the site, the ribbon to reopen the ward was cut by Healthcare Assistant Jo Stuttle, 74. Described as 'the heart of the team' by Ward Matron Alison Read, Jo has worked at the hospital for 27 years.

The 19-bed ward now boasts a new reception area and nurses' station. Patient spaces are freshly decorated, with new flooring, LED-lighting, bedside televisions and Juliet balconies in the side rooms.

November

Recognition for our pharmacy colleagues

Our Pharmacy Team won the Patient Safety Award at this year's Health Service Journal Awards in London. The team was recognised for their commitment to supporting children with complex needs in special schools in Kent.

Organisations across health, voluntary and community services joined our first community #WinterWell event in Folkestone, connecting people to the support and services they need in winter. More than 300 people walked through the doors to get on-the-spot advice on food banks, fuel costs, immunisations and staying well.

Our East Sussex Children's Service increased its support and training to schools to help cope with the high levels of demand for speech and language services, as we know children make better progress when communication support is provided in the classroom as part of daily learning. By the end of the year, our East Sussex Children's Service had 74,805 contacts, 19 per cent more than the previous year.

December

Putting our armed forces at the heart

We started December with members of the Royal British Legion witnessing the signing of our Armed Forces Covenant. The pledges underlying the covenant will help us to support our military families as well as improve access to our services and employment opportunities for veterans.

Vaccination for diphtheria

KCHFT's vaccination teams worked closely with the UK Health Security Agency throughout November and December to vaccinate migrants against diphtheria after a spike in infections at the Manston processing centre.

January

Industrial action

The Royal College of Nursing (RCN) announced strike action at the end of 2022 and KCHFT were on the list for strikes to take place in the second round in January 2023. Around 300 nursing staff took part in the strike over two days. Disruption to patient care was kept to a minimum, thanks to careful advance planning.

February

Home-grown apprentices

We celebrated the work of our home-grown apprentices during National Apprenticeship Week. We are now offering more than 300 fully-paid apprenticeships, from nursing to administrators. Our first ever cohort of registered nurse apprentices graduated, with nine of the 13 gaining a first-class degree – an extraordinary effort from the group, who were recruited in 2019 and continued their work and studies throughout the pandemic.

Edenbridge Memorial Health Centre a step closer

Edenbridge Memorial Health Centre became one step closer as the final bolt in the steel frame was tightened at an historic topping off ceremony. This was followed by a month of engagement in March to talk to the public about the final list of services and ask them about how we make best use of the community space so it provides a truly integrated health and wellbeing hub.

March

Expansion of new virtual wards

We opened a virtual respiratory ward with our partners at East Kent Hospitals University NHS Foundation Trust as part of the East Kent Health and Care Partnership, for people with acute respiratory infections to receive hospital-level care at home with remote and in-person monitoring. This, along with our other virtual wards for people living with frailty, form part of a national vision to provide 40 to 50 virtual beds per 100,000 of the population by December 2023.

Staff Survey results say we're still one of the best to work for

Our 2022 NHS Staff Survey results were released, revealing we are still one of the best trusts to work for, according to our people who completed the survey.

Performance analysis:
Who we are and what we do

Formed in April 2011, Kent Community Health NHS Foundation Trust (KCHFT) is a large provider of NHS care in patients' homes and the community. In July 2019, it was rated 'outstanding' by the Care Quality Commission.

It provides more than 70 services in the community, including in people's own homes; nursing homes; clinics; nine community hospitals; four urgent treatment centres, three minor injury units; and in mobile units.

It serves 3.6million people across Kent, East Sussex and London. It employs in the region of 5,323 people (31 March 2023).

The workforce includes doctors, community nurses, dieticians, health visitors, dentists, podiatrists, occupational therapists, physiotherapists, speech and language therapists, pharmacists and many more.

KCHFT is recognised as providing excellent care, has a strong community identity and strong leadership, as demonstrated by a Good Governance Institute review in 2022.

In July, Mairead McCormick joined the organisation as chief executive and changes were made to the Executive Team portfolio following a review. This included providing a new role of executive director of health inequalities prevention to put a greater emphasis on tackling health inequalities and a chief allied health professions officer (to be appointed in 2023/24).

We have a 15-strong Board made up of executive and non-executive members. As a foundation trust, we have 23 seats on the Council of Governors, including 13 public governors, five staff governors and five appointed governors. We have more than 8,575 public members and more than 170 volunteers, who provide invaluable support, in a variety of roles including participation partners, health walk leaders, hospital volunteers, administrators, gardeners, research champions and pets as therapy volunteers.

Our budget was £288.8m. Our year end accounts show expenditure of £297.2m.

KCHFT in the Kent and Medway system

Throughout 2022/23, KCHFT played a key role across the system, supporting the new integrated care system (ICS) and development of the integrated care board.

The trust also continued to work with partners in East Sussex, where it provides children's services and in north London, where it provides dental services.

The plan for the year linked closely to the ICS strategy, which focused on five areas:

- improving care quality and patient experience
- increased focus on population health and prevention
- driving financial balance, efficiency and productivity
- transformation of our workforce and infrastructure
- a new integrated care system delivery model.

In 2022/23 KCHFT:

- continued to provide leadership and support across the ICS key functions
- progressed the co-creation and implementation of the ICS priorities as well as existing and new transformation schemes
- contributed to the development of the five-year integrated care strategy and five-year forward plan
- worked with the Mental Health and Learning Disability and Autism (MHLDA) Improvement Board as it transitioned to be a strategic board as part of the ICB governance framework.

We continued our commitment to the health and care partnerships (HCPs) in both east and west Kent, supporting the areas of focus which included, clinical pathways such as virtual wards and prevention, health inequalities and population health management.

You can read more in our section: Partnership working across our systems.

Our mission, vision and values

Our mission

To **empower adults and children** to live well, to be the **best employer** and **work with our partners** as one.

Our vision

A community that **supports each other** to **live well**.

Our values

We have four values:

Compassionate
We put patients and our service users at the heart of everything we do. We're positive, kind and polite. We understand diversity. We're respectful, patient and tolerant.

Aspirational
We feel empowered and we empower our patients. We strive to improve. Our focus is on research and generating ideas and innovations. We're open, transparent and we think creatively.

Responsive
We listen. We act. We communicate clearly. We do what we say we will. We take account of the opinions of others.

Excellent
We strive to deliver the best care we can. We grow a culture of excellence in our teams. We challenge complacency.

Our goals for 2022 to 2023

- Prevent ill health.
- Deliver high-quality care at home and in the community.
- Integrate services.
- Develop sustainable services.

Our enablers for 2022 to 2023

Digital

Having accessible and integrated technology.

People

Engaging, developing and valuing our people.

Environmental sustainability

Improving our environmental impact.

System leadership

Improving population health and wellbeing.

Performance and measures

At the beginning of 2022/23 and following engagement across the organisation, two areas were identified for the trust to progress further and faster as part of its strategy – these were high-quality care and our people. Aligned to these, the trust identified four priority areas and key performance indicators (KPIs). The detailed annual delivery plan for our strategy and priority areas strongly aligned with the 10 priorities set out in the national operational planning guidance for the year.

Our people – increase staffing levels

KPI: An additional 132 people employed by KCHFT by March 2023, compared to March 2022. This was achieved with an additional 257 colleagues.

- **International recruits programme completed by March – achieved in November, ahead of deadline.**
- **Reduce turnover to 14.5 per cent by March 2023 – achieved, turnover reduced to under 10 per cent.**
- **Reduce vacancy rates in coastal teams to below 20 per cent by March 2023 – not met.**
- **Improve registered nursing staff rates per shift in Q4 of 2022/23 compared to Q4 2021/22 – achieved.**

We continued to focus efforts on our recruitment and retention this year. Against a national backdrop of staff shortages and record vacancies in health and social care, we knew we would have to be innovative.

We have provided apprenticeship opportunities to help our people gain vital qualifications without needing to take a career break. Last year, 48 apprentices completed their studies while working as part of KCHFT and 76 colleagues began their journey with us, from level two up to Master's level. In August, we welcomed 12 new allied health professional degree-apprentices into our teams, comprising eight apprentice physiotherapists, three apprentice occupational therapists and one apprentice podiatrist, who all began their studies to gain a degree while earning and working at the same time.

Our very first cohort of registered nurse apprentices, recruited in 2019, successfully graduated after four years of work and study, with nine of the 13 nurses gaining a first-class level degree. Their graduations will happen later this year.

We also recruited internationally-educated nurses (IENs) to our community and public health teams. The IENs have been supported through an extensive programme of pastoral care and many are now making excellent progress in our services. Several of our original IEN cohort, recruited to community hospital teams, have been helped to develop and progress in our trust this year, with some progressing to higher bands.

We also had a clear focus on staff health and wellbeing and reigniting staff pride in the value of roles and professions. We have focused on supporting staff with psychological impact of delivering care to patients, through a range of means including a range of well-attended reflection rounds.

We worked hard to support vacancies in our coastal teams, while the overall vacancy rate reduced from 7.76 per cent at the start of the year to 4.65 per cent as of March 2023, there are two coastal services within podiatry that have three WTE vacancies, leaving their vacancy rate above the target.

When monitoring safe staffing, KCHFT review the fill rates of registered and unregistered staff identifying the planned hours expected to work against the hours actually worked in our community hospitals. In Q4 of 2021/22 the fill rate of registered staff across our community hospitals was reporting 88 per cent. The results for Q4 of 2022/23 are reflecting a significant improving and now reporting at 94.62 per cent.

Our aim for staff turnover last year was to reduce it to under 14.5 per cent. Actual turnover for this year is now just under 10 per cent.

Staff nurse Faith Ekpeti joined #TeamKCHFT at Faversham Cottage Hospital just over a year ago, after emigrating from her native Nigeria. Faith said: **"I am really enjoying working for KCHFT, it's been hard work but very rewarding. I'm now the link nurse for tissue viability for any patients at risk of pressure sores and other wounds, I liaise with the central Tissue Viability Team and take new learning back to the ward team at Faversham."**

Our people – equity, diversity and inclusion

KPI: Increase the percentage of staff who say they recommend KCHFT as a place to work in the NHS staff survey, from 70 per cent (2021/22) to 75 per cent. This was not met, the figures remained at 70.5 per cent. This will be a focus in 2023/24 as part of our a great place to work ambition.

- **Reduction in BAME staff experiencing bullying and harassment from a manager or team leader to below 12.8 per cent – achieved, 11.7 per cent.**
- **Reduction in relative likelihood of BAME staff entering formal disciplinary process compared to white staff to below 1.33 per cent – achieved, 1.18 per cent now entering a disciplinary.**

We want every colleague to feel listened to and valued and be able to bring their full selves to work. In November 2021, we published our People, Equity and Diversity: Nobody Left Behind Strategy and in the last year we've made major progress in working with colleagues to co-design and refresh the action plan that sits alongside it.

To help people feel comfortable to speak up, we brought in a specialist independent agency to facilitate a programme of activities. This included conducting staff telephone interviews, virtual workshops, joining existing network, team and service meetings, face-to-face world café events and an anonymous survey. A task and finish group and a Critical Friend Group has supported an analysis of the themes and held us to account on delivering real change.

We also worked hard to make sure colleagues don't feel like this is 'just a tick box' exercise, but made a real difference to make sure nobody is left behind, this work and the refreshed action plan will stand us in good stead for delivery in the year ahead.

This work is dovetailing into our new programme to re-think our staff engagement and maximise the voice of our people, a major focus for next year.

We focused efforts on staff health and wellbeing, expanding our offer by providing financial advice and support to tackle the cost of living crisis. We introduced several financial schemes this year, including Salary Finance for low cost loans and Wagestream, which allows colleagues to access a percentage of their salary before payday. Our other health and wellbeing offers,

which include fast-track physiotherapy, counselling, salary sacrifice lease car and home electronics schemes, cycle-to-work schemes, a football team and staff choir, earned us a platinum award in the Kent and Medway Workplace Wellbeing Awards.

We invested in recognising the efforts of colleagues who have gone above and beyond. Our Staff Awards in 2022 attracted a record number of entries and our Long Service Awards celebrated colleagues who have dedicated years of service to the NHS.

The results of the annual 2022 **NHS Staff Survey** showed we are still one of the best trusts to work for – with three-quarters of colleagues who responded saying KCHFT took positive action on health and wellbeing, and seven out of 10 people saying they would recommend the organisation as a place to work – five per cent higher on average than other community trusts. The results show KCHFT is ranked fifth in the country among community NHS trusts, with eight out of 10 colleagues also saying they would recommend the care provided by colleagues to their friends and family.

"Working flexibly has allowed me to have more time with my family, but also to manage my health conditions and take care of myself. In turn it makes me feel valued, I'm able to be more productive and give more of myself to my organisation when I am at work."

Hasan Reza, Head of Workforce Equity, Diversity and Inclusion

High-quality care – continual quality improvement

KPIs: Five teams were identified to drive change with a goal of releasing capacity and sharing evidenced learning by end of year. This was achieved.

- **Target of 1,650 average users of quality improvement (QI) tools from the QI website a month – achieved 1,900.**
- **Increase the number of projects on a page on the QI website to 75 – achieved, with 76 projects and 18 flashes of brilliance.**
- **Share data outputs and learning from PDSA cycles of capacity projects – achieved.**

Quality improvement has continued to be at the heart of everything we do – and is central to our strategic approach for the year ahead.

One of our biggest QI successes has been the work of the award-winning Medicine Optimisation Team, which has upskilled school staff in administering medicines for children with complex conditions in special schools, reducing medicine errors and expanding skills.

As part of our work to tackle the challenges of demand and capacity, our first QI collaborative was held in east Kent to provide intensive support to frontline teams. It helped three community nursing teams and two physiotherapy teams look at their challenges and find some possible solutions, which they are continuing to work on. Other improvements have included setting up a rapid access clinic and trialling 30-minute huddles once a week for the teams to bond.

We have taken time to consider the impact of demand and capacity and have undertaken PDSA cycles to improve processes and systems of working to release capacity for seeing patients and have been sharing this learning.

Our QI conference in October 2022 attracted around 160 people from Kent and around the UK and our QI projects featured in The Podiatrist trade magazine, on the Academy of Fab NHS Stuff website and in a research paper and webinar by Birkbeck University of London. At the beginning of 2023, we completed our suite of 12 QI animations, called Bitesize QI, which can all be found on our QI website.

By the end of the year, we had 76 QI projects on our website, with 18 flashes of brilliance, where a good idea led to something being improved and the work was shared to help others. Examples include making it easier for patients to complete a bladder diary, supporting residential care homes with continence training and diabetes care, and helping Roma families to stay well and access vital healthcare by piloting drop-in clinics in one of our most deprived areas in Cliftonville, Margate.

'Knowing my child is in safe hands is one of the best feelings. Sacha's medication changes regularly, but the support the staff have received from KCHFT helps us feel confident the changes are understood and procedures will be followed safely and the Specialist Pharmacy Team is always on hand if they have any questions.'

Mum Kimberly Besant, taking about her daughter Sasha.

High-quality care – delivering on digital

KPIs: Roll out My Care Kent and Medway Record for patients.

- **Roll out of the My Care record – this is being replaced by a national app.**
- **Introduce PowerBI for high-quality data in line with our target – achieved.**

We have continued to embed the Kent and Medway Care Record (KMCR) into our systems and encourage colleagues to make use of the software to give a more joined-up view of patient care and treatment. Information shared in the KMCR includes data from acute hospital trusts, community-based providers, mental health services, GP practices and ambulance services in the region – as well as Kent County Council and Medway Council's adult and children's social care teams. Plans to release a public-facing app linked to the KMCR (My Care Record) were replaced in early 2023, as the national NHS app is being developed to allow patient access to health records.

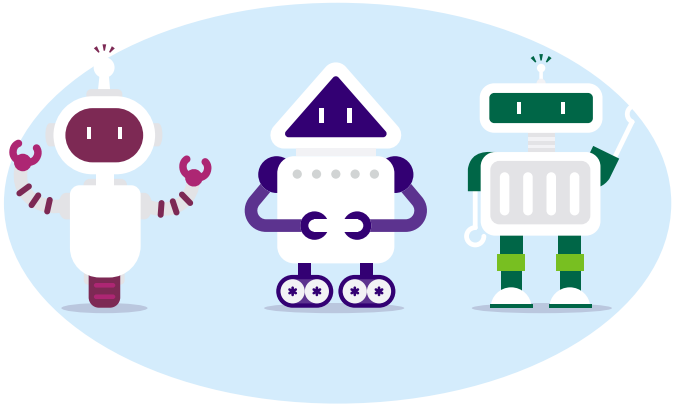
We continued to develop and improve our patient recording system, Rio, to make it easier to use; reducing the forms and fields and developing better ways of working. We also recruited three Rio operational leads who have worked with services to improve their experience of Rio.

In the past year, the Human Resources and IT Teams started to automate repetitive processes, saving around 14,389 hours. We hope to expand this work over the coming years to release more time for frontline clinicians to spend with patients.

We have invested in systems and equipment to help colleagues do their job and have encouraged services to be innovative in the way they can deliver care remotely, for example, our Dietetics Service recruited five fully-remote dietitians in January who can assess and treat patients via phone and video calls from anywhere in the UK, providing a better service for patients who no longer have to travel to appointments.

As well as all these achievements there have been many more highlights to our year, including expanding our efforts to tackle health inequalities, investing in our team to make sure our work can reach those people who most need our help.

We introduced Microsoft Power BI in April 2022, an interactive data visualisation software developed by Microsoft with primary focus on business intelligence, providing frontline colleagues, managers and senior leadership with more real-time interactive performance data. It has allowed closer monitoring of key performance data, including waiting times, by staff at all levels and has delivered higher data quality. It covers the majority of our services, with plans to expand to other clinical and corporate system data next year.



Progress against the quality priorities

We fully or partially achieved eight of our 12 quality priorities

Delivery of the Quality Strategy year two activities and the Quality Priorities for 2022/2023 were monitored by the Quality Committee. This is chaired by a non-executive director and reports to the trust Board.

Eight of the 12 quality priorities were fully achieved or partially achieved. For those that were not achieved, we have a clear programme of work to drive delivery.

These are explained below:

Improving safety for the people we care for

Goal	Progress
People with a high risk of developing pressure ulcers will receive preventative interventions	**Target:** 90 per cent of patients will have a risk assessment completed upon admission to our caseload. **Achieved:** 81 per cent of patients had a risk assessment completed upon admission to our caseload. While we did not achieve the target, keeping patients safe and delivering high-quality care remains a priority. NHS benchmarking information shows a 34.6 per cent reduction in lapses in care on the previous year. The number of pressure ulcers declared serious incidents has reduced by 57 per cent and national benchmarking of the rate of new grade 2, 3 and 4 pressure ulcers is 0.12 per 1,000 patients on caseload, compared to the national mean of 6.2.
Pilot co-ordinated referral and booking for Kent families accessing tongue-tie procedures	**Target:** 100 per cent of families will be offered pre and post procedure support. **Achieved:** 99.22 per cent of families received pre-procedure support and 94.97 per cent received post procedure support. The new Tongue-Tie Co-ordination Service supported 1,431 families, with a single point of access and provided support as part of the wider specialist infant feeding service.
Decrease trust wide reporting serious incidents where missed/ deferred visits were a contributory factor by 50 per cent.	**Target:** Two serious incidents where missed/deferred visits were a contributory factor. **Achieved:** Five serious incidents where missed/deferred visits were a contributory factor. Processes across the 80 community nursing teams have been standardised. We have explored the reasons for missed and deferred visits, improved systems and processes, increased staffing numbers and skills, as well as put in robust monitoring.

Improving clinical effectiveness

Goal	Progress
Increase research capability and capacity	**Target:** Develop a process to maximise the number of patients we can approach to take part in research studies. **Achieved:** We have a process awaiting sign off by the Caldicott Guardian. We have reviewed the process followed to assess people to invite them to participate in research studies. We have not yet reached full approval, but have consulted at every level and feel confident in our proposed approach.
Improve the confidence and capabilities of our people to pursue innovation opportunities that result in better care for patients	**Target:** Recruit a minimum of eight colleagues to the Innovation Fellowship to identify and plan opportunities for innovation. **Achieved:** Eight colleagues recruited to the Innovation Fellowship. We launched the Innovation Fellowship and rolled out a programme to provide fellows with a practical approach for implementing innovation and change.
Improved access to the community paediatric service	**Target:** 92 per cent of patients will have received an initial assessment within 12 weeks of referral. **Achieved:** Children are being booked between 28 to 32 weeks. Children and their families are waiting longer than usual for their first appointment, which may delay support being obtained elsewhere. Multi-factorial challenges have contributed to this and it is taking a systems approach to resolve. If there are to be no further changes, trajectories show that by quarter two 2023 we will be approximately 40 per cent complaint with the referral to assessment (RTA). Wider systems changes need to address this.

Improving the experience of the people we care for

Goal	Progress
Improve the experience of people waiting for foot and ankle surgery through the utilisation of KCHFT surgery space	**Target:** 100 per cent of patients will receive a treatment review upon admission to the KCHFT caseload. For 100 per cent of patients added to the PASCOM system, clinical outcomes, patient experience and goals will have been achieved six months post-surgery. **Achieved:** 100 per cent of patients referred to KCHFT received assessment on admission to the caseload. 100 per cent of patients who had surgery have been added to PASCOM. After six months patients were contacted for a review and outcomes recorded. Unfortunately, we did not manage to transfer any patients from other providers waiting lists as planned. However, it was an important goal to set to make sure patients were able to discuss their care with their new surgeon.
Patients will be involved in co-designing services	**Target:** 10 quality improvement projects initiated by patient/service user feedback. **Achieved:** 12 quality improvement projects initiated by patient/service user feedback. There is now a robust process in place where feedback from patients, carers and service users are able to initiate service improvement following quality improvement methodology.
Increase contacts with vulnerable young people in East Sussex	**Target:** Increase contacts by 50 per cent from the 2021/22 baseline of 214. **Achieved:** 640 contacts. KCHFT has been able to raise awareness of support from East Sussex School Health for this age range, which has been well received from the young people we have spoken to. We have seen a rise in our "text your school nurse" service and discussions have suggested that young people would access support from us when we are available to them in their education provisions.

Improving the experience of our people

Goal	Progress
This will be a two-year priority: **We will support a culture where everyone is comfortable to be themselves**	**Target:** In year one – all colleagues will have and EDI objective included in their appraisal and cultural awareness training will be rolled out. **Achieved:** 100 per cent of colleagues had an EDI objective in their appraisal and cultural awareness training has been rolled out with a 12-month compliance set. Staff survey results showed that for most people, KCHFT is a good place to work and they feel supported by their team and colleagues. However, 4.3 per cent said they had personally experienced discrimination at work from patients/service users, their relatives or other members of the public in the past 12 months. This is a one per cent increase since last year. It is lower than other community trusts, but still unacceptably high. We are one year into our People, Equity and Diversity: Nobody Left Behind Strategy and the discrimination findings will be addressed in the nobody left behind action plan refresh. Work on this quality priority will extend into a second year and the agreed metric is: Fewer than 10 per cent of colleagues experience harassment or abuse at work. This is the case for all colleague groups – those from minority communities do not experience higher rates of harassment or abuse.
This will be a two-year priority: **We will attract and recruit colleagues who are representative of the communities we serve**	**Target:** In year one, managers will receive inclusive recruitment training, which incorporates coaching and interview skills, ethnically diverse panels will be used and a minimum of five colleagues will be recruited through Kent Supported Employment. **Achieved:** 80 managers have been invited to system wide inclusive recruitment programme. KCHFT has increased its disability representation, as recorded in our electronic staff record (ESR), from 3.8 per cent of our workforce in 2018 to 6.2 per cent, as reported in our most recent Workforce Disability Equality Standard report (WDES, 2022). In the same time frame our BME representation has increased from 7.3% to 11.0%. The trust's commitment to its EDI strategy extends beyond the quality priorities agenda. We are in the middle of an engagement exercise that will result in a series of co-produced EDI actions for KCHFT to focus on, we are analysing workforce data and staff survey data to produce our annual WRES, WDES and gender pay gap reports and we will identify opportunities to strengthen our work with all of our staff networks. This quality priority will continue into year two and the agreed metric is: Applicants from a Black, Asian or minority ethnic (BAME) background, or those who have a disability, are as likely as other colleagues to be appointed to roles.
Clinical supervision for the public health division	**Target:** 100 per cent of clinical staff will have been offered four clinical supervision sessions. **Achieved:** 100 per cent of clinical staff have been offered four clinical supervision sessions. 100 per cent of clinical public health staff have received an invite for supervision for the past two quarters of 2022/23, with around 75 per cent attendance. The impact of these sessions is to allow shared learning and improve staff morale, giving staff a safe space to reflect on their practice.

Engagement with the public, patients, community groups and organisations

Involving patients, public, families and carers

KCHFT is proud to work alongside a core group of patient and carer representatives on its People's Network. Members are known as participation partners. The Patient and Carer Council is a forum which oversees the trust's involvement work and is co-chaired by one of the participation partners to make sure a lived experience element is embedded in service improvement work that KCHFT undertakes. The council has continued to receive information, presentations and reports about initiatives and pieces of work relating to participation, engagement, co-design and involvement. The council reports to the trust's Quality Committee for assurance.

Membership to the People's Network has grown during the year, with participation partners continuing to be involved in quality improvement projects, governance groups and we care visits. Interview skills training has been co-designed to give participation partners and volunteers the skills and knowledge to take part in the recruitment and selection of the future workforce. Newly trained partners have supported recruitment of KCHFT's new Health Inequalities Team.

During the year, KCHFT has continued to work with colleagues across the trust to make sure patients, public and family carers have the opportunity to use their unique experiences to shape and develop NHS services.

As part of the trust's work to meet the standards within the Armed Forces Covenant, which was signed in December 2022, work has been carried out with musculoskeletal services to understand the experiences of those people identifying as members of the armed forces community.

Work has been completed with rehabilitation therapy teams to involve patients and their families to give their views on an extended seven-day therapy service.

Working with the Breathe Easy groups in east Kent, KCHFT has made sure the voices of patients and carers have been at the centre of its work to implement virtual wards in the east Kent Respiratory Service. Several focus groups were held with members of the Breathe Easy groups to ascertain their views on the new model and identify the benefits and challenges of virtual wards. The Breathe Easy groups have worked with the Virtual Wards Implementation Team to co-design information, training and surveys as part of the significant key elements of the virtual ward programme.

The trust worked to make sure improved family carer involvement has continued. As members of the Triangle of Care – which is a national initiative – community hospital matrons, carer champions and participation managers presented the continuing work to identify, support and improve involvement for carers to the Carers Trust which oversees the Triangle of Care nationally. As a result, KCHFT was successful in achieving its first-year accreditation as members of the Triangle of Care scheme and still remain the first non-mental health service to join as members. The trust has now embarked on its second year working with community services to develop plans to improve family carer involvement.

In June 2022, the trust delivered a joint carers conference in partnership with Kent and Medway NHS and Social Care Partnership Trust. The conference, held in Ashford, was attended by more than 80 family carers and representatives from partner carers organisations across Kent, including IMAGO, Carers Support East Kent, Involve Kent, Crossroads Kent, Healthwatch and Kent County Council. The event helped raise awareness of carers and the challenges they face in their caring role, as well as giving them the opportunity to talk first hand to carers organisations about their experiences. Presentations were received from some of the carers organisations as well as an overview from both organisations about the work they are undertaking to improve the lives of carers.

The trust continues to provide interpreting and translation services for anyone whose first language is not English or for those with a disability, sensory loss or impairment. A simple process for on-demand phone interpreting has been

developed for minor injury units and urgent treatment centres to quickly meet the needs of walk-in patients who do not speak English. There is a new accessibility software called Recite Me on KCHFT's website to support site users with impairments to their vision, hearing, mobility, thinking and understanding – for people with dyslexia, autism or learning difficulties. The accessibility functions include a screen reader, translation and reading aids.

KCHFT continues to work with East Kent Mencap at a monthly focus group, producing patient information in accessible formats including easy read. This year, the groups have supported the development of documents including screening letters for the Tuberculosis (TB) Nursing Service, a drop-in poster for the One You shop and the summary Kent and Medway care plan for the Integrated Care System. Members of the group also took part in testing the My Care Record app to make sure it meets the needs of those with diabetes and a learning disability.

Thank you to our volunteers

In the past 12 months, recruitment of volunteers for community hospitals has been a focus for the Voluntary Service, with a particular emphasis on the number of young people being recruited. Of the 37 volunteers in the hospitals, 14 are under the age of 21. All 14 are patient-facing and 13 have an interest in working in health and social care in the future. The trust continues to work to increase the number of volunteers within its community hospitals.

Alongside recruitment the trust has been working to upskill volunteers. It has provided a number of training opportunities to all volunteers, including carers awareness, LGBTQ+, safeguarding and information governance. Empowering volunteers and raising their competencies has a positive impact on the skills they provide in their placement.

Patient feedback has always been pivotal to improvements for patients. Patient experience volunteers in the Podiatry Service have completed 377 phone surveys. In addition to this the trust has a new volunteer in the Sevenoaks Musculoskeletal Service to trial the same. Patient experience colleagues have included a filter on the adult experience survey to state 'survey completed with volunteer' to have a better understanding of the number and impact of surveys completed elsewhere in the trust.

Volunteer drivers delivered more than 1,600 vaccines to sites between September 2022 and February 2023. For the first year they supported dual Covid-19 and flu clinics for staff. The support they offered delivering vital vaccinations to keep staff safe contributed to 2,600 staff vaccinations. As part of the trust's reviews it updated training for drivers and has been working with volunteers to create a new recruitment plan for the next season to attract and recruit more drivers.

Health inequalities

In 2022/23 the trust developed its approach to reducing health inequalities by establishing a new programme of work. The health inequalities support is established in the Public Health and Prevention Directorate and supports services across KCHFT.

The new programme ranges from trust-wide support for public health initiatives to health inequalities projects owned and led by the Health Inequalities Team. This includes community development and the trust's Healthy Communities Steering Group.

The programme workstreams are:

- health equity audits
- prevention including:
  - adult health improvement programmes
  - school-age immunisations (school-based and outreach)
  - school nursing
  - National Child Measurement Programme
  - health visiting services including breastfeeding support
  - sexual health.
- equality diversity and inclusion (EDI) assessment and governance frameworks or standards
- health inequalities – community development and public engagement
- digital inclusion
- public health bus to provide outreach programmes such as immunisation catch-up clinics and NHS Health Checks for harder-to-reach communities.
- trust wide support for services and patients
- working with partners at place level.

The ambition of these workstreams is to work alongside, and within, KCHFT services and teams – not to sit on the periphery. With the support of the new Health Inequalities Team the trust can make sure its services are supported with improvements and a core service offer, meaning they are supported with action plans to:

- record ethnicity data on Rio for 80 per cent of contacts
- reduce the difference in did not attend (DNA) rates between people living in the most and least deprived areas.

Other successes this year include:

- re-launch of the public health bus to provide options for outreach work
- delivery of monthly participation at the Healthy Communities Steering Group
- pilot of a health improvement day focussed on the Roma community in Thanet
- testing the health equity audit concept in three services and schedule of future services to work with
- review of the equality impact assessment process and governance systems
- assessment against the Health Inequalities Board Assurance Framework
- partnering agreed with Kent and Medway Integrated Care Board for the NHS Equality Delivery System.

Case study:
Improving the recording of ethnicity

Asking someone's ethnicity is more than just a tick box exercise, it's vital to how we shape and plan health services in the future, to meet everyone's needs. Our Health Visiting Service has been improving how we record ethnicity to help us make sure we provide the right services for our clients and have tailored provision for vulnerable groups.

The Health Visiting Team ran a quality improvement (QI) project from January to August last year, aiming to increase recording of ethnicity to at least 70 per cent. The service managed to surpass its target, achieving 74 per cent and the improvements made have been sustained.

The work in health visiting is part of a bigger drive at the trust to tackle health inequalities, making sure KCHFT provides the right care, at the right place, at the right time, for everyone.

Health Visiting Programme Manager Sonia Hedegaard said: "Making sure we are recording a person's ethnicity helps us to make sure our services are accessible, what we offer is what our clients need and the services we provide reflect the rich, diverse makeup of our communities".


NHS
NHS

Partnership working across Kent and Medway, East Sussex and London

Kent and Medway

Kent Community Health NHS Foundation Trust (KCHFT) understands the value of working with its health and care partners to tackle joint challenges and share innovation.

The trust has continued to work closely with its partners through health and care partnerships (HCPs) – particularly in east and west Kent – to make sure more people receive the right care in the right place.

The chair and members of the Executive Team hold leadership roles in these HCPs and contribute significantly to the development of system-wide plans to improve the co-ordination and quality of care for the population.

The tremendous partnership working sparked by the pandemic continued this year, as the Kent and Medway Integrated Care System became a statutory body on 1 July, when the Health and Care Act 2022 became law, making it easier for health and care services to collaborate.

The trust continued to be the lead provider for the Kent and Medway system on a number of key deliverables, including being the lead employer for the vaccination programme.

Winter 2022 was particularly challenging. Our workforce went above and beyond in its commitment and resolve to make sure patients and service users received the care they needed. KCHFT worked with primary care and ambulance colleagues to provide urgent community care within two hours, helping to prevent hospital admissions.

Virtual ward capacity was increased to support patients to return to their place of residence with the right support, helping acute partners to be better able to care for those who most required critical care. The trust also temporarily opened additional beds in Westbrook House, in Margate and Westview, in Tenterden, to boost capacity.

East Kent Health and Care Partnership

The trust's chief executive Mairead McCormick has been the senior responsible officer for the East Kent Health and Care Partnership since October 2022 and other executive members hold leaderships roles.

Virtual wards

KCHFT opened a virtual respiratory ward with East Kent Hospitals University NHS Foundation Trust (EKHUFT), as part of a national vision to provide 40 to 50 virtual beds, per 100,000 of the population by December 2023. The ward opened in March after months of planning and preparation.

The virtual ward uses technology to monitor respiratory patients in their own homes, helping to support earlier discharge or avoid people having to be admitted to hospital at all, meaning they can receive hospital-level care at home, safely and conveniently.

Patients are monitored using technology – such as apps, wearables and other medical devices – and are supported by a consultant, specialist GP or advanced practitioner while on the 'ward'. Respiratory consultants will identify patients who could be treated virtually, based on their clinical condition and readiness to use the technology and manage their own medicines at home.

The trust has also expanded our virtual frailty wards, working with our acute partners, local care homes, GPs and hospices. This brings together the work of our Home Treatment Service and Complex-Acute Response Team (C-ART), working closely with colleagues in the east Kent GP Confederation, Thanet CiC, Pilgrims Hospice and EKHUFT.

We supported a large-scale partnership event in February 2022 to examine the role of virtual wards for people with acute respiratory infections and those living with frailty. The event attracted patient representatives, acute partners, urgent care partners, GPs and hospices.

In west Kent, KCHFT has expanded and scaled up its successful Home Treatment Service, which is already supporting patients in their own homes and in care homes to avoid admission to enable earlier discharge.

The HCP has plans to further increase capacity for virtual ward patients from 50 to 187 by the end of 2023. Over the coming months, it will scope potential virtual ward beds for stroke, cardiology, oncology and maternity.

The Virtual Ward Team, led by Dr Shelagh O'Riordan and a team of advanced clinical practitioners, leads with the motto 'always put the patient first'. Shelagh said: "We

always say, 'ask the patient what they want and strive to make it happen'. A patient won't always need to go into hospital and I am so glad we have developed this model to let the patient choose what they want."

Rosemary Bishop, 95 who lives in a care home in Faversham, had been referred to the team with a suspected chest infection, triggered by her asthma, and was prescribed oxygen, steroids and antibiotics. Rosemary was delighted to be a part of the virtual ward, as it meant she could stay at home. She said: "I don't want to go into a hospital, I'd rather be in the comfort of my room with my friends here."

Integrated neighbourhood working

In 2023/24, KCHFT will be working with partners across primary and acute care as integrated neighbourhood teams are developed. These teams will bring the right professionals together to provide more co-ordinated and personalised care to individuals, helping them achieve their goals.

Rethinking short-term services

Work began to re-think short-term services, as KCHFT was named as one of nine national pilots to develop a new model of rehabilitation and recovery. It played a leading role in a collaborative workshop in east Kent in March to examine short-term services and to prevent people from needing to go into hospital or get to a place they call home sooner.

Recruitment

KCHFT collaborated with other providers in east Kent to deliver a large-scale recruitment campaign for entry-level jobs in health and social care. Called 'ready to care', the campaign delivered 15,000 hits to the website, which directs people to local roles. Working with partners across east Kent, KCHFT encouraged talented individuals to return to a role in health and care provision. It also worked with schools and colleges to encourage school leavers to consider a local career in health and care.

West Kent Health and Care Partnership

The trust's Chair John Goulston is also the chair of the West Kent Health and Care Partnership Development Board and Deputy Chief Executive Pauline Butterworth is chair of the Executive Group and other executive members hold leaderships roles.

Integrated Neighbourhood Teams

For next year, the partnership has agreed that developing integrated neighbourhood teams will be its number one priority, this is also reflected in KCHFT's new 'we care' strategy for 2023 to 2028.

West Kent HCP held an away day focused on Integrated Neighbourhood Team development in October 2022; this led to a clinically-led multi-agency task and finish group being established to create a model framework for teams in west Kent. The model aimed to build on the existing work of primary care networks (PCN) which have been working to integrate care at a local neighbourhood level.

In January 2023, the HCP board agreed the model proposed by the task and finish group, which will be based on the PCN population footprint. In the first instance, a core integrated team in west Kent will include the full range of staff based in general practice and other roles based in the community, including adult nursing, mental health primary care and social prescribing.

This core team will be supported by an extended health and wellbeing team, with representation from social care, district councils, the community and voluntary sector, secondary care and acute services.

The proposal agreed will see different PCNs piloting different elements of the model and sharing learning to support full implementation in all PCN areas.

Edenbridge Memorial Health Centre

KCHFT has been working with NHS Kent and Medway and Edenbridge Medical Practice to develop a new Edenbridge Memorial Health Centre, due to open in winter 2023. This year, construction has been in full swing and partners have been engaging with the public on the full range of proposed services that could be delivered from the centre plus how the community space could be used by community and voluntary groups.

KCHFT and Edenbridge Medical Practice will run the majority of services at the new health centre, which will include the new GP surgery, diagnostic services, a day centre supporting people with dementia and a wider range of outpatient clinics and children's services, reducing the need for people to travel to Tunbridge Wells or Maidstone hospitals for some care.

Provider collaboratives

There is a growing body of evidence regarding the benefits of collaboratives across integrated care systems when they work together effectively at scale and pace to achieve common objectives. From July 2022, all trusts providing acute and mental health services have been required to join a provider collaborative.

Kent and Medway providers, including KCHFT, agreed to establish three provider collaboratives:

- mental health, learning disabilities and autism – this will build on the current collaborative already in place which is working well
- acute services – a new collaborative but one which will bind in existing acute collaborating programmes, such as for imaging and pathology and could include cancer, medicine, benchmarking, and improvement support
- primary, community and social care (predominantly dealing with out of hospital pathway of care) – a new collaborative to try and share approaches/build consistency in dealing with complex community and primary care.

Some of the next steps are for NHS Kent and Medway (the integrated care board) to identify resources to take the collaboratives forward and for an organisational development programme to be put in place to support the cultural shift.

East Sussex

The East Sussex School Health Team is working closely with mental health services to make sure each service stays connected, sharing developments, learning and comparing data. With the right access to key information, the teams are making sure they are able to provide seamless care to those who need it.

The work has been such a success, the School Health Team is looking to extend the service to 17-to-19-year-olds who may benefit from the support.

North London

The North East London Dental Team has continued to work closely on the tooth fairy project which, now in its second year, has reduced waiting times for paediatric dental surgery by more than two months. The service was commissioned in October 2021 to help reduce waiting times which had built throughout the pandemic.

This collaborative project brought together dental services from across London and Barts Health NHS Trust to provide access to surgical theatres and support. Our dental team in north east London has been able to treat 619 children using the service. Seen as an incredible success, commissioners agreed to make the service permanent from 31 March 2023.

As the governance around the system partnership working embeds and HCPs take on more delegated responsibility from the integrated care board, the trust will maintain its can-do attitude which has demonstrated that by working together we can provide better lives for the people of Kent and Medway, East Sussex and London.


EDENBRIDGE MEMORIAL HEALTH CENTRE

Improving care and honouring our heroes thanks to our charity, i care

i care is KCHFT's registered charity that helps provide services and items to enhance patient care and boost patient and colleagues' morale.

From children's toys and bikes for riders with disabilities to refurbishing a hospital ward and honouring our NHS heroes, every penny given to our i care charity this year has made a huge difference and we can't thank our supporters and fundraisers enough.

Charity fundraiser Steve Bamford took on the Jurassic Coast challenge in May 2022, walking 58km along the Dorset coast to raise money for the i care HIV fund and awareness of what it means to live with HIV.

If that wasn't enough, in September Steve went on a 390-kilometre cycle ride over four days, taking in our community hospitals, urgent treatment centres and sexual health clinics to raise more money and make people aware of the undetectable = untransmissible campaign, also known as #CantPassItOn.

People living with HIV, who like Steve are on effective treatment, cannot pass the virus on to their partners, and it's hoped the #CantPassItOn campaign will finally end the stigma and fear around HIV. Steve was met and greeted by our colleagues at every stop he made on the way and provided with drinks, cake and good wishes. His story was picked up by local media outlets and was featured on our website and social media channels.

A football team raised more than £200 to buy toys for our Children's Therapies Service after an appeal from one of their players led to some generous donations to i care.

Canterbury Old Bags United, an all-female team for players over the age of 35, raised the funds at their annual 'BagsFest' presentation evening. Old Bags player Charlotte Reynolds asked the other players to support the therapy service as her son Max, seven, has needed therapy since he was born, after suffering a stroke at birth.

Jo Norrington, Clinical Lead Occupational Therapist with the Children's Therapies Service, said: "Having a range of toys for children to choose from helps them in all sorts of ways; physically, mentally and emotionally. These toys will help so many of our children to reach their therapy goals and we're really grateful to the Old Bags for donating them."

The charity also played a part in raising staff morale with funding for our annual Staff Awards evening in July and our Long Service Awards in October.

In July, 300 colleagues attended a glittering Staff Awards ceremony to mark their achievements over the year, with a two-course dinner, a compere, magicians and a disco. Our Long Service Awards celebrated 578 colleagues – who have a combined service of 7,615 years – with 100 of our longest serving colleagues being rewarded with an afternoon tea.

£300k spent this year, on items to improve patient care and boost morale.

£21k income generated.

The charity provided nearly £200,000 towards the refurbishment for the new Heron Ward at Queen Victoria Memorial Hospital, Herne Bay. The 19-bed ward now boasts a new reception area and nurses' station. Patient spaces are freshly decorated, with new flooring, LED-lighting, bedside televisions and Juliet balconies in the side rooms.

An unloved and overgrown area outside Elizabeth Ward at Victoria Hospital, Deal is being transformed for patients and staff to enjoy in all weathers. Inspired by the shingle beaches of Deal, the raised beds mean patients can enjoy the colourful view from the ward, while furniture renovated by volunteers and new parasols mean everyone can sit outside and enjoy the garden.

The Physiotherapy Team successfully applied for £9,000 from i care to buy a second specialist side-by-side bike, after its adapted Fun2Go bike proved popular. It allows people to ride with the help of their carer by their side so riders with disabilities can enjoy the wind in their hair and a smoother riding experience as part of their rehabilitation and fitness programme at Gravesend Cyclopark.

Going concern

The annual accounts describe the trust's end of year financial position and key financial performance information.

A NHS foundation trust's assessment of whether the going concern basis is appropriate for its accounts should only be based on whether it is anticipated that the services it provides will continue to be provided with the same assets in the public sector. This is expected to be the case for NHS foundation trusts unless exceptional circumstances indicate otherwise. Where the continued provision of services in the public sector is anticipated to apply, there will not be any material uncertainties over going concern requiring disclosure.

After making enquiries, the directors have a reasonable expectation that the services provided by the trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Risks

The principle risks and uncertainties facing the trust are included in the annual governance statement.

Sustainability report

In the second year of the *bold visions for a healthier planet and community* 2021/24 strategy, the trust has continued to make strides towards building the leadership, processes and engagement underlying our unified, holistic goal: To continue to deliver community care of the highest quality for generations to come.

The trust's work focuses on 10 themes to support the co-ordination of trust priorities, capacities and areas for improvement. These consist of nine themes specified by the Greener NHS and one theme consistent with the trust's wide reach across the 'garden of England' and surrounding areas: Wildlife and biodiversity.

The themes are:

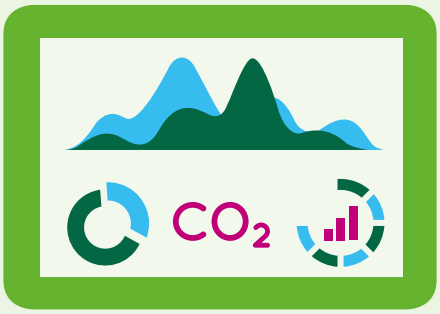
- our people and system leadership
- sustainable models of care
- digital transformation
- travel and transport
- estates and facilities
- medicines
- supply chain and procurement
- food and nutrition
- adaptation
- wildlife and biodiversity

Growing strong through leadership and technological innovation

KCHFT is continuing to build the data pipelines and analysis required to report sustainability updates in line with best practice guidance from the Task Force on Climate-Related Financial Disclosures, the Sustainability Accounting Standards Board and the Financial Reporting Council around healthcare-associated climate impact reporting. However, these reporting frameworks do not cover the wide range of emissions impacts the trust is responsible for, nor support the promotion of the nationally-leading work being pioneered by the trust's Sustainability Team.

Highlights during 2022/23 have included:

Updated methodology for reporting emissions



Development and publication of the NHS Emissions Quantification Recipe Book a transparent, collaborative and standardised methodology for calculating and reporting emissions.

Our outreach vehicle switched to solar panel power

Transformation of the trust's public health outreach vehicle to use solar panels with onboard storage for power, rather than rely on a fossil fuel generator – supported by the national Greener NHS Team's Healthy Futures Action Fund.

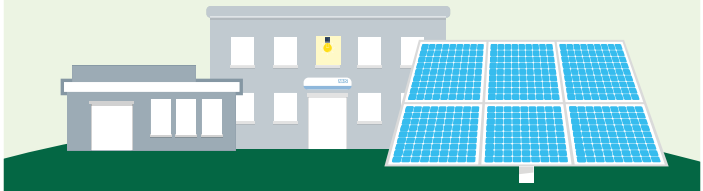
Supporting healthy spaces for colleagues and patients

Successful pilot of the trust-developed SitePulse system, for tracking zonal air temperature and humidity within hospital and administration sites to support the curation of healthy spaces for colleagues and patients.

Finalist for Net Zero Innovation of the Year 2022 award

The trust-developed context of vehicle emissions tool, an analytical instrument for tracking and mapping emissions associated with business mileage completed in colleague-owned vehicles.

Healthier, more efficient buildings



Commissioned and completed a suite of heat decarbonisation surveys across key trust sites to support the transition towards healthier, more efficient buildings.

Evidence-based policy making

Completed the trust's first evidence-based estimation of emissions associated with the procurement of goods and services from 2019/20 to present to support evidence-based policy making.

Fresh produce was harvested at Hawkhurst Community Hospital

A huge 91kg of fresh, hyper-locally sourced produce was grown and harvested at Hawkhurst Community Hospital as part of a scheme supported by the Queen's Nursing Institute and National Garden Scheme.

Beautiful garden transformations

Beautiful garden transformations at Sevenoaks Hospital and Victoria Hospital in Deal, as well as engagement sessions undertaken for an exciting project at Tonbridge Community Hospital.

Introducing a transparent and sustainable approach to quantification of impacts: The NHS Emissions Quantification Recipe Book

The NHS Emissions Quantification Recipe Book (NHS-EQRB) has been developed by the trust in collaboration with NHS Kent and Medway and local authorities. It provides a standardised, transparent and evidence-based methodology to support provider trusts to measure and manage progress towards the following NHS commitments:

- To reduce emissions from sources the trust can control (NHS Carbon Footprint) by 80 per cent by 2028 and reach net zero emissions by 2040.
- To reduce emissions from sources the trust can influence (NHS Carbon Footprint Plus) by 80 per cent by 2036 and 2039 and reach net zero emissions by 2045.

Using the NHS-EQRB methodology has facilitated a considerable improvement in accuracy of emissions reporting (table 1). It is projected that the proportion of emissions directly associated with trust operations will continue to fluctuate as the trust's estates portfolio grows, however, the improved understanding of the underlying source of emissions is supporting evidence-based decision making towards effective emissions reductions (figure 1).

Table 1. Tonnes of carbon dioxide equivalent (tCO_2e) emissions within the NHS Carbon Footprint and NHS Carbon Footprint Plus scopes.

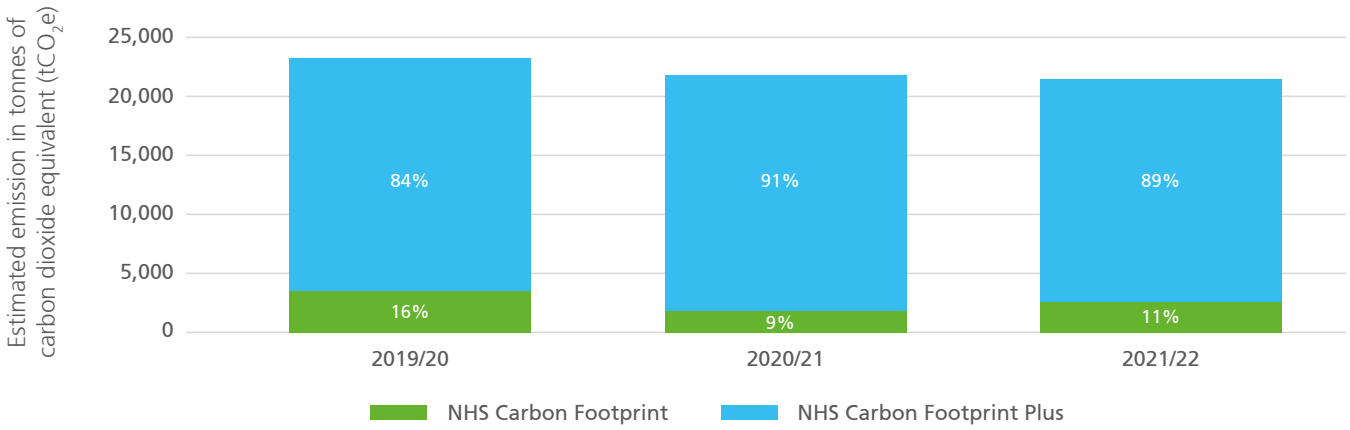
Area	2019/20 Estimated emissions (tCO_2e)	2020/21 Estimated emissions (tCO_2e)	2021/22 Estimated emissions (tCO_2e)
NHS Carbon Footprint	3,664.44[1]	1,911.65[1,2]	2,453.39[1,2]
NHS Carbon Footprint Plus	19,698.40[3]	20,141.37[3]	19,546.41[3]
Total	**23,362.84**	**22,053.02**	**21,999.80**

1 – Emissions associated with grey fleet travel are reported in tCO_2, however, have been integrated into the summary for accessibility.

2 – The trust only purchases electricity backed by a Renewable Energy Guarantee of Origin, as such the emissions arising from grid electricity use are offset and are not included in the calculation of the total footprint.

3 – NHS Carbon Footprint Plus estimates do not include an estimate for patient and visitor travel.

Figure 1. A proportional visualisation of trust emissions by NHS Carbon Footprint and NHS Carbon Footprint Plus scope.



Full disaggregated emissions reporting from the trust's baseline year 2019/20 to 2021/22, alongside contextualised energy consumption and generation, and waste management figures are featured on the trusts dedicated sustainability webpage – www.kentcht.nhs.uk/sustainability – with publication of full 2022/23 footprint imminent.

Forward plan

Our new We care strategy 2023 to 2028

We're really excited and energised by our new we care strategy for 2023 to 2028 and the contribution of colleagues, governors, patients and partners in the local health economy in helping to shape it.

We have adopted a continuous improvement approach, often termed True North, as recommended by NHS England. We hope the new approach, which is very much data-driven, and reflects what our colleagues, patients, service users and clients have told us is most important to them, will help us make the biggest breakthroughs in improving patient care.

We have four big ambitions for the years ahead, with targets and objectives, which all our people should be able to relate to.

These are:

Putting communities first – Everyone has the same chance to lead a healthy life, no matter who they are, or where they live.

We will focus on tackling health inequalities and preventing ill health. Our targets are to reduce did not attend and was not brought rates for appointments between patients living in the most and least deprived areas. We also know that some people wait too long to be seen, so we want fewer people waiting longer than 12 weeks.

Better patient experience – Our conversations focus on what matters to the patient, so they get the right care, in the right place.

We know too often people end up in a hospital bed, when they don't need to and stay too long, which can impact their ability to regain their independence. If our teams work better together across health and social care, providing seamless care with our voluntary sector partners, we think we can change this.

Our focus will be on rethinking our recovery and rehabilitation pathways – as we are one of nine national pilots – supporting more people at home through the development of integrated neighbourhood working and re-thinking the design and condition of our community hospitals, so we are better set up to provide the most effective rehabilitation and recovery.

A great place to work – Our colleagues are valued, feel heard and make changes easily to deliver better care.

We want to make sure all colleagues look forward to coming to work, achieve their full potential and feel pride in a job well done. We want everyone to feel listened to, valued, safe and part of a team.

But we know that, as is the case nationally, many colleagues feel close to burnout, cannot take adequate breaks and say there are not enough people to meet the demand for their service. We want to improve morale by reducing extra hours worked, develop a new approach to listening to colleagues so feedback is acted on, tackle issues of inequality in succession planning and raise up colleagues from unrepresented groups.

Sustainable care – We will live within our means to deliver outstanding care, in the right building, supported by technology, and reduce our carbon footprint.

We want our people to have everything they need to do their job well now and, in the future, and support them to spend more time on things that directly improve patient care. We know some of the places where we provide patient care from do not support effective or efficient rehabilitation and recovery. They are costly financially and environmentally. We will work with partners to have one public estate, so our people can work in buildings that maximise the quality of care, provide good accessibility for patients and minimise our impact on the environment.

We know that these things will take time and we won't always get it right first time – which is why we will be using and building on our continuous improvement approach. But we hope this will cut away the noise and help us to concentrate on the changes that will make the real difference to the quality of care we provide.

M. A McCormick

Mairead McCormick
Chief Executive

Date: 14 June 2023

The accountability report

Directors' report

Our Board provides overall leadership and vision to the trust and is collectively accountable for all aspects of performance and management of the trust's activities, including clinical and service quality, financial performance and governance. In setting the vision and strategy, the Board is informed by the views of the Council of Governors, following consultation with the trust's members.

Membership of the Board is consistent with requirements of the trust's constitution. The Board comprised a majority of non-executive directors during the year. The non-executive directors' skills and experience make sure there is sufficient scrutiny of the executive decision-making. The council's Nominations Committee routinely considers the non-executive directors' balance of skills needed to be effective. The Board is satisfied that it has in place the right mix of skills to support the trust moving forward.

The Board meets in public four times a year. In addition, it held the Annual General Meeting in September at which we presented our Annual Report and Accounts 2021/22, as well as our Quality Account.

To support its work in carrying out its duties effectively, the Board has established the following committees:

- Audit and Risk Committee
- Remuneration and Terms of Service Committee
- Quality Committee
- Finance Business and Investment Committee
- Strategic Workforce Committee
- Charitable Funds Committee.

The Board delegates responsibility for the day-to-day implementation of strategy to the chief executive.

All board members have confirmed their support for, and adherence to, the code of conduct for NHS board members.

All non-executive directors are considered to be independent.

The Board and Council of Governors comply with the fit and proper persons test.

The trust has a major incident plan that is fully compliant with the requirements of the NHS England Preparedness, Resilience and Response Framework 2022. The trust regularly participates in exercises and training with public sector partners. The trust's internal auditor produces an annual internal audit plan, which reviews the economy, efficiency and effectiveness of resources. The work programme is agreed and monitored by the Audit and Risk Committee.

We explain more on how our Board and its committees work in our annual governance statement and the NHS corporate governance code statements later in this report.

Board directors during 2022/23

As at 31 March 2023, the Board of Directors comprised:

Trust Chair
John Goulston

Non-executive directors

- Pippa Barber
- Paul Butler
- Peter Conway
- Kim Lowe
- Razia Shariff*
- Karen Taylor
- Nigel Turner

Chief Executive Officer
Mairead McCormick

Deputy Chief Executive and Chief Operating Officer
Pauline Butterworth

Chief Finance Officer
Gordon Flack

Chief Medical Officer
Sarah Phillips

Chief People Officer
Victoria Robinson-Collins

Chief Nursing Officer
Mercia Spare

Executive Director of Health Inequalities and Prevention (non-voting)
Ali Carruth

*Razia Shariff was Associate Non-Executive Director from 1 February 2022 to 31 January 2023

Changes to the Board during the period 1 April 2022 to 31 March 2023:
Gerard Sammon, Director of Strategy and Partnerships, until 6 November 2022.
Natalie Davies, Director of Corporate Services and Trust Secretary (non-voting), until 31 August 2022.
Gordon Flack, Acting Chief Executive, from 1 January to 30 June 2022.
Gill Jacobs, Acting Director of Finance, from 1 January to 30 June 2022.

Executive directors

John Goulston

Trust Chair

1 Nov 2018 – present
(unexpired term: 1 year 7 months)

John Goulston is chair of the Kent Community Health NHS Foundation Trust.

He has a wealth of experience working in non-executive and executive roles. John is currently also chair of NHS London Procurement Partnership. He was interim chair of Kent and Medway, Integrated Care System (ICS) from April 2020 to November 2021. Formerly, John was chief executive of both acute and community health providers in London. He has been an executive director of NHS London, the strategic health authority for London, plus director of finance at two London teaching hospitals during his career.

As part of his role as chair of Kent Community Health NHS Foundation Trust, John chairs the West Kent Health and Care Partnership Development Board and is a member of the Kent and Medway Integrated Care Partnership Joint Committee. He is also co-chair of the Kent and Medway Mental Health, Learning Disabilities and Autism Provider Collaborative Board.

Much of his early career was in Kent, working in Maidstone during the 1980s.

Mairead McCormick

Chief Executive Officer

1 Jul 2022 – present

Mairead is an experienced NHS director with 35 years in the NHS. She is an emergency nurse by background having trained in her native Northern Ireland. She has spent the majority of her career with the NHS in the UK but has also worked in other health and care systems in Australia and New Zealand.

Before becoming chief executive, she was the deputy chief executive and chief operating officer at Kingston hospital. In this period the trust moved from a CQC rating of requires improvement to outstanding. She also operationally led the trust through the pandemic and early recovery.

She has a national reputation for her improvement work in emergency care, working with NHS England to support systems to embed good practice.

Moving from acute services to community services was motivated by her interests in preventing ill health. She is driven by improving outcomes and plays an active role in working with local people to shape health and care for the future.

Pauline Butterworth

Deputy Chief Executive and Chief Operating Officer

Dec 2019 – present

Pauline joined the trust from East Sussex Healthcare Trust where she was deputy chief operating officer since 2013.

A trained clinician, Pauline worked as an occupational therapist in the UK, Australia and the US. On returning to the UK, she worked as a therapist and manager in social care. She moved to work in the NHS in 2008 and has worked across a breadth of services, including community, acute and commissioning.

Gordon Flack

Chief Finance Officer

2011 – present

Gordon is a fellow of the Chartered Association of Certified Accountants (FCCA) and has a professional background in NHS finance spanning 39 years. Following an early career with health authorities, his director experience is with acute and community trusts and has been at the trust since 2011.

His responsibilities include financial management and control, capital and audit, IM&T and performance and business intelligence.

Dr Sarah Phillips

Chief Medical Officer

2017 – present

Sarah is a GP at Newton Place Surgery in Faversham, Kent. Prior to joining KCHFT as the medical director, Sarah was clinical chair of Canterbury and Coastal Clinical Commissioning Group and chair of East Kent Strategy Board. The Board was set up by local health and care commissioners to spearhead the drive to determine how best to provide health and care services to the population of east Kent. Its work is now part of the wider Kent and Medway Integrated Care Board agenda. Sarah's work on the East Kent Strategy Board included reviewing issues around staff retention, the use of technology, buildings and estates, and clinical pathways such as maternity, paediatrics, end-of-life care and mental health. Until April 2017, Sarah was also commissioner co-chair of Kent and Medway Sustainability and Transformation Partnership Clinical Board, which was set up to make sure the NHS future plans met the health and social care needs of the communities it serves. Sarah's professional interests include Quality Improvement and medical leadership.

Sarah is Caldicott Guardian for Kent Community Health NHS Foundation Trust.

Dr Mercia Spare

Chief Nursing Officer

Jan 2020 – present

Mercia joined as our permanent Chief Nurse in January 2020 following a 13 month secondment from NHS Improvement.

Mercia has worked in the Health Service for 35 years and describes herself as a 'passionate champion of the NHS and the values it embodies'. Her clinical experience includes transplantation, coronary care, renal and cardiothoracic nursing. Mercia holds a Batchelor of Science degree in applied and human biology and Doctorate in clinical research.

During her career Mercia has delivered a number of senior leadership roles within the NHS at both an operational and strategic level. She has led a number of large scale national improvement projects and supported the development of a range of tools that have focused on improving the safety of patients. She has worked for a number of provider organisations including University Hospitals Birmingham NHS Foundation Trust, as well as the Department of Health, the Trust Development Authority and NHS Improvement.

Victoria Robinson-Collins

Chief People Officer

Oct 2021 – present

Victoria has many years of experience in acute, community, primary care, ambulance service and private sector. Before joining KCHFT, she was the deputy director of human resources (HR) at St Helens and Knowsley Teaching Hospitals. She moved into the health sector in the mid-2000s, when she joined East Midlands Ambulance Service as an HR practice development adviser. She has worked in roles with Wirral Community Trust and East Lancashire Hospitals Trust as head of employment services. Since 2015, she has held positions including interim hospital director of people for Newham University Hospital leading on complex change initiatives and strategy develop programmes, including the hospital's response to the Care Quality Commission well-led and the Covid pandemic, as well as progressing the equality, diversity and inclusion agenda. Since October 2020, she held interim deputy director of Human Resources and Organisational Development posts at Wirral University Teaching Hospital and St Helens and Knowsley Teaching Hospitals, leading the workforce and organisational development teams in organisational culture change, learning and development. She has a degree in English and a postgraduate diploma in human resource management.

Ali Carruth

Executive Director of Health Inequalities and Prevention (non-voting)

Jan 2020 – present

Appointed December 2022: Previously Director of Participation, Experience and Patient Engagement (non-voting) and Chief Nurse (Board).

Ali qualified as a registered general nurse in 1994. She completed a number of postgraduate studies, qualified as a registered mental health nurse in 2004 and graduated from the NHS Leadership Academy Nye Bevan Executive Healthcare Leadership Award in 2014. She has worked in the NHS for more than 30 years, holding a variety of senior posts in London, Devon, Kent, Surrey and Sussex.

Ali is passionate about making sure patients and their carers are equal partners in their care and receive the best experience possible. She has a clinical background in acute, community and mental health nursing, as well as holding a national position with NHS England, providing clinical leadership to the National Ebola Team.

Non-executive directors

Pippa Barber

Non-executive director

1 Dec 2016 – present
(unexpired term: 1 year 8 months)

Pippa Barber brings a wealth of experience with a strong clinical background and focus on governance, quality and improvement from 40 years' experience in the NHS. She has spent the past 20 years in various board roles including most recently as a non-executive director. Pippa has significant executive experience working in clinical roles including chief nurse and Clinical director, with a number of different organisations across the system – acute, community, primary care, clinical network, mental health and commissioning. She recently completed 6 years working as the independent nurse for a clinical commissioning group in London, where she maintained an essential focus on system learning, health inequalities, quality and performance and is also currently a trustee for a Kent and London -based charity. Pippa lives in Kent.

Pippa is Senior Independent Director at Kent Community Health NHS Foundation Trust.

Peter Conway

Non-executive director and trust vice chair

1 Mar 2015 – present
(unexpired term: 1 year)

Peter has a background in banking and finance spanning 28 years, latterly as a finance director with Barclays Bank PLC. He has been a Non-Executive Director with the NHS since 2006, and is currently a non-executive director and audit chair of Kent and Medway NHS and Social Care Partnership Trust.

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

- non-executive director and audit chair, Rural Payments Agency
- non-executive director and audit chair, NHS West Kent
- independent member of the Audit Committees of the Home Office, Ministry of Justice, DEFRA, Health and Safety Executive and Child Maintenance and Enforcement Commission
- trustee director, Citizens Advice North and West Kent.

Paul Butler

Non-executive director

1 Mar 2020 – present
(unexpired term: 2 years 11 months)

Paul is a chartered accountant with extensive management, financial and regulatory experience. From 2001 to 2020, Paul had been managing director of Mid Kent Water and subsequently South East Water. Previously, Paul worked as group financial controller of Mid Kent Water and he has been a non-executive director of Water UK, the water industry trade body and Chairman of UKWIR, a research organisation for the water sector.

Kim Lowe

Non-executive director

1 Feb 2022 – present
(unexpired term: 1 year 10 months)

Kim Lowe has spent most of her career at John Lewis Partnership and for more than 37 years she has worked across people, customer service, employee engagement, human resources 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 in 2020 to continue to build her portfolio non-executive director career in the public and private sector, including John Lewis Partnership, Central Surrey Health, Kent and Medway NHS and Social Care Partnership Trust, as well as a council lay member at the University of Kent and joint trust chair of a school's academy trust in Medway.

Kim, who lives in Canterbury, said: "I am passionate about employee engagement; I truly believe it lies at the heart of a successful enterprise. An empowered workforce delivers better service and a happier working environment for all. That's why I was attracted to KCHFT, it has strong values and understands the importance of an inclusive culture."

Dr Razia Shariff

Non-executive director

1 Feb 2023 – present
(unexpired term: 2 years 10 months)

Razia has more than 26 years' experience in the social sector, public sector and in higher education at the national and local level in the UK. She has worked on the management and strategic level for the past 15 years and has worked with marginalised communities throughout her career.

Razia is chief executive officer of Kent Refugee Action Network, a regional charity working with separated refugee and asylum seekers in the care system since 2016. She was previously Head of the ESRC Third Sector Research Centre Knowledge Exchange Team, and a member of the Children in Need South East Grants' Panel.

In 2020, she was awarded a PhD in international politics focusing on critical social moments and the capability approach. She has also worked with NICE to develop national guidance on community engagement in health and was a founding trustee of the People's Health Lottery.

Nigel Turner

Non-executive director

1 Oct 2018 – present
(unexpired term: 1 year 6 months)

Nigel is a group human resources director and business transformation consultant with a proven track record in leading contemporary transformational people-change UK and globally.

His career has included leading the people agenda of the £400million digital transformation of Argos before its sale to Sainsbury's. He is also attributed with the lead 'people' role in the government-funded modernisation of the Royal Mail up to its 2014 privatisation and providing strategic support to the HR director at Northern Rock following the financial crisis of 2008. Nigel also led the people strategy at Spire Healthcare plc. Nigel is currently involved in a major global business transformation project as a consultant with Jaguar Landover.

Karen Taylor

Non-executive director

1 Feb 2022 – present
(unexpired term: 1 year 10 months)

Karen has more than 25 years' experience leading research teams examining the challenges facing healthcare and life sciences organisations and publishing her findings in order to improve services for patients, carers and the public.

She established Deloitte UK's Centre for Health Solutions in November 2011. The centre is the independent research arm of Deloitte's Life Sciences and Health Care (LSHC). It practices and combines creative thinking, robust research and industry experience to develop evidence-based perspectives on some of the biggest and most challenging issues to help clients transform themselves and, importantly, benefit the patient.

Before joining Deloitte, Karen was the Director of Health Value for Money Audit at the National Audit Office delivering reports to Parliament on health-related issues. In 2002, Karen received an OBE for her work on Health Value for Money Audit work.

Karen is a member of the Institute of Chartered Public Finance and Accountants and has extensive experience in leading research into healthcare and life-science issues in the UK and internationally. She also spent 10 years as a non-executive director at Dartford and Gravesham NHS Trust, where she chaired the Audit Committee.

Karen, from Sevenoaks, said: "The NHS has faced the most challenging and unprecedent circumstances; which has exposed amazing strength and a willingness to adopt innovation and work differently. The next few years will be challenging but there will be opportunities for service transformation, adoption of innovative technologies and new business and operating models. I look forward to being part of this."

Director roles and responsibilities

Portfolios of executive directors as at 31 March 2023:

- Chief executive: The accountable officer for the trust; executive sponsor for the Black, Asian and Minority Ethnic Staff Network.
- Deputy chief executive and chief operating officer: Leads on operations, estates and facilities, corporate governance and risk management framework, non-clinical risk, legal services, health and safety, emergency preparedness, resilience and response; business planning, environmental sustainability strategy; and executive sponsor for the Armed Forces Community Staff Network.
- Chief finance officer: Leads on audit, finance, contracting, performance, ICT, information governance; and is the chief information officer and senior information risk owner (SIRO).
- Chief people officer: Leads on people and organisational development services; equity, diversity and inclusion; and executive sponsor for the Neurodiversity Staff Network.
- Chief nursing officer: Jointly leads on the clinical strategy; quality, clinical governance, infection prevention and control, safeguarding assurance, research and development, tissue viability, end of life care, complaints, PALS, patient experience, clinical risks and incidents, CQC nominated individual; and executive sponsor for the LGBTQ+ Staff Network.
- Chief medical officer: Jointly leads on the clinical strategy; quality, medical revalidation, clinical audit, quality improvement, freedom to speak up, business development and service improvement; cost improvement programme; Caldicott guardian; and executive sponsor for the Menopause Staff Network.
- Executive director of health inequalities and prevention (non-voting): Leads on health inequalities, voluntary services, participation and public health; and executive sponsor for the Disability and Carer's Staff Network.

Portfolios of non-executive directors as at 31 March 2023

John Goulston
Trust Chair
Chair of Council of Governors
Chair of Remuneration Committee
Chair of Nominations Committee

Pippa Barber
Senior Independent Director (appointed March 2021)
Chair of Quality Committee
Deputy Chair of Audit and Risk Committee
Deputy Chair of Remuneration Committee

Paul Butler
Chair of Finance, Business and Investment Committee
Member of Quality Committee
Member of Remuneration Committee
Board champion for security

Peter Conway
Trust Vice-chair
Chair of Audit and Risk Committee
Deputy Chair of Finance Business and Investment Committee
Member of Remuneration Committee

Kim Lowe
Chair of Strategic Workforce Committee
Member of Finance Business and Investment Committee
Member of Remuneration Committee
Board champion for staff health and wellbeing

Karen Taylor
Deputy Chair of Quality Committee
Member of Strategic Workforce Committee
Member of Remuneration Committee
Board champion for freedom to speak up

Nigel Turner
Chair of Charitable Funds Committee
Deputy Chair of Strategic Workforce Committee
Member of Audit and Risk Committee
Member of Remuneration Committee

Razia Shariff
Deputy Chair of Charitable Funds Committee
Member of Quality Committee
Member of Remuneration Committee

Board and committee membership and attendance

Membership of Board Committees as at 31 March 2023

Board member	Audit and Risk Committee	Charitable Funds Committee	Finance Business and Investment Committee	Quality Committee	Strategic Workforce Committee	Remuneration and Terms of Service Committee
John Goulston						Chair
Pippa Barber	Member			Chair		Member
Peter Conway	Chair		Member			Member
Nigel Turner	Member	Chair			Member	Member
Paul Butler			Chair	Member		Member
Karen Taylor				Member	Member	Member
Kim Lowe			Member		Chair	Member
Razia Shariff		Member		Member		Member
Mairead McCormick						Executive lead
Sarah Phillips			Member	Member		
Pauline Butterworth	Attends but not a member		Member	Member		
Mercia Spare		Executive lead Member		Executive lead Member	Member	
Victoria Robinson-Collins		Member			Executive lead Member	
Gordon Flack	Attends but not a member		Executive lead Member		Member	
Ali Carruth				Member		

Executive directors' deputies will deputise where necessary to ensure attendance and specific expertise is maintained.

As part of good governance, all non-executive directors, the chair and the chief executive are encouraged to attend at least one meeting per year of the Board committees that they are not formal members of.

Board and committee attendance (1 April 2022 to 31 March 2023)

	Formal Board	Audit and Risk	Charitable Funds	Finance, Business and Investment	Quality	Strategic Workforce	Council of Governors	Remuneration
Non-executive directors								
John Goulston	12 of 12	1 of 1	2 of 2	1 of 1	2 of 2	1 of 1	4 of 4	5 of 5
Pippa Barber	11 of 12	5 of 5	0 of 0	1 of 1	8 of 8	1 of 0	4 of 4	5 of 5
Paul Butler	10 of 12	0 of 0	2 of 2	6 of 6	7 of 8	0 of 0	1 of 1	4 of 5
Peter Conway	9 of 12	5 of 5	0 of 0	5 of 6	1 of 1	0 of 0	1 of 1	5 of 5
Kim Lowe	11 of 12	1 of 1	0 of 0	5 of 6	1 of 1	6 of 6	3 of 3	5 of 5
Razia Shariff	11 of 12	1 of 1	4 of 5	1 of 1	7 of 8	2 of 2	2 of 2	3 of 5
Karen Taylor	12 of 12	2 of 2	0 of 0	1 of 1	7 of 8	6 of 6	3 of 3	4 of 5
Nigel Turner	9 of 12	4 of 5	4 of 5	0 of 0	0 of 0	4 of 6	1 of 1	3 of 5
Executive directors								
Mairead McCormick	9 of 9	0 of 0	0 of 0	0 of 0	0 of 0	0 of 0	3 of 3	3 of 3
Pauline Butterworth	12 of 12	0 of 0	0 of 0	4 of 6*	5 of 8*	4 of 4	0 of 0	0 of 0
Ali Carruth	6 of 8	0 of 0	0 of 0	0 of 0	6 of 8	0 of 0	2 of 2	0 of 0
Gordon Flack	12 of 12	4 of 4	1 of 1	5 of 5	0 of 0	0 of 2	1 of 1	1 of 1
Gill Jacobs	3 of 3	2 of 2	1 of 1	1 of 1	0 of 0	2 of 2	0 of 0	0 of 0
Victoria Robinson-Collins	11 of 12*	0 of 0	5 of 5	0 of 0	0 of 0	6 of 6	0 of 0	3 of 4*
Dr Mercia Spare	11 of 12	0 of 0	4 of 5	0 of 0	7 of 8*	4 of 6*	2 of 2	0 of 0
Dr Sarah Phillips	10 of 12	0 of 0	0 of 0	4 of 6	7 of 8	0 of 0	0 of 0	0 of 0
Gerard Sammon	5 of 7	0 of 0	0 of 0	1 of 3	4 of 5	0 of 0	0 of 0	0 of 0

*A representative attended as follows

Claire Poole, Deputy Chief Operating Officer attended the Finance, Business and Investment Committee on behalf of Pauline Butterworth

Claire Poole, Deputy Chief Operating Officer attended the Quality Committee on behalf of Pauline Butterworth

Sarah Hayden, Deputy Director of Human Resources attended the Board meeting on behalf of Victoria Robinson-Collins

Margaret Daly, Deputy Director of Human Resources attended the Remuneration Committee on behalf of Victoria Robinson-Collins

Sive Cavanagh, Deputy Chief Nursing Officer attended the Quality Committee on behalf of Dr Mercia Spare

Sive Cavanagh, Deputy Chief Nursing Officer attended the Strategic Workforce Committee on behalf of Dr Mercia Spare

Register of interests

Board members and governors are required to declare their interests annually and as they change, in addition to confirming they meet the fit and proper person requirements as set out in Regulation 5 of the Health and Social Care Act 2008 (Regulated Activities) Regulation 2014.

The Council of Governors' and the Board of Directors' registers of interests are available on the trust's website **www.kentcht.nhs.uk** The registers are also included with Council and Board meeting papers and reviewed at each meeting.

Compliance with cost allocation and charging guidance

The trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Political donations

The trust did not make any political donations during 2022/23.

Better payment practice code 2022/23

The trust is monitored against the Better Payment Practice Code (BPPC) which requires NHS organisations to pay all creditors within 30 days of receipt of goods or

a valid invoice (whichever is later) unless other payment terms have been agreed. The trust's BPPC compliance statistics for 2022/23 is set out below:

Non-NHS payables

	2022/23 Number (volume)	2022/23 Value £000s
Total non-NHS invoices paid in the year	31,251	68,012
Total non-NHS invoices paid within target	29,424	65,609
Percentage of non-NHS invoices paid within target	**94**	**96**

NHS payables

	2022/23 Number (volume)	2022/23 Value £000s
Total NHS invoices paid in the year	1,522	12,853
Total NHS invoices paid within target	1,455	12,359
Percentage of NHS invoices paid within target	**96**	**96**

Total payables

	2022/23 Number (volume)	2022/23 Value £000s
Total non-NHS and NHS invoices paid in the year	32,773	80,865
Total non-NHS and NHS invoices paid within target	30,879	77,967
Percentage of non-NHS and NHS invoices paid within target	**94**	**96**

The trust is a signatory of the Prompt Payment Code (PPC) which sets standards for payment practices and best practice and is administered by the Office of the Small Business Commissioner.

The trust also continues to align with Cabinet Office direction in ensuring prompt payment practices.

Well-led framework

It is of paramount importance to make sure the trust is well-led so services are safe and patient-centred. In 2019 the Care Quality Commission (CQC) inspected our services, which included a well-led inspection, and rated us 'outstanding'.

The trust undertakes periodic self-assessments against the CQC well-led framework. In August 2022, the trust engaged the Good Governance Institute to carry out a rapid due diligence review and a developmental review of governance and leadership using the well-led framework. The reports identified many areas of good practice and strong leadership and also made recommendations for further strengthening our governance arrangements and leadership. An overview of the arrangements in place to govern service quality are included in the annual governance statement and will be included in the Quality Report which will be published separately as per the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010. The arrangements include a clear 'ward to board' assurance framework, which includes quality, workforce, performance and finance. The Quality Committee seeks assurance on systems, processes and outcomes relating to quality (safety, clinical effectiveness, and patient experience) on behalf of the Board. Non-executive directors, governors and other key stakeholders participate in our we care visits.

The chief nursing officer and other senior key staff have regular meetings with our CQC relationship manager and are in frequent contact to respond to any queries. To the best of the directors' knowledge, there are no known material inconsistencies between:

- the annual governance statement
- the corporate governance statement and annual report
- CQC insight reports and any consequent action plans.

Disclosure of information to trust auditors

So far as the directors are aware, the trust's auditors have been provided with all relevant information for the purposes of their audit report. The directors have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Income disclosures

The trust has met the requirement of section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), in that its income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services from other purposes.

Council of Governors

Structure and membership as at 31 March 2023

Public governors

Ashford
Sarah Ansell
Elected in March 2023

Canterbury
Chris Cornell
Elected in March 2023

Dartford
Elaine Ashford
Elected in March 2021

Dover/Deal
Carol Coleman*
Elected in February 2016

Gravesham
Vacant

Maidstone
Alison Fisher
Elected in March 2022

Sevenoaks
Gillian Harris
Elected in March 2021

Folkestone and Hythe
Penny Shepherd
Elected in March 2023

Thanet
Tilly Harris
Elected in March 2022

Rest of England
John Woolgrove
Elected in March 2019

Swale
Vacant

Tunbridge Wells
Loretta Bellman
Elected in March 2021

Tonbridge and Malling
Ruth Davies
Elected in March 2019

Appointed governors

Age UK
Vacant

Head Teachers Association
Vacant

Public Health
Dr Anjan Ghosh
Appointed in May 2022

Kent Universities
Professor Paula Kersten
Appointed in April 2022

Dementia Action Alliance
Alison Carter
Appointed in October 2019

Staff governors

Adult services
Jan Harris
Elected in March 2023

Adult services
William Anderson
Elected in March 2021

Children and families
Maria-Loukia Bratsou
Elected in March 2018

Health and wellbeing
Kimberley Lloyd
Elected in March 2021

Corporate services
Jan Allen**
Elected in March 2018

*Carol Coleman is the elected lead governor. *Jan Allen is the elected deputy lead governor.

Membership: Representation and effectiveness

The trust agreed a membership strategy for 2018 to 2021/22, which set out four objectives, linked to our communication and engagement goals, to make sure our members were fully informed and involved. The action plan is still in place.

The action plan set against these objectives is monitored by the governors' Communications and Engagement Committee.

The four objectives are:

1. to provide members with accurate information about our services and how to improve on their health and wellbeing
2. to increase opportunities for membership to feedback on our services and make sure these are fed into service design and improvement
3. to increase membership levels by two per cent year-on-year (with a stretch target of five per cent) and make sure our membership reflects the population that we serve
4. to make sure members know who their local governor is, what they do/their role and why and how to contact them.

The strategy is being reviewed for 2023/2024.

Understanding the views of governors and members

The Council of Governors continues to meet in public on a quarterly basis and met four times during 2022/23. In addition, it held the Annual Members' Meeting on Wednesday, 28 September 2022. Board members are invited to attend the meetings, and regularly interact with governors to understand their views and those of members and the wider community. Governors are also encouraged to observe the formal Board meetings.

In addition to council meetings, the trust provides ongoing development opportunities for governors. All governors are invited to one full day development session each year, as well as four development sessions held on the same day as the council meetings. These sessions are well attended by governors and are usually devoted to a range of topics, including service presentations and Board committee deep dive discussions.

An induction programme was conducted for new governors appointed in 2022. The trust has continued to offer ongoing training and support for governors to make sure they are able to develop their role, represent their constituents and hold the trust to account for its performance. In addition to the induction and ongoing development opportunities provided by the trust, governors are encouraged to attend the annual national Governor Focus Conference and GovernWell training courses run by NHS Providers.

Governors are supported to gather views from members and the public through involvement at public events and meetings. Governors have had the opportunity to take part in a number of trust visits, internal reviews and engagement events, including we care visits, service visits, stakeholder panels, conferences and the annual patient-led assessment for the clinical environment (PLACE).

During 2022/23, governors carried out a number of statutory duties including the approval of the external auditors' contract extension, the appointment of Razia Shariff as a non-executive director, the re-appointment of Paul Butler as non-executive director for a second term, and the approval of the remuneration and appraisal process for the chair and non-executive directors.

Council of governors attendance (1 April 2022 to 31 March 2023)

Governor name	Constituency	Start date	End date	Council meetings attended
Carol Coleman	Public Governor, Dover/Deal	01/02/2016	Current	4 of 4
Gillian Harris	Public Governor, Sevenoaks	09/03/2021	Current	3 of 4
Tilly Harris	Public Governor, Thanet	18/03/2022	Current	2 of 4
John Woolgrove	Public Governor, Rest of England	28/01/2019	Current	3 of 4
Alison Fisher	Public Governor, Maidstone	18/03/2022	Current	4 of 4
Elaine Ashford	Public Governor, Dartford	09/03/2021	Current	4 of 4
Loretta Belman	Public Governor, Tunbridge Wells	09/03/2021	Current	2 of 4
Ruth Davies	Public Governor, Tonbridge and Malling	28/01/2019	Current	4 of 4
Paula Kersten	Appointed Governor, Universities	01/04/2022	Current	2 of 4
Anjan Ghosh	Appointed Governor, Public Health	01/04/2022	Current	0 of 3
Alison Carter	Appointed Governor, Kent Dementia Alliance	01/10/2019	Current	3 of 4
Jan Allen	Staff Governor, Corporate Services	01/04/2018	Current	4 of 4
Maria-Loukia Bratsou	Staff Governor, Children and Families	01/04/2018	Current	1 of 4
William Anderson	Staff Governor, Adult Services	09/03/2021	Current	2 of 4
Kimberley Lloyd	Staff Governor, Health and Wellbeing Services	09/03/2021	Current	4 of 4
Peter Fathers	Public Governor, Swale	09/06/2022	06/09/2022	1 of 1
Brian Grove	Public Governor, Swale	18/03/2022	09/06/2022	0 of 1
Daniel Mott	Public Governor, Folkestone and Hythe	11/06/2021	17/11/2022	0 of 3
Kathy Walters	Public Governor, Ashford	28/01/2021	13/12/2022	0 of 3
John Norley	Appointed Governor, Age UK	28/05/2021	10/01/2023	1 of 3
Matthew Wright	Appointed Governor, Kent Association of Headteachers	01/04/2018	10/01/2023	2 of 3
Dot Marshall	Public, Gravesham	13/03/2020	15/03/2023	2 of 4
Dawn Gaiger	Staff Governor, Adult Services	05/02/2020	15/03/2023	2 of 4
Lynne Spencer	Public Governor, Canterbury	13/03/2020	15/03/2023	3 of 4

Penny Shepherd, Public Governor, Folkestone and Hythe; Sarah Ansell, Public Governor, Ashford; Chris Cornell, Public Governor, Canterbury; and Jan Harris, Staff Governor, Adult Services, were elected and joined the Council of Governors on 15 March 2023.

Remuneration report

This remuneration report presents information from the 1 April 2022 to 31 March 2023.

Annual statement on remuneration

The Remuneration Committee discussed the chief executive's and the medical director's performance against the agreed objectives and these were met in full. Consequently, the committee agreed that there would be no claw back of salary.

The nationally agreed cost of living award for very senior managers (VSM) grades was applied to all executives other than the chief finance officer, recognising the re-allocation of the deputy chief executive portfolio from 1 December 2022.

The Remuneration Committee agreed a new deputy chief executive portfolio assigned to the chief operating officer from 1 December 2022 with a responsibility allowance of £15,000.

For parity, the Remuneration Committee reviewed the salary of the chief people officer whose entry pay was under the minimum benchmark and agreed to its rebasing in line with the national average.

There were no other substantial changes relating to senior managers' remuneration made during the year.

The Council of Governors reviewed the remuneration of the chair and the non-executive directors in January 2023 and agreed the recommendation that it remains unchanged until any new national guidance is published.

Senior managers' remuneration policy

Policy on remuneration for executive directors

The Remuneration Committee determines the salaries of the chief executive and the other executive directors by considering market rates. Existing trust very senior manager (VSM) contracts and notice periods of six months follow the VSM guidance from the Department of Health. Notice periods for all very senior managers hired after 1 March 2015 are three months, except the chief executive's which is six months. Notice periods should normally be worked to ensure the NHS receives benefit during the notice period. This could include undertaking special projects and short-term placements.

Pay component	How that component supports the trust short- and long-term strategy	How it operates	Maximum payable
Senior managers are entitled to a basic salary which is determined by the Remuneration Committee. The rates paid to individual directors are determined by the Remuneration Committee who consider: • qualifications required for the role • spans of responsibility and accountability • performance • market forces.	The trust believes that its senior managers should be fairly remunerated for their work. Trust salaries should be competitive and enable the trust to attract and in due course retain high calibre staff. However, salaries should not be overly high and should be positioned in the top quartile of salaries for similar organisations. The Remuneration Committee will therefore reference its salaries to the NHS Providers survey of executive salaries and independent advice as required.	Salaries are reviewed against external NHS benchmarking and set at the lower end of the upper quartile for similar organisations, considering other factors including performance and qualifications. In the case of any salary above £150,000 the views of ministers are sought. A claw back scheme is in place for salaries over £150,000 should objectives not be achieved the salary is reduced by 10%. A report is presented to the Remuneration Committee.	10% of salary reduction if objectives not met.

Pay component	How that component supports the trust short- and long-term strategy	How it operates	Maximum payable
The annual uplift	Government approved the recommendation by the Senior Salaries Pay Review Body of a 3% uplift for VSM grades in 2022/23, recognising the freeze in previous years, with organisations given flexibility to award an additional 0.5% to "ameliorate the erosion of the differential with the top of Agenda for Change (AfC) band 9 and to make it easier to facilitate the introduction of the new VSM pay framework". This was administered by the trust for all executives other than the chief finance officer.		3% of salary.
CE earn back	The trust believes that the chief executive should be properly remunerated for their work. Trust salaries should be competitive and enable the trust to attract high calibre staff. However, salaries should not be overly high and should be positioned in the top quartile of salaries for similar organisations. The Remuneration Committee will therefore reference its salaries to the NHS Providers survey of executive salaries and independent advice as required. Where applicable views of ministers are sought.	A claw back scheme is in place. Should objectives not be achieved the salary is reduced by 10%.	10% of salary reduction if objectives not met.

Each contract for directors gives the trust the right to deduct from a director's salary, or any other sums owed, any money owed to the trust. If on termination of the appointment the director has taken in excess of their accrued holiday entitlement the trust shall be entitled to recover by way of deduction from any payments due. No provisions for the recovery of sums paid or for withholding of sums to senior managers have been made in the period. The trust's policy on senior managers' remuneration and its general policy on employees' remuneration differ only, in so far as other staff are on the *Agenda for Change* or *Medical and Dental* pay scales, while directors' pay is determined outside of this framework.

Policy on remuneration for non-executive directors

The remuneration for non-executive directors (NEDs) is set by the Council of Governors. No 'golden hellos', compensation for loss of office or other remuneration from the Trust was paid during 2022/23. Non-executive members do not receive pensionable remuneration.

The Council of Governors determines the pay for the chair and non-executive directors and in so doing consider comparative remuneration of other foundation trusts. They are on fixed term, renewable contracts. There is no compensation for early termination.

There are four levels of remuneration based on the level of commitment expected of the post holder: Trust chair; chair of audit and risk, quality, finance, business and investment, and strategic workforce committees; other non-executive directors; and associate non-executive directors.

Pay component	Description	Application
Chair basic pay	A spot rate salary £48,000	Trust chair
Non–executive basic pay	A spot rate salary £13,800 for NEDs appointed prior to September 2019. For those appointed after this date £13,000 in line with NHSI guidance.	Three non-executive directors Four non-executive directors
NED committee – chair responsibility	20% uplift	Quality Committee chair Strategic Workforce Committee chair Audit and Risk Committee chair Finance, Business and Investment Committee chair

Service contracts obligations

There is one standard contract for all directors. The chief executive's and medical director's contracts include a clause regarding claw back. This standard contract puts the following obligations on the trust:

- Review performance annually.
- Give reasonable notice of any variation to salary.
- To determine redundancy pay by reference to Part XI of the Employment Rights Act 1996. Any redundancy payment will be calculated in accordance with paragraphs 16.8 and 16.9 of the NHS terms and conditions of service handbook, cognisant of Treasury guidance on exit payments.
- To pay appropriate expenses incurred in the course of duties in accordance with the trust's travel and expenses policy.
- Annual leave follows standard NHS terms, likewise sickness.
- The notice period for all executive directors appointed post April 2015 except chief executive is three months; chief executive has to give six months' notice.
- No executive director is on a fixed term contract.

Policy on loss of office

- Notice periods as above for resignation for chief executive and all directors.
- Payments in lieu of notice are at the discretion of the trust.
- Senior manager's performance is relevant for loss of office when a material element of the business plan has not been delivered and then there can be dismissal without notice.

Setting senior managers remuneration policy

The pay and conditions of employees (including any other group entities) were considered when setting the remuneration policy for senior managers.

The trust did not consult with employees when preparing the senior managers' remuneration policy.

The chief executive confirms that the remuneration report covers senior managers who have authority or responsibility for directing or controlling the major activities of the trust. These managers influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.

The policy on diversity and inclusion used by the remuneration committee

As an employer for, and a provider of, health services in Kent, London and East Sussex the Remuneration Committee take the issues of fairness, rights and equality very seriously.

The Remuneration Committee undertakes an equality impact assessment on all polices and decisions.

Annual report on remuneration

Information not subject to audit

Remuneration Committee

The Remuneration Committee is a formal committee of the Board. The purpose of this Committee is to advise the Board on all aspects of the remuneration and terms of conditions for the chief executive, executive directors and directors reporting to the chief executive ensuring that these properly support the objectives of the trust, represent value for money and comply with statutory requirements.

The committee's members are the non-executive directors of the trust and the committee is chaired by the trust chair. Between 1 April 2022 and 31 March 2023 there were five meetings of the Remuneration Committee.

Remuneration Committee	Meetings attended 2022/23
John Goulston	5
Peter Conway	5
Pippa Barber	5
Nigel Turner	3
Paul Butler	4
Kim Lowe	5
Karen Taylor	4
Razia Shariff	3

The chief executive and chief people officer also attend meetings by invitation; however, they are not present where matters relating to them are under discussion.

This committee determines the remuneration and conditions of service of the chief executive, other directors and senior managers with Board responsibility who report directly to the chief executive, ensuring that these properly support the objectives of the trust, represent value for money and comply with statutory requirements. The committee does not determine the remuneration of the non-executive chair and the non-executive directors, which is set by the Council of Governors.

Service contracts

Executive director service contracts are permanent with the following notice periods:

Senior manager	Date effective	Notice
Mairead McCormick, Chief Executive Officer	1 July 2022	6 months
Gordon Flack, Chief Finance Officer (from 1 July 2022), previously Acting Chief Executive Officer (from 1 January 2022 to 30 June 2022)	1 March 2015	6 months
Pauline Butterworth, Chief Operating Officer and Deputy Chief Executive Officer (Deputy CEO from 17 November 22)	16 December 2019	3 months
Ali Carruth, Executive Director for Health Inequalities and Prevention	6 January 2020	3 months
Mercia Spare, Chief Nursing Officer	1 January 2020	3 months
Sarah Phillips, Medical Director	10 April 2017	3 months
Natalie Davies, Director of Corporate Services (to 31 August 2022)	1 April 2015	3 months
Victoria Robinson-Collins, Chief People Officer	18 October 2021	3 months
Gerard Sammon, Director of Strategy and Partnerships (to 6 November 2022)	1 October 2019	3 months
Gill Jacobs, Acting Director of Finance (from 1 January 2022 to 30 June 2022)	1 January 2022	3 months
Julia Rogers, Director of Communications and Engagement	6 June 2022	3 months

Georgia Denegri has been working for the trust as interim trust secretary via an agency since September 2022, whilst recruitment to a substantive replacement is taking place. She is not included in the table above as this is a temporary arrangement and not a permanent service contract.

Non-executive director service contracts are fixed term with the following unexpired terms as of the 31 March 2023:

Non-executive director	Date effective	End Date	Unexpired term
John Goulston, Trust Chair	1 November 2021	31 October 2024	1 year 7 months
Peter Conway, Trust Vice-chair	1 April 2022	31 March 2024	1 year
Pippa Barber, Non-executive Director	1 December 2022	30 November 2024	1 year 8 months
Paul Butler, Non-executive Director	1 March 2023	28 February 2026	2 years 11 months
Nigel Turner, Non-executive Director	1 October 2021	30 September 2024	1 year 6 months
Karen Taylor, Non-executive Director	01 February 2022	31 January 2025	1 year 10 months
Kim Lowe, Non-executive Director	01 February 2022	31 January 2025	1 year 10 months
Razia Shariff, Non-executive Director	01 February 2023	31 January 2026	2 years 10 months

During the year, the Council of Governors re-appointed Pippa Barber and Paul Butler to the Board, it is their re-appointed dates shown in the table above. Razia Shariff was appointed by the Council of Governors as a non-executive director from 1 February 2023, as per the date reported in the table. Prior to this Razia was appointed as an associate non-executive director.

Expenses of the senior managers and governors

The following expenses were paid to senior managers in the period:

Directors and senior managers	Expenses (rounded to nearest 100) £00	
	2022/23	**2021/22**
Mairead McCormick, Chief Executive Officer (from 01/07/22)	10	-
Paul Bentley, Chief Executive Officer (to 16/01/22)	-	-
Gordon Flack, Chief Finance Officer (from 01/07/22), previously Acting Chief Executive Officer (from 01/01/22 to 30/06/22)	-	-
Pauline Butterworth, Chief Operating Officer and Deputy Chief Executive Officer (Deputy CEO from 17/11/22)	-	-
Ali Carruth, Executive Director for Health Inequalities and Prevention	-	-
Mercia Spare, Chief Nursing Officer	-	-
Sarah Phillips, Medical Director	-	3
Natalie Davies, Director of Corporate Services (to 31/08/22)	-	-
Louise Norris, Director of Workforce, OD and Communications (to 21/01/22)	-	-
Victoria Robinson-Collins, Chief People Officer (from 18/10/21)	10	50
Gerard Sammon, Director of Strategy and Partnerships (to 06/11/22)	1	-
Gill Jacobs, Acting Director of Finance (from 01/01/22 to 30/06/22)	2	-

Directors and senior managers	Expenses (rounded to nearest 100) £00	
Julia Rogers, Director of Communications and Engagement (from 06/06/22)	12	-
Georgia Denegri, Interim Trust Secretary (from 05/09/22)	-	-
Claire Poole, Deputy Chief Operating Officer. Deputised for Chief Operating Officer from 08/11/21 to 26/11/21	-	-
John Goulston, Chairman	15	14
Peter Conway, Vice Chairman	3	3
Sola Afuape, Non-Executive Director (to 20/01/22)	-	3
Pippa Barber, Non-Executive Director	10	5
Paul Butler, Non-Executive Director	4	-
Francis Drobniewski, Non-Executive Director (to 31/01/22)	-	4
Kim Lowe, Non-Executive Director (from 01/02/22)	4	-
Razia Shariff, Non-Exectuve Director (from 01/02/23), previously Associate Non-Executive Director (from 01/02/22)	5	-
Bridget Skelton, Non-Executive Director (to 31/03/22)	-	-
Karen Taylor, Non-Executive Director (from 01/02/22)	-	-
Nigel Turner, Non-Executive Director		-
Total	**76**	**82**

There were a total of 20 executive, non-executive directors, and associate non-executive directors in post in the reporting period 2022/23 and 11 of these received expenses paid by the trust. The aggregate sum of directors' expenses totals £7,580.

The following expenses were paid to governors in the period:

Governors	Expenses (rounded to nearest 100) £00	
	2022/23	**2021/22**
Carol Coleman	9	2
Alison Fisher	2	-
Total	11	2

There are a total of 23 governor positions. There have been 28 individuals working as governors within the year, with nine leaving and four starting in the period. As of 31 March 2023, there are 19 governors in post, with four vacant positions. In the reporting period 2022/23, two governors received expenses paid by the trust. The aggregate sum of governors' expenses totals £1,090.

Information subject to audit

Name and ttle	2022/2023						2021/2022					
	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long term performance-related bonuses	All pension related benefits	Total	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long term performance-related bonuses	All pension related benefits	Total
	(bands of £5,000) £000	(to the nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(to the nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Mairead McCormick, Chief Executive Officer (from 01/07/22)	135 - 140	0			145 - 147.5	285 - 290						
Paul Bentley, Chief Executive Officer (to 16/01/22)							165 - 170	400	0 - 5		0	170 - 175
Gordon Flack, Chief Finance Officer (from 01/07/22), previously Acting Chief Executive Officer (from 01/01/22 to 30/06/22)	165 - 170	1,500			0	170 - 175	165 - 170	900	0 - 5		0	170 - 175
Pauline Butterworth, Chief Operating Officer and Deputy Chief Executive Officer (Deputy CEO from 17/11/22)	145 - 150	1,100			45 - 47.5	190 - 195	130 - 135	600	0 - 5		25 - 27.5	160 - 165
Ali Carruth, Executive Director for Health Inequalities and Prevention	100 - 105	0			325 - 327.5	425 - 430	75 - 80	0	0 - 5		17.5 - 20	95 - 100
Mercia Spare, Chief Nursing Officer	135 - 140	0			32.5 - 35	165 - 170	125 - 130	0	0 - 5		37.5 - 40	170 - 175
Sarah Phillips, Medical Director	185 - 190	1,200			5 - 7.5	190 - 195	180 - 185	600	5 - 10		47.5 - 50	235 - 240
Natalie Davies, Director of Corporate Services (to 31/08/22)	45 - 50	500			12.5 - 15	60 - 65	110 - 115	600	0 - 5		10 - 12.5	125 - 130
Louise Norris, Director of Workforce, OD and Communications (to 21/01/22)							95 - 100	0	0 - 5		12.5 - 15	115 - 120
Victoria Robinson-Collins, Chief People Officer (from 18/10/21)	125 - 130	1,500			15 - 17.5	145 - 150	45 - 50	400	0		5 - 7.5	55 - 60
Gerard Sammon, Director of Strategy and Partnerships (to 06/11/22)	85 - 90	0			20 - 22.5	105 - 110	130 - 135	0	0 - 5		0	135 - 140
Gill Jacobs, Acting Director of Finance (from 01/01/22 to 30/06/22)	30 - 35	0			0	30 - 35	30 - 35	0	0		17.5 - 20	50 - 55
Julia Rogers, Director of Communications and Engagement (from 06/06/22)	75 - 80	0			35 - 37.5	115 - 120						
Georgia Denegri, Interim Trust Secretary (from 05/09/22)	105 - 110	0			0	105 - 110						
Claire Poole, Deputy Chief Operating Officer. Deputised for Chief Operating Officer from 08/11/21 to 26/11/21							5 - 10	0	0		0 - 2.5	5 - 10

*The annual performance related bonuses issued in 2021/22 were non-consolidated bonuses issued in line with the annual cost of living uplift.

**The taxable benefits above are in relation to lease car benefits.

Name and title	2022/2023						2021/2022					
	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long term performance-related bonuses	All pension related benefits	Total	Salary and fees	Taxable benefits	Annual performance-related bonuses	Long term performance-related bonuses	All pension related benefits	Total
	(bands of £5,000) £000	(to the nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000	(bands of £5,000) £000	(to the nearest £100) £	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
John Goulston, Chairman	45 - 50					45 - 50	45 - 50					45 - 50
Peter Conway, Vice Chairman	15 - 20					15 - 20	15 - 20					15 - 20
Sola Afuape, Non-Executive Director (to 20/01/22)							10 - 15					10 - 15
Pippa Barber, Non-Executive Director	15 - 20					15 - 20	15 - 20					15 - 20
Paul Butler, Non-Executive Director	15 - 20					15 - 20	15 - 20					15 - 20
Francis Drobniewski, Non-Executive Director (to 31/01/22)							10 - 15					10 - 15
Kim Lowe, Non-Executive Director (from 01/02/22)	15 - 20					15 - 20	0 - 5					0 - 5
Razia Shariff, Non-Exectuve Director (from 01/02/23), previously Associate Non-Executive Director (from 01/02/22)	5 - 10					5 - 10	0 - 5					0 - 5
Bridget Skelton, Non-Executive Director (to 31/03/22)							15 - 20					15 - 20
Karen Taylor, Non-Executive Director (from 01/02/22)	10 - 15					10 - 15	0 - 5					0 - 5
Nigel Turner, Non-Executive Director	10 - 15					10 - 15	10 - 15					10 - 15

During the period 1 April 2022 to 31 March 2023 there have been a few changes in personnel to the Executive Team. Mairead McCormick joined the trust in July 2022 as the chief executive officer (CEO), resulting in Gordon Flack ceasing acting up as CEO and returning to his role as chief finance officer. Similarly, Gill Jacobs ceased acting up as director of finance. Julia Rogers joined the Executive Team from June 2022 as director of communications and engagement. Natalie Davies left the trust in August 2022. Georgia Denegri joined the trust in September 2022 as interim trust secretary via an agency, whilst recruitment to a substantive position is taking place. Gerard Sammon has been seconded to NHS England with effect from November 2022.

The trust remunerates Dr Sarah Phillips solely for her management role, as she does not undertake a direct patient care role with the trust.

With reference to the tables above, the value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

No payments were made for loss of office or to past senior managers in the period.

Pension benefits

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31.03.23 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31.03.23 (bands of £5,000) £000	Cash equivalent transfer value at 01.04.22 £000	Cash equivalent transfer value at 31.03.23 £000	Real increase in cash equivalent transfer value £000	Employer's contribution to stakeholder pension £000
Mairead McCormick, Chief Executive Officer (from 01/07/22)	7.5 - 10	12.5 - 15	75 - 80	155 - 160	1,151	1,396	138	n/a
Gordon Flack, Chief Finance Officer (from 01/07/22), previously Acting Chief Executive Officer (from 01/01/22 to 30/06/22)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pauline Butterworth, Chief Operating Officer and Deputy Chief Executive Officer (Deputy CEO from 17/11/22)	2.5 - 5	0	30 - 35	0	406	475	38	n/a
Ali Carruth, Executive Director for Health Inequalities and Prevention	12.5 - 15	37.5 - 40	45 - 50	95 - 100	539	853	284	n/a
Mercia Spare, Chief Nursing Officer	2.5 - 5	0	45 - 50	110 - 115	993	1,086	43	n/a
Sarah Phillips, Medical Director	0 - 2.5	0	30 - 35	25 - 30	437	471	3	n/a
Natalie Davies, Director of Corporate Services (to 31/08/22)	0 - 2.5	0	35 - 40	65 - 70	569	607	14	n/a
Victoria Robinson-Collins, Chief People Officer (from 18/10/21)	0 - 2.5	0	5 - 10	0	60	80	3	n/a
Gerard Sammon, Director of Strategy and Partnerships (to 06/11/22)	0 - 2.5	0 - 2.5	50 - 55	105 - 110	889	952	31	n/a
Gill Jacobs, Acting Director of Finance (from 01/01/22 to 30/06/22)	0	0	35 - 40	75 - 80	740	199	0	n/a
Julia Rogers, Director of Communications and Engagement (from 06/06/22)	0 - 2.5	0	20 - 25	0	205	247	18	n/a
Georgia Denegri, Interim Trust Secretary (from 05/09/22)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Any data expressed as n/a in the above tables is not applicable.

Gordon Flack's information is shown as n/a because he chose not to be covered by the pension arrangements during the reporting year.

Georgia Denegri's information is shown as n/a because as an agency member of staff she is not a member of the NHS Pension Scheme.

Gerard Sammon opted out of the pension scheme from June 2022, and Sarah Phillips opted back into the pension scheme from July 2022.

As non-executive members do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive members.

Cash equivalent transfer values

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. CETV figures are only applicable up to the normal pension age (NPA). NPA is age 60 in the 1995 Section, age 65 in the 2008 Section, or State Pension Age (SPA) or age 65, whichever is the later in the 2015 Scheme.

The inflation applied to the accrued pension, lump sum (if applicable) and CETV is the percentage (if any) by which the Consumer Prices Index (CPI) for the September before the start of the tax year is higher than it was for the previous September. The Consumer Prices Index up to September 2021 was 3.1 per cent. Therefore, for calculation purpose the trust has used an inflation rate of 3.1 per cent to calculate the real increases in pensions, lump sums and CETVs over the period. This is in line with the latest Greenbury Pension Guidance.

Fair pay disclosures

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £185k-£190k (2021/22, £185k-£190k). Performance pay and bonuses were issued to the highest paid director in 2021/22 but were not issued to the highest paid director in 2022/23, therefore a % comparison cannot be provided for this.

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.

For employees of the trust as a whole, the range of remuneration in 2022/23 was from £9k to £271k (2021/22 £18k to £259k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 7.74 per cent representing £3k increase in monetary terms. One employee received remuneration in excess of the highest-paid director in 2022/23 (2021/22, one employee).

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the total pay and benefits of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2022/2023	25th Percentile	Median	75th Percentile
Salary component of pay (£)	23,949	30,103	41,377
Total pay and benefits (excluding pension benefits) (£)	23,949	30,103	41,377
Pay ratio information	8:1	6:1	5:1
2021/2022			
Salary component of pay (£)	22,549	27,833	39,027
Total pay and benefits (excluding pension benefits) (£)	22,549	27,833	39,027
Pay ratio information	8:1	7:1	5:1

The decrease in the fair pay multiple from last financial year is as a result of the increase in median salary value, whereas the remuneration of the highest paid director has remained unchanged.

Signed by:

Mairead McCormick
Chief Executive

(On behalf of the Board)

Staff report

Our people report

Our people have been truly amazing yet again this year in delivering outstanding patient care during difficult and challenging times. We are proud of them for their unwavering dedication to be there for our communities when they need them most.

This year has also seen us refresh and develop our equity, diversity and inclusion action plan to support the delivery of our People, Equity and Diversity: Nobody Left Behind Strategy.

We have launched our latest staff network, the Neurodiversity Network and have recognised the hard work and dedication of our network chairs, deputies and secretaries by allocating funding to support them to undertake these roles, as well as funding time for our Staffside chair to support our partnership working approach.

Developing and growing our workforce is fundamental to our future and we continue to expand our Clinical Academy. We have 315 colleagues on apprenticeships, with 122 of these leading to a clinical registration. For the first time this year, we included podiatry within our Clinical Academy.

Key achievements in 2022/23:

- First NHS trust in Kent and Medway to receive the platinum level Kent and Medway Workplace Wellbeing Award and one of only a handful of organisations to receive it.

- Received Employer with Heart accreditation for our support to families with premature babies.
- Introduced a number of new leave allowances to support our colleagues, including disability and careers leave, and increased our allowance for compassionate leave.
- Supported our colleagues during difficult financial times with a range of financial health and wellbeing initiatives.
- Introduced our Workforce Sexual Orientation Equality Standard as a local assessment measure.
- We achieved bronze in the Defence Employer Recognition Scheme, recognising our work to become and armed forces-friendly employer.

Left to right: Emily Lillis and Laura Hoare are registered learning disability nurses after completing a four-year apprenticeship at KCHFT.

The information in the following tables is subject to audit.

Staff costs

	Permanent £000	Other £000	2022/23 Total £000	2021/22 Total £000
Salaries and wages	158,232	12,681	**170,913**	157,314
Social security costs	15,518	983	**16,501**	13,863
Apprenticeship levy	836	-	**836**	770
Employer's contributions to NHS pension scheme	28,401	983	**29,384**	28,454
Pension cost - other	62	-	**62**	48
Termination benefits	213	-	**213**	127
Temporary staff	-	3,698	**3,698**	4,386
Total gross staff costs	**203,262**	**18,345**	**221,607**	**204,962**
Recoveries in respect of seconded staff	(138)	-	**(138)**	(140)
Total staff costs	**203,124**	**18,345**	**221,469**	**204,822**
Of which				
Costs capitalised as part of assets	630	-	**630**	661

Staff numbers

Average number of employees (WTE basis)

	Permanent Number	Other Number	2022/23 Total Number	2021/22 Total Number
Medical and dental	79	4	**83**	83
Administration and estates	1,374	95	**1,469**	1,461
Healthcare assistants and other support staff	1,004	132	**1,136**	1,194
Nursing, midwifery and health visiting staff	1,139	111	**1,250**	1,283
Nursing, midwifery and health visiting learners	51	-	**51**	27
Scientific, therapeutic and technical staff	721	23	**744**	767
Healthcare science staff	**14**	**1**	**15**	**16**
Total average numbers	**4,382**	**366**	**4,748**	**4,831**
Of which:				
Number of employees (WTE) engaged on capital projects	12	-	**12**	14

Gender distribution

The gender distribution of our workforce as at 31 March 2023 is:

Role	Female (FTE)	Female (%)	Male (FTE)	Male (%)	Total (FTE)	% Total
Director	7.21	78.27%	2.00	21.73%	9.21	100.00%
Senior manager	42.27	82.68%	8.85	17.32%	51.13	100.00%
Other employees	3,863.24	86.41%	607.81	13.59%	4,471.05	100.00%
Total	**3,912.72**	**86.35%**	**618.66**	**13.65%**	**4,531.38**	**100.00%**

Sickness absence data

	2022/23
Total working days lost	49,335
Total staff years	4,311
Average working days lost (per WTE)	11

Staff sickness data is provided centrally by NHS Digital using the statistics held within the ESR (Electronic Staff Record) data warehouse. The data is based on the 2022 calendar year to align with the latest published statistics which can be found on the NHS Digital website. The published statistics are then converted by the Department of Health and Social Care to make sure they meet the Cabinet Office reporting requirements for reporting in the public sector. The Department of Health and Social Care considers the resulting figures to be a reasonable proxy for financial year equivalents.

Turnover data

Staff turnover data can be found at https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics

Staff policies and actions

Equity, diversity and inclusion

Our People, Equity and Diversity: Nobody Left Behind Strategy was developed and launched last year and this year has seen us progress work on refreshing our equity, diversity and inclusion (EDI) action plan to deliver our ambitious strategy to achieve a truly inclusive workplace where everyone feels able to bring their whole selves to work. Linked to this, our Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES) and Gender Pay Gap reports are available on our website www.kentcht.nhs.uk

As an inclusive employer, KCHFT is committed to making sure equality of access to employment, career development and training and the application of human rights for all staff.

This approach is set out in the equity, diversity and inclusion policy, which was refreshed this year. This policy, as well as our recruitment policy, ensure we give full and fair consideration to disabled applicants and continuing support to staff who become disabled during the course of employment. We also work closely with outside agencies to support colleagues with equipment to support them in the workplace with a disability.

Our Workforce Equality Group (WEG) has developed guidance for managers and colleagues on implementing reasonable adjustments and unconscious bias training has been embedded with our recruitment and selection e-learning package.

We are also continuing to work closely with Kent Supported Employment for the active recruitment of people with a disability. We proudly maintain our Disability Confident Leader Award and will continue to work with our partners and people to make sure we maximise every opportunity to build the best and most diverse workforce possible.

Equity is written into KCHFT's values framework. It makes sure all our staff receive training in the subject, it uses equality analysis, and equity, diversity and inclusion is embedded into all policies.

Additionally, we use the Equality Diversity System 2 (EDS 2) to record and evidence work we do and publish equality objectives annually on our website www.kentcht.nhs.uk/equality-diversity

Staff networks promote and support staff from a black, minority or Asian (BME) background, lesbian, gay, bisexual, trans, queer or questioning (LGBTQ+), people with a disability, those who have religious beliefs, people going through the menopause and veterans. We were also proud to introduce our newest staff network this year, our Neurodiversity Network.

Gender pay gap

You can find information about our gender pay gap on our website at www.kentcht.nhs.uk/workforce-equality-monitoring/ or via https://gender-pay-gap.service.gov.uk

Freedom to speak up

The trust is committed to creating a culture where everyone feels safe and confident to raise concerns, voice opinions and suggest improvements and ideas. We encourage staff to speak up about anything that gets in the way of delivering patient care or affects their working lives.

KCHFT has had a freedom to speak up guardian in post all year to provide independent and confidential support to staff who wish to raise concerns. Concerns raised by staff might include issues related to patient safety, staff safety and wellbeing, bullying, harassment or other inappropriate behaviours. Staff are also encouraged to speak up when things go well, so that learning can be shared. The guardian also has a visible and active role in the trust to raise awareness of freedom to speak up and foster a culture of openness.

Between 1 April 2022 and 31 March 2023, the guardian was involved in 20 new cases. A report on the number and types of cases is submitted to the National Guardian's Office on a quarterly basis. A report on the number and types of cases, including any identified themes or trends, is presented to the Strategic Workforce Committee every six months.

The trust has a named executive director lead and non-executive director lead for freedom to speak up who act as an alternative source of advice and support for the guardian. Dr Sarah Phillips is the executive director lead and Karen Taylor is the non-executive director lead. The trust has a number of freedom to speak up ambassadors, and their role includes encouraging colleagues to speak up by providing informal advice, sign-posting and promoting positive examples of changes that have occurred as a result of speaking up.

Communication and engagement with colleagues

Communications and engagement with our 5,323-strong workforce across Kent and Medway, East Sussex and London continued to be a priority this year, with colleagues telling us in quarterly People Pulse surveys they wanted to see more stories of patient care and help with physical and mental health and financial wellbeing.

We used our intranet, flo, to continue to share trust news as well as updating the dedicated 'You' section to highlight health and wellbeing support for colleagues. We introduced a new financial support section, providing advice along with education and tools to help colleagues manage their finances.

Colleagues continued to be encouraged to share their personal stories including reactions to service changes and personal career highlights as blogs on flo, which have the benefit of being able to be commented on by others in the trust and create conversation.

Our internal e-bulletin 'Hello from Joe' saw in an increase in readership as we revamped the design and increased the range of content promoting all the health and wellbeing opportunities available to colleagues through video, animations and articles.

In addition to the annual and quarterly staff surveys, colleagues have a range of feedback mechanisms in place; these include monthly 'Meet Mairead' sessions introduced in 2022 allowing colleagues to meet our new Chief Executive Mairead McCormick via MS Teams. Mairead discusses a particular topic or uses the session as an opportunity for colleagues to ask questions and these sessions have been well attended and highly valued.

We now have six staff networks with the launch of the Armed Forces Community Network and the Neurodiversity Network in 2022. Other networks include the Black, Asian and Minority Ethnic Network (BAME), the Disability and Carers' Network, the LGTBQ+ Network and the Menopause Network. Each network is supported by a member of the Executive Team.

In October 2022, the trust's freedom to speak up guardian promoted the importance of the guardian role, the ambassadors and the national initiative during Speak Up Month.

A review of the action plan to deliver our People, Equity and Diversity: Nobody Left Behind Strategy, was launched in 2022 and is due to be completed in 2023. All colleagues have been invited to get involved and have their say to make sure the trust is a place everyone can bring their whole self to work.

Other engagement projects this year have included:

- Team Brief – a monthly newsletter sent to all leaders to cascade at team meetings
- Leaders' conferences (two virtual and two face-to-face) – an update from our chief executive, a question and answer session and workshop discussions on chosen topics, which this year included equity, diversity and inclusion and preparing for winter

Long service awards

Celebrating you

- Long Service Awards – 578 people were recognised for five to 40 years of NHS service (more than 7,615 years combined) with more than 100 of our longest serving colleagues joining a celebration event in October
- Staff Awards – more than 250 nominations were received with 205 colleagues attending a glittering ceremony in July

- specialist bereavement support
- mental health resources and support, including a partnership approach to the development of a Kent and Medway staff wellbeing support hub with Kent and Medway NHS and Social Care Partnership Trust
- mental health first aid training
- promotion of free access to mental health and wellbeing apps

- webinars providing a forum for support and conversation with experts
- coaching and mentoring support
- online resources, toolkits and guidance on topics such as maintaining team and individual resilience, managing stress, compassionate leadership in a crisis and creating pause spaces to support teams working under pressure, REACT mental health conversation training for managers to enable them to support staff through compassionate, caring conversations about mental health and emotional wellbeing

- guidance on domestic abuse and safeguarding
- physical wellbeing tips
- reflection rounds

- deals and discounts
- Kent Together helpline
- regular thanks from senior colleagues, including direct communications from the chief executive, chair and other members of the Executive Team.

Consultation with colleagues

KCHFT takes a consultative approach to engagement with staff. Our active Staff Partnership Forum is well attended by both Staff Side and senior leaders. All change proposals are taken to this forum for discussion as well as full staff consultation regarding any changes which will impact staff. Views from all parties are gathered and given due consideration before any final decisions are made.

Involvement of staff in trust performance

KCHFT has a robust performance reporting structure from the Board down with a clear line of accountability and monitoring. The trust's integrated performance report is supported by division level performance reports, which are produced monthly, then reviewed and discussed at Executive Performance Reviews. These division reports also include service level dashboards and, in some cases, include performance data for individual teams to allow services to have a clear understanding of their performance. Service leads are encouraged to share these reports within their teams to give colleagues an understanding of their role in performance and share accountability.

In addition, KCHFT has a business intelligence tool to give team leaders and managers access performance data on a more routine basis and share this information with their teams, or investigate areas of adverse performance.

A weekly snapshot of organisation performance is shared as part of Monday's all-staff messaging and on our intranet, flo, plus further metrics are shared monthly via Team Brief.

Staff Survey

The annual NHS Staff Survey asks questions based on the seven 'People Promises'.

Each of the people promises has a number of sub-themes, for example compassionate culture is made up of compassionate culture, compassionate leadership, diversity and equality and inclusion.

The survey carried out in 2022/23 provided us with the key findings from the seven people promises for our trust and two theme scores: Staff engagement and morale. The trust is benchmarked against nine community trusts that fall in our comparator group.

61.6 per cent (3,067 returns) of colleagues returned the survey, down on the previous year of 65.6 per cent, but **6.8 per cent** better than comparative community trusts.

The themes of **morale** and **staff engagement** remain key performance indicators for all trusts.

The themes of the staff survey this year were based around the NHS People Promise (scored out of 10):

People Promise

	We are **compassionate** and **inclusive**	We are **recognised** and **rewarded**	We each have **a voice that counts**	We are **safe** and **healthy**
2022/23	**7.9**	**6.5**	**7.3**	**6.4**
Sector average*	7.6	6.4	7.1	6.3
2021/22	7.9	6.5	7.2	6.3

	We are **always learning**	We work **flexibly**	We are **a team**
2022/23	**5.9**	**7.0**	**7.4**
Sector average*	5.9	6.7	7.1
2021/22	5.9	6.8	7.3

Morale

Staff engagement

*Sector average 2022/23

Of the questions compared to the nine other comparable community trusts:

- KCHFT scored higher than other comparable trusts
- three themes scored significantly better than other similar organisations:
  - we are compassionate and inclusive
  - we work flexibly
  - we are a team.
- KCHFT scores for work and home life balance increased (4.7 per cent)
- more colleagues saw opportunities to develop their career with KCHFT (3.7 per cent).

Areas of decline in this year's survey included:

- colleagues who experienced discrimination at work from patients/service users, relatives or other members of the public
- a drop of 7.6 per cent of satisfaction with pay to 28.7 per cent
- colleagues stating KCHFT acts on concerns raised by patients/service users dropped by two per cent to 83.6 per cent.

One question scored significantly worse than the sector average, which was 'my appraisal/review left me feeling that my work is valued by the organisation' (one per cent drop).

Future priorities and targets

In response to this year's staff survey results, a working group has been set up to look at the key areas of the survey we want to improve. This group will act as a central point to feedback all the positive action taking place both organisationally and at service level as a result of the survey feedback. This information can then be shared and fed back to our workforce. The group includes our staff network chairs and colleagues from HR, organisational development (OD), equality diversity and inclusion leads and communications. The work is focussed on:

- the delivery of a staff survey toolkit for leaders and managers including the headlines results, explanation of the work being carried out to address these challenges and invite feedback and suggestions on whether these solutions go far enough and if there are ideas about other actions we could take
- key themes, such as health and wellbeing, flexible working, quality of appraisals and discrimination are being discussed by the group to consider the impact of these issues across the organisation, what actions can be taken and how colleagues can be part of co-producing the improvement plans
- OD business partners are looking at these themes in their divisions to understand hot spots and support local conversations and action plans
- the chief people officer shared the results with colleagues in our staff bulletin, flomail, in a managers' bulletin, Team Brief, and in an all staff webinar, where the first theme, improving the quality of appraisals was also discussed
- include actions as part of a review of our staff engagement model.

Summary of local surveys

The quarterly Pulse Survey replaced the NHS Staff Friends and Family Test and was relaunched on 1 July 2021.

In the summer 2022 survey, 887 responses were received on colleague feedback, mood and engagement. We received 625 free-text responses from people and more than 1,800 comments. There was a health and wellbeing focus for this survey which showed colleagues wanted more support to stay well.

In January 2023, the trust ran its fifth quarterly survey. Eight health and wellbeing questions are added each quarter. This quarter focused on flexible working and cost of living support.

In total, 1,330 colleagues completed the survey with responses scoring significantly higher than national responses in most questions. We received 3,592 free-text responses over four options: Feedback to organisation, colleagues' feelings, cost of living, not-used financial support and which financial support have you used.

A summary of the responses after each survey was provided to the Integrated Management Meeting (IMM) and Executive Team. Colleagues were provided with the results together with the actions we were taking to address work pressures, such as international recruitment, making the most of apprenticeship opportunities, more financial support initiatives and increased awareness of health and wellbeing initiatives.

Health and safety performance

The trust fully meets all its obligations under the Health and Safety at Work etc. Act 1974 and various associated regulations. The trust has a Health and Safety Committee, which reports to the Corporate Assurance and Risk Management Group. Health and safety, fire, security, estates and moving and handling report into the Health and Safety Committee to provide assurance of compliance with safety legislation. During 2022/23, the trust reported 17 incidents, which fell under the requirements of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). All but one of these reports were submitted to the Health and Safety Executive within the required legal timeframes. The trust's approach to health and safety is documented in the health and safety policy and other associated policies, strategies and guidance available on the staff intranet, flo.

Occupational health and counselling

Optima is our occupational health provider. It provides pre-employment screening, vaccinations, advice to managers following referral to support our staff, as well as numerous online resources available to both staff and managers to help them with their health and wellbeing needs.

Our staff counselling is provided by Staff Care Services and can be accessed by staff directly or via a management referral. The service is confidential. The initial four sessions are funded by the trust with the option to extend for more sessions, if necessary, with the agreement of the line manager.

Counter fraud and corruption

Our counter fraud specialists provide professional expertise and operate within a national legal framework for tackling fraud, corruption and bribery. All work was completed in accordance with legal standards and in compliance with guidance from NHS Counter Fraud Authority. The trust's approach to counter fraud and corruption is documented in its counter fraud, corruption and bribery policy, available to staff on the intranet.

Trade Union Facility Time disclosures

Table 1

Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	FTE employee numbers
16	15.91

Table 2

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1% - 50%, c) 51% - 99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	8
1 – 50%	8
51 – 99%	0
100%	0

Table 3

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First column	Figures
Provide the total cost of facility time	£22,984
Provide the total pay bill	£212,337,848
Provide the percentage of the total pay bill spent on facility time	0.0108%

Table 4

Paid trade union activities

As a percentage of the total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours
8%


NHS
Cardiac Rehabilitation
MONARK

Expenditure on consultancy

The trust's expenditure on consultancy in 2022/23 was £578k (2021/22 £888k).

Table 1.

Highly-paid off-payroll worker engagements as at 31 March 2023 earning £245 per day or greater.	Number of engagements
Number of existing engagements as of 31 March 2023	0
Of which…	
Number that have existed for less than one year at time of reporting.	0
Number that have existed for between one and two years at time of reporting.	0
Number that have existed for between two and three years at time of reporting.	0
Number that have existed for between three and four years at time of reporting.	0
Number that have existed for four or more years at time of reporting.	0

Table 2.

All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater.	
Number of off-payroll workers engaged during the year ended 31 March 2023	0
Of which…	
Not subject to off-payroll legislation*	0
Subject to off-payroll legislation and determined as in-scope of IR35*	0
Subject to off-payroll legislation and determined as out-of-scope of IR35*	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

*A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the trust must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

Table 3.

For any off-payroll engagements of Board members and/or senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023.	Number of engagements
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'Board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	20

Exit packages

The information in the following tables is subject to audit.

2022/23	Number of compulsory redundancies number	Number of other departures agreed number	Total number of exit packages number
Exit package cost band (including any special payment element)			
<£10,000	4	26	**30**
£10,001-£25,000	-	5	5
£25,001-50,000	4	-	**4**
£50,001-£100,000	1	-	1
£100,001-£150,000	-	-	-
£150,001-£200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**9**	**31**	**40**
Total resource cost (£)	£214,000	£151,000	**£365,000**

2021/22	Number of compulsory redundancies number	Number of other departures agreed number	Total number of exit packages number
Exit package cost band (including any special payment element)			
<£10,000	3	31	**34**
£10,001-£25,000	2	4	6
£25,001-50,000	1	-	**1**
£50,001-£100,000	1	-	1
£100,001-£150,000	-	-	-
£150,001-£200,000	-	-	-
>£200,000	-	-	-
Total number of exit packages by type	**7**	**35**	**42**
Total resource cost (£)	£127,000	£176,000	**£303,000**

Other (non-compulsory) departure payments

	2022/23		2021/22	
	Payments agreed Number	£000	Payments agreed Number	£000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	29	137	32	146
Exit payments following Employment Tribunals or court orders	2	14	2	5
Non-contractual payments requiring HMT approval	-	-	1	25
Total	**31**	**151**	**35**	**176**
Of which:				
Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	-	-	-	-

*2021/22 comparator updated to include three additional payments omitted from prior year disclosure. One special severance payment (£25k) made in 2021/22 which obtained approval from HM Treasury, and two payments (totalling £5k) made as agreed settlements following tribunal claims.

Disclosures set out in the NHS foundation trust code of governance

Kent Community Health NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

This table of disclosures is required so the trust complies with the requirements of the code of governance.

Disclosure relating to	NHS England Code of Governance reference	Kent Community Health NHS Foundation Trust disclosure
Board and Council of Governors	A.1.1	The trust's Board met 12 times in 2022/23. Five of those meetings were held in public and included the annual members meeting. Board meetings are carried out virtually or in hybrid form. Meetings in public are made available to the public by MS Teams and recordings available on the trust's website. Eight meetings were held in private to discuss trust strategy and board development. There are approved standing orders, standing financial instructions and a scheme of delegation in place. The annual governance statement describes the role of each of the Board's committees. The trust's constitution sets out how disagreements between the Council of Governors and the Board would be resolved. The chair, as chair of both bodies, would initially seek to resolve the disagreement, and if this is not successful, a joint committee of governors and directors would be established. If this committee's recommendations were unable to resolve the dispute, the Board would make a final decision. A referral to NHS England or other external body might also be considered. There has been no requirement to activate this process during 2022/23.
Board, Nomination Committee(s), Audit Committee, Remuneration Committee	A.1.2	This annual report identifies and describes the roles and responsibilities of the Board on pages 42 to 51. The number of Board, Council and committee meetings and a record of attendance are found on pages 49, 50 and 54.
Council of Governors	A.5.3	Page 52 of this annual report identifies the members of the Council of Governors, their respective constituencies and how long they have been in post. Page 52 also identifies the current lead governor and deputy lead governor. The council has met formally four times during 2022/23. It is due to continue formal quarterly meetings.
Board	B.1.1	The directors of the trust all meet the required independence criteria set out by NHS England. The directors are identified on pages 43 to 47 of this annual report. All material pecuniary and non-pecuniary interests are declared and reported as per the trust's policy and regularly reported to the Board. The board of directors' register of interests is on the trust's public website.

Disclosure relating to	NHS England Code of Governance reference	Kent Community Health NHS Foundation Trust disclosure
Board	B.1.4	The biographies of Board members are published on the trust's public website. The Board has completed a self-assessment and considers that the skills and experience of the members gives an appropriate balance in order to effectively conduct its business. This is reviewed continually through the Nominations Committee.
Nominations Committee(s)	B.2.10	The Nominations Committee has been established to carry out specific duties on behalf of the Council of Governors. The committee considers the appointment or removal of the chair and non-executive directors, succession planning, and the remuneration and annual appraisal of the chair and non-executive directors. The committee does this by reviewing the overall balance and skills of all the non-executive directors and makes recommendations to the council for consideration. The Nominations Committee met twice in the past year.
Chair/Council of Governors	B.3.1	The job specification for the trust's chair defines the role and capabilities required and the expected time commitment. The Nominations Committee oversees the appointment of the chair and non-executive directors.
Council of Governors	B.5.6	Page 53 of this annual report identifies how governors are supported to gather views and represent the interests of the public, service users, staff and other stakeholders. Election of governors – there is a process for electing new governors, which is conducted by an external election company. In the past 12 months, four new public governors were elected and one staff governor was elected. The council consists of 13 publicly elected governors, five staff elected governors and five appointed governors. All governors have been to at least one formal meeting of the council during the past 12 months.
Board	B.6.1	The Board assesses its effectiveness annually. Individual effectiveness assessments of Board members are conducted as part of the appraisal process. The Board collectively assesses effectiveness of meetings after every formal meeting.
Board	B.6.2	The Audit and Risk Committee takes responsibility for oversight of the governance process. It achieves this through internal audit, external audit, deep dives and the assessment of the risk profile of the organisation. In September 2022, the Board commissioned the Good Governance Institute to carry out a developmental review of governance and leadership using the well-led framework. The findings and recommendations are presented at pages 51 of this report and in the annual governance statement.
Board	C.1.1	The statement of the directors' responsibilities for the annual report and accounts is on page 48.
Board	C.2.1	This is covered in the annual governance statement included in this annual report.
Audit Committee/control environment	C.2.2	This is covered in the annual governance statement included in this annual report. The independent auditor's report is on page 102.

Disclosure relating to	NHS England Code of Governance reference	Kent Community Health NHS Foundation Trust disclosure
Audit Committee/ Council of Governors	C.3.5	This information is included in the trust's annual governance statement, included in this report.
Audit Committee	C.3.9	This information is included in the trust's annual governance statement, included in this report.
Board/Remuneration Committee	D.1.3	None of the trust's executive directors are released to serve on external appointments, such as non-executive directorships elsewhere.
Board	E.1.5	The members of the Board and, in particular the non-executive directors, attend meetings of the Council of Governors, as and when required, to develop an understanding of the views of the council and the trust's members about the organisation. The Board takes into account surveys and consultations canvassing the opinion of the membership.
Board/Membership	E.1.6	There is a trust membership strategy. The methodology for NHS monitoring of effective member engagement and how representative it is of the community the trust serves is included in the communications and engagement strategy. The council has established a Communications and Engagement Committee to discharge this responsibility.
Membership	E.1.4	The trust's interim trust secretary oversees compliance with this requirement. The governors of the trust can be contacted by: **kcht.governors@nhs.net** 07468 700220 Governor Support Office Kent Community Health NHS Foundation Trust Trinity House 110-120 Upper Pemberton Eureka Park Kennington Ashford Kent TN25 4AZ

Statement of accounting officer's responsibilities

Statement of the chief executive's responsibilities as the accounting officer of Kent Community Health NHS Foundation Trust

The NHS Act 2006 states the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS England.

NHS England has given accounts directions which require Kent Community Health NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Kent Community Health NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the accounting oficer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

- observe the accounts direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- make sure the use of public funds complies with the relevant legislation, delegated authorities and guidance
- 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 foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to make sure the accounts comply with requirements outlined in the above mentioned Act. The accounting officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation 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 the NHS Foundation Trust Accounting Officer Memorandum.

Mairead McCormick
Chief Executive

Date: 14 June 2023

Annual governance statement

1 April 2022 to 31 March 2023
Kent Community Health NHS Foundation Trust
(Organisational code – RYY)

1. Scope of responsibility

I joined Kent Community Health NHS Foundation Trust as substantive chief executive and accounting officer on 1 July 2022. Gordon Flack was acting chief executive and accounting officer from 1 April to 30 June 2022 when he returned to his post as chief financial officer.

As accounting officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, while 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 the NHS foundation trust is prudently and economically administered and resources efficiently and effectively applied. I acknowledge my responsibilities as set out in the *NHS Foundation trust Accounting Officer Memorandum*.

In the delivery of my responsibilities and objectives, I am accountable to the Board and my performance is regularly formally reviewed by the chair on behalf of the Board.

During 2022/23, the organisation routinely reported on strategic, financial and operational matters.

2. The purpose of the system of internal control and key issues 2022/23

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 Community Health NHS Foundation 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 Community Health NHS Foundation Trust for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

In August 2022, the Board engaged the Good Governance Institute to carry out a rapid due diligence review of the trust as a stocktake to assist me as new chief executive, looking at the effectiveness of the current governance arrangements and leadership capabilities. This was carried out in August and September and reported in October 2022. Also, to carry out in parallel a developmental well-led review of leadership and governance, which was carried out from September to December 2022 and reported in March 2023. The two reports identified many areas of good practice and strong leadership and also made recommendations for further strengthening our governance arrangements and leadership, including review of the executive portfolios, review of our estates function and strategy, improving our corporate risk register, Board Assurance Framework, and refreshing our risk management strategy and policy and our trust strategy to tie them in with the Kent and Medway Integrated Care Strategy and the ICB's Joint Delivery Plan. This work has already started and focus on improving our governance arrangements will continue in 2023/24.

The trust's internal auditors, TIAA, completed the 2022/23 audit programme and it was able to offer an overall opinion of reasonable assurance.

3. Capacity to handle risk

The governance framework of Kent Community Health NHS Foundation Trust is overseen by the trust Board, which comprises of executive and non-executive directors.

The Board's function is to:

- make sure all stakeholders have a good understanding of Kent Community Health NHS Foundation Trust's purpose
- set the values for the trust and its strategic direction
- hold management to account for the success and safety of the trust, including risk management
- shape the organisational culture that supports its vision and values and encourages openness, honesty and integrity.

Through its strategic vision, values and goals, the Board is committed to delivering a strong, financially viable and sustainable organisation with quality of service at the heart of its business.

Since March 2015 that the trust was authorised as a foundation trust, the Board continues to assess itself to meet all of the requirements of the NHS Code of Governance. The Board and the Audit and Risk Committee receive regular reports of organisational key risks and regularly review the trust's strategic risks contained within the Board Assurance Framework. The other Board committees receive regular reports on risks relating to their remit.

The trust has a proactive approach to risk management with leadership and direction from the Executive Team and the Board. All staff have operational responsibility for risk management aligned to their individual roles. Risk management training is provided as part of new staff induction in addition to ongoing training updates for all existing staff.

Risk identification, prioritisation, mitigation or elimination occurs through assessment and grading using a matrix of impact verses likelihood. Incident reporting is a key factor in the continuing assessment of risk and plays a vital part in the instigation of practice change. Complaints and other feedback from users and stakeholders are also used for subsequent change and reported to the Board.

Identifying sources of potential risk and proactively assessing such risks forms part of everyday working practice throughout the trust, this includes:

- identifying potential risk issues through incidents, near misses and complaints through the triangulation of data
- investigating and analysing root cause analysis
- discussion of risk and incident management through local governance agendas
- the incorporation of risk management in objective setting and staff appraisals
- monitoring the delivery and effectiveness of actions taken to control known risks by the Risk Team
- undertaking reflective practice from near misses, risk events, legal claims and complaints by sharing the lessons learned across the trust.

Given the ongoing system impact and challenges for maintaining quality services as a result of the COVID-19 pandemic, the trust has continued to review its risk appetite to ensure key decision making is supported moving forward.

To give Board members grounding, clarity and subsequently a greater understanding, engagement has continued with service reviews helping members understand patient journeys and pathways with interrogation of individual case studies. In addition, the Board is invited to leaders' conferences and executive and heads of service events where they meet senior management to discuss new service models, service improvements and innovations. Executive and non-executive visits to services have also fully resumed.

4. The Risk and Control Framework

As accounting officer, I have overall responsibility for effective risk management and integrated governance systems in place in the trust. Until August 2022 the director of corporate services had delegated responsibility for ensuring the design and implementation of the risk management framework. Following a review of executive portfolios, in December 2022 the deputy chief executive and chief operating officer was delegated responsibility for the risk management framework, supported by the director of governance. All directors have responsibility to identify and manage risk within their specific areas of control, in line with the trust's management and accountability arrangements. Specific responsibilities are delegated to senior managers throughout the organisation. The Board establishes a risk appetite for high level risks on a risk by risk basis, oversees the risks and encourages proactive identification and mitigation of such risks.

The risk management policy was last presented to the Audit and Risk Committee in May 2022 and describes the trust's risk appetite and approach to managing and tolerating risks. Its effective implementation enables the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk. Striving for continuous improvement and as mentioned earlier, the risk management strategy and the Board Assurance Framework will be refreshed following the refresh of our trust strategy and breakthrough objectives. Improvements will also be implemented in relation to the corporate risk register.

The top risks that have a significant impact on the ability of the trust to deliver its strategic goals are documented in the Board Assurance Framework.

During 2022/2023 work has continued to manage, rationalise and ensure consistency of the risks identified through the risk management process. Key strategic risks (Board Assurance Framework) have been identified through strategic assessment, triangulation and business planning process. As at 31 March 2023, these are:

- **KCC funded social care risk**

  If the sustained lack of domiciliary care for KCC funded long term packages of care in the system (caused by a number of factors including availability of workforce; reduced numbers of domiciliary care providers in the market place, variations in rates of pay and LA funding constraints) does not improve *then* system flow will continue being impacted, *resulting* in greater delays in hospitals discharges and further increase in NFTR numbers and reduction in capacity to support the virtual ward and other community based admission avoidance work.

- **SEND risk**

  System re-inspection (ICB and KCC) identified significant areas of weakness and the written statement of commissioner action in 2019 has not made sufficient progress. If the system does not address the areas of weakness identified by the system inspection, then KCHFT will continue to see:

  1. an increase in demand for education health and care plans above the national average requiring additional Community Paediatric and Therapy capacity,
  2. increased demand for Autism Spectrum Disorder (ASD) assessments and support outstripping current commissioned capacity
  3. increased demand for ADHD assessment, support and medication that outstrip capacity and resources including increased demand for shared care arrangements with GPs
  4. continuation of fragmented commissioned pathways for SLT and communication.

  Resulting in:

  - longer waiting lists especially for ASD (current 3.3 years)
  - variation in provision and access across Kent and Medway for families
  - increased number of PALs enquires, complaints and MP enquires that are not able to be adequately resolved.

- **Adult neurodevelopmental risk**

  KCHFT has been commissioned as the lead provider for the new Kent and Medway Adult neurodevelopmental (autism and ADHD) service that commenced on 1 April 2022.

  If the current commissioner capacity remains at the contract levels of 2,072 patients per annum, the demand that is significantly higher than commissioned capacity then there will be a 485 per cent over demand against the contract level. ADHD demand would be 742 per cent above the contractual level.

Resulting in:

- significant unmet need
- long waits of circa four years
- increased complaints and media/MP enquiries.

- **Operational pressures and staff shortages risk**

  If the on-going operational pressures combined with staff shortages or skill mix issues as a result of managing high turnover alongside a deterioration in retention, vacancies, high acuity of patients and staff absence continue there may be unacceptable demands on staff and an impact on safer staffing levels, a poorer service to patients and/or the need to limit services with the resultant impact on the system. Resulting in the ongoing pressure described impacting on staff stress levels, fatigue and morale to an extent that the delivery of services to patients is compromised.

- **Equity and inclusion risk**

  If the trust does not achieve the level of equity and inclusion aspired to in our strategy this may *result* in disillusioned staff exiting the trust impacting levels of turnover and recruitment as well as an impact on reputation as an employer. Resulting in undermining our aim to be the best employer.

Risk management is a core component of job descriptions within the trust. Risk management training is an element of the staff induction programme and training updates for existing colleagues are also provided using a range of risk management processes. Risk management training includes clarity on staff roles and responsibilities for the identification, management and control of risk, along with the risk management process to be followed in relation to escalation and de-escalation of known risks.

All relevant risk policies and procedures are available to all staff on the intranet.

The trust takes learning opportunities from good practice through a range of mechanisms including clinical supervision, continuing professional development, clinical and process audit and application of evidence-based practice. At the heart of the trust's risk management strategy and policy is the desire to learn from events and situations in order to continuously improve quality of care.

The trust operates a We Care review programme which encompasses the NHS England's well-led framework.

The visits encourage shared learning, provide assurance and stimulate quality improvements. The visits focus on assessing our CARE values in action, as well as assessing compliance with the CQC fundamental standards – safe, effective, caring, responsive and well-led.

The trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past 12 months, as required by the *'Managing Conflicts of Interest in the NHS'* guidance. Declaration of interests is a standing item at the beginning of board and committee meetings.

5. Care Quality Commission

The trust is fully compliant with the registration requirements of the Care Quality Commission (CQC).

In 2019, the CQC carried out a full inspection of trust services, which concluded an overall 'outstanding' rating. This made Kent Community Health NHS Foundation Trust, at the time, the third community trust in the country to be outstanding overall and one of 23 provider trust in the south east to have this rating, an award which remains valid in 2023.

6. The Governance Framework of the organisation

6.1 Council of Governors

The Council of Governors represent the interests of our members and the wider public. It has two general duties – to hold the non-executive directors to account for the performance of the Board and to represent the views of the local population.

The governors' role is to enable local people, patients, staff and our partners to have a say about the development of community services. They are a direct link between the trust and the people it serves.

Governors have an important role to play in making the trust publicly accountable for the services it provides. Each category of governor – public, staff and appointed governors – brings valuable perspectives and contributions to the trust's activities and future planning.

Due to the impact of the pandemic, a digital annual members meeting was presented in September 2022, alongside the trust's annual general meeting. This can be viewed at **www.kentcht.nhs.uk/annualmeeting**

6.2 Trust Board

The trust Board has overall responsibility for the activity, integrity and strategy of the trust and is held accountable, through its chair, by our Council of Governors which is made up of members of the public elected to represent views of residents.

As mentioned earlier, to give the board members grounding and greater understanding and clarity there has been development in engaging each member with 'We Care' reviews to help understand the patient journeys and pathways with interrogation of individual case studies. Our governors are also invited to attend We Care reviews.

The Board is also invited to the leaders' conferences, executive and heads of service events where they meet senior management and discuss new service models, service improvements and innovations. These events took place virtually during the pandemic and resumed to face-to-face meetings from the autumn.

The role of the board has the following key functions:

- set strategic direction, define trust objectives and agree trust operating plans
- monitor performance and ensure corrective action is taken where required
- ensure financial stewardship
- ensure high standards of corporate and clinical governance
- appoint, appraise and remunerate directors
- ensure dialogue with external stakeholders.

The Board is made up of non-executive directors who use the skill and experience gained from the private, public and voluntary sectors to support the running of the trust, but who do not have day-to-day managerial responsibilities within the trust; and executive directors who are paid employees with clear areas of trust work responsibilities.

6.3 Committees of the trust Board

The trust is supported by committees whose membership includes non-executive directors, executive directors and senior managers of the organisation. All Board committees are chaired by non-executive directors. A written chair's assurance report is reported to the Board following each committee meeting outlining the activity undertaken against the individual committee's terms of reference and work programme. During the year, the Board and committees continued to meet using a hybrid approach involving virtual and face-to-face opportunities with more face to face meetings resuming from the autumn. The committees are:

6.3.1 Audit and Risk Committee

This is a non-executive committee of the board with delegated decision-making powers to provide assurance and hold the Executive Team to account for corporate governance and internal control.

The chief finance officer, director of corporate services (until August 2022), interim trust secretary (September 2022 to March 2023), head of internal audit, head of external audit and the local counter fraud specialist attended these meetings. Other individuals with specialist knowledge attend for specific items with the consent of the chair.

The Audit and Risk Committee provides the Board with assurance on key aspects including:

- system effectiveness of internal control and risk management
- effective internal audits and service reviews
- reviewing the findings of external audits and other significant assurance functions
- reviewing risks which have been assigned to the committee and providing assurance that assessments, key controls and action plans are suitable and sufficient to mitigate gaps in control measures to an acceptable level
- reviewing and reporting on the annual report and financial statements;
- having oversight of specific risks on the Board Assurance Framework as assigned by the Board.

It is incumbent upon the Audit and Risk Committee to work closely with other committees of the trust's Board to make sure all issues relating to quality, finance, risk management and internal control are considered in a holistic and integrated way throughout the system.

6.3.2 Charitable Funds Committee

This committee acts on behalf of the corporate trustee, in accordance with the Kent Community Health NHS Foundation Trust's standing orders to oversee the charity's operation and to make sure the administration of charitable funds is distinct from the trust's exchequer funds.

The committee is authorised by the Board to obtain reasonable external, legal or other independent

professional advice, and to secure the attendance of outsiders with relevant experience or expertise, if it considers this to be necessary.

The committee oversees all aspects relating to charitable funds within Kent Community Health NHS Foundation Trust. The committee's main functions include:

- supporting and monitoring fundraising on behalf of the trust's charity
- developing and approving charitable funds guidelines and policies
- considering and managing charitable funds, applications and investments
- reviewing risks which have been assigned to the committee and providing assurance that key controls and action plans are adequate to address gaps in controls.

6.3.4 Finance Business and Investment Committee

This is a committee of the Board and maintains robust financial management by monitoring financial performance and making recommendations to the Executive Team and the Board. Executive directors and senior service leads attend by invitation when the committee discusses issues relating to their area of responsibility. The committee's main functions include:

- receiving and approving financial strategy and policy documents
- monitoring the financial management of income and expenditure
- approving and monitoring the financial management of the balance
- approving and assessing commercial management issues
- scrutinising current financial performance and future financial plans
- monitoring performance against cost improvement plans
- scrutinising the development and implementation of service line reporting and service line management
- monitoring decisions to bid for business opportunities and approve those up to £15m contract turnover in line with trust strategy and reviewing and then referring and recommending larger and novel bids to the Board for approval
- reviewing and approving capital investment decisions between £1 million to £3 million within capital budget and the overall capital programme development, referring with recommendation, larger cases to the Board for approval
- reviewing and approving revenue business cases between £1 million to £3 million annual values and referring with recommendation, larger cases to the Board for approval
- approving Treasury Management Policy and scrutinising implementation
- reviewing risks which have been assigned to the committee and providing assurance that key controls and action plans are adequate to address gaps in controls.

6.3.5 Quality Committee

This is a committee of the Board with delegated decision-making powers. The chief nursing officer, the chief medical officer, the deputy chief executive and chief operating officer, and the executive director for health inequalities and prevention are members. Other individuals with specialist knowledge attend for specific items with the consent of the committee chair. The committee invites clinical representatives to attend its meetings to provide assurance on key governance and risk issues and quality improvement.

The Quality Committee provides leadership and assurance that clinical governance systems and processes are in place and effective in providing safe, high quality care. The committee's main functions include:

- providing oversight of performance and risk of the trust strategic objectives/enablers preventing ill health and high-quality care as assigned to the committee by the Board
- making sure the strategic priorities for quality assurance are focused on those which best support delivery of the trust's quality priorities in relation to patient experience, safety of patients and service users and effective outcomes
- providing oversight of progress made in reducing health inequalities; preventing ill health and KCHFT's contribution to formation of Integrated Neighbourhood Teams

- reviewing compliance with regulatory standards and statutory requirements, for example those of the Duty of Candour, the Care Quality Commission, NHS Resolution and the NHS Performance Framework
- overseeing 'We Care' visits associated action plans and risks
- reviewing quality risks which have been assigned to the Quality Committee and providing assurance that key controls and action plans are adequate to address gaps in controls
- reviewing the annual quality report ahead of its submission to the board for approval
- overseeing deep dive reviews of identified risks to quality identified by the board or the committee, particularly serious incidents and how well any recommended actions have been implemented
- reviewing how lessons are disseminated, learnt and embedded in the trust from 'ward to board'
- overseeing the ratification of clinical policies and any other formal clinical document where mandatory compliance is required.

The trust's approach to quality is informed by listening to patient experience and understanding safety alongside delivering and maintaining services. This approach has been formally identified through trust values and strategic objectives with executive leadership and Board ownership.

6.3.6 Remuneration and Terms of Service Committee

Committee members are non-executive directors. The committee is chaired by the trust's Chair. The chief executive, chief people officer and director of governance will also normally attend meetings, except where matters relating to them are under discussion.

The committee is responsible for setting the remuneration and conditions of service for the chief executive, executive directors and other senior managers not employed on national terms and conditions, considering all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations the Foundation trust Licence and associated guidance from NHS England.

The committee does not determine the remuneration of the non-executive chair and the non-executive directors, which is set by the Council of Governors.

6.3.7 Strategic Workforce Committee

This is an assurance committee that has delegated authority from the Board to provide assurance and hold the executive team to account for strategic workforce issues. Its purpose is also to keep abreast of the strategic context in which the trust is operating in, the consequences and implications on the workforce.

The Strategic Workforce Committee provides advice and assurance to the Board on all matters relating to workforce planning, strategy and pay and rewards. It is also responsible for organisational development including health and wellbeing and equality, diversity and inclusion.

The committee's main functions include:

- overseeing the development and implementation of the trust's people strategy, making sure the trust has robust plans to support continuing development of the workforce
- reviewing the trust's plans to identify and develop leadership capacity and capability in the trust, including talent management
- making sure there is an effective workforce plan in place, so the trust has sufficient staff with the necessary skills and competencies to meet the needs of patients and service users
- making sure the trust continually reviews its workforce models, to reflect new roles and new ways of working to support delivery of the trust's contractual obligations
- receiving and providing assurance the trust has an appropriate pay and reward system linked to delivery of the organisation's strategic objectives, outcomes and desired behaviours
- making sure the training and education provided and commissioned by the trust is fully aligned to the trust's strategy
- making sure there are mechanisms to support the mental and physical health and wellbeing of trust staff
- receiving information on strategic themes relating to employment issues and making sure they are understood and actioned
- making sure the trust is compliant with relevant legislation and regulations relating to workforce matters
- reviewing risks which have been assigned to the committee and providing assurance that key controls and action plans are adequate to address gaps in controls

- ensuring the trust has appropriate workforce policies in place
- receiving and providing assurance that the trust has a robust freedom to speak up guardian process
- providing high-level oversight of the delivery of the environmental sustainability strategy.

Members of the Strategic Workforce Committee include three non-executive directors (one as chair), chief people officer, deputy chief executive and chief operating officer, chief nursing officer, and chief medical officer. The deputy director of finance, deputy director of HR (education and workforce development) and deputy director of HR (operations) are also members.

6.3.8 Executive Team

The Executive Team operates on behalf of the trust Board to make sure the trust operates efficiently and effectively in the development and implementation of strategy, operational plans, policies and procedures. The Executive Team peer reviews operating and financial performance; strategic, corporate and operational risk; discusses and quality assures documents and issues before they are reported to the trust Board and its committees. This provides the opportunity for cross directorate engagement and appropriate delegation of work:

- to ensure the effective operational management of the trust
- development of corporate and business strategy, operational plans, policies and procedures and objectives for recommendations to the trust Board and its committees
- provide a forum for key policy areas to be debated and refined
- ensure review of operational, financial, risk and performance of the trust
- validate all newly identified high risks to ensure risks are accurately described and rated
- ensure the trust remains fit for purpose by continuously reviewing effectiveness and efficiency of management and leadership
- formulate and implement service changes and developments
- seek ways to continuously improve the quality of working life for employees
- seek ways to continually improve the patient experience and engagement
- ensure effective partnership working across the health economy.

7. NHS Pension Scheme

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 making sure 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.

8. Sustainability

In support of the NHS Long Term Plan and sustainability agenda, our vision is to be a leader of outstanding low-carbon care to our patients and staff, which incorporates the seven elements of sustainability and resource efficiency. Our aim is to reduce our carbon footprint by 50 per cent over the next five years.

In October 2020, the Board agreed a set of 41 actions as part of the trust's Sustainability Strategy 2021/26. At the core of this strategy is a focus on the health of the communities we serve now and for generations to come. The trust's strategy targets five broad areas: journeys, the built environment, supply, wildlife and biodiversity, and our people.

A head of sustainability role was created to progress and report against this strategy, consistent with our commitment to the NHS Long Term Plan and sustainability agenda. The trust has made considerable progress on environmental sustainability and embedding it in the organisation and will continue linking with the system's sustainability targets.

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

9. Workforce

Short, medium and long-term workforce strategies and staffing systems are in place which assures the Board that staffing processes are safe, sustainable and effective.

Assurance is provided through the trust's Strategic Workforce Committee, People Strategy, Equity Diversity and Inclusion Strategy, related key performance indicators and action plans. Workforce risks are also managed throughout the trust's committee structures.

The Strategic Workforce Committee and the Board receive reports on inpatient safe staffing. The requirements of the 2016 NQBs guidance is responded to in the safe staffing reports.

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

The trust is undertaking an organisation-wide engagement exercise to refresh our Equity Diversity and Inclusion action plan to ensure shared buy in, understanding and ownership. The agreed output of the programme of work will be approved by Strategic Workforce Committee and endorsed by Board.

The trust relies on the Electronic Staff Record (ESR) human resources and payroll system which received a qualified audit opinion in their national service audit.

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

The Board takes responsibility for oversight and risk management assurance throughout the trust and receives the board assurance framework at its formal meetings.

The trust's strategic goals form the basis of the board assurance framework. The strategic goals are linked to key risks, internal controls and assurance sources. Mitigating controls and assurances are recorded and monitored to deliver reasonable assurance for prevention of risks, deterrent to risks arising and management of current risks. The control mechanisms in place are designed to minimise or eliminate the risk of failure to deliver business objectives, including robust corporate and performance management frameworks, service level agreements and contract monitoring, policies and procedures.

The Board delegated detailed oversight of the board assurance framework to the Audit and Risk Committee. This committee assesses the effectiveness of risk management by:

- managing and monitoring the implementation of the risk management strategy
- considering findings from internal and external audit reviews
- calling executive directors to account for their risk portfolios and monitoring the board assurance framework at each of its meetings.

The Audit and Risk Committee was supported by the corporate services director until August 2022 and subsequently the interim trust secretary who produced regular reports on risk for review. A substantive director of governance has been appointed and will join in April 2023.

Clinical risk and patient safety are overseen by the Quality Committee, the chief nursing officer, the chief medical officer and the deputy chief executive and chief operating officer. The Board receives monthly quality reports encompassing the quality and patient safety aspects for the trust. The Quality Committee has focused on assurance that the trust is embedding the lessons identified from incidents across the trust.

Specialised risk management activities, for example, emergency planning and business continuity, health, safety, fire and security, are carried out by the Corporate Assurance and Risk Management Group 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. The committee also receives reports from legal services and the learning from the triangulation of claims, associated costs and incidents reported.

The trust has published an up-to-date register of interests for decision-making staff within the past 12 months. Declaration of interests is a standing item on all board and committee agendas.

11. Information governance

The trust takes all information governance incidents very seriously and, regardless of severity, are analysed and where appropriate categorised as a serious incident needing further investigation. For the period 1 April 2022 to 31 March 2023 the trust reported five serious incidents to the regulatory body, the Information Commissioner (ICO).

The ICO has responded to confirm that they will be taking no further action and have provided some recommendations that have been disseminated to the services involved and wider learning within the trust.

12. Data quality and governance

KCHFT has a range of measures in place to ensure and review data quality. At a high level, we routinely monitor the national data quality maturity index (DQMI), which provides a data quality score across a number of patient level datasets. The trust also has various groups where data quality is either the focus or a standing agenda item, such as through the Information Quality Assurance Group, which is our primary patient record system performance meeting. Additionally, the trust has routine targeted reporting from our systems that focus on highlighting issues of data quality, for example a weekly report and email is circulated which provides oversight of the current waiting list across our services. Lastly, the trust's implementation of a business intelligence system which provides trust-wide access to summary data and trends, enabling all member of the trust an opportunity to identify and feedback on data quality issues affecting the data.

13. Emergency preparedness, resilience and response

The trust has a duty to prepare for emergencies and to have plans in place to return to business as usual as soon as possible following an event. The trust has developed a comprehensive management framework to make sure it complies with the Civil Contingencies Act 2004, NHS Core standards of emergency preparedness, resilience and response and other guidance. The framework confirms the trust has demonstrated its preparedness through business continuity arrangements and these are regularly tested through a range of exercises.

For 2022/23, the trust gained full compliant status within the annual assurance assessment. The trust responded to the ongoing COVID-19 pandemic demonstrating resilience using its emergency planning and business continuity plans.

14. Review of effectiveness

As accounting 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 managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports, including the independent developmental well-led review of governance and leadership. 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 other board committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

During 2022/23, the trust's internal auditors issued eight internal audit assurance reports and one advisory report. The head of internal audit provided the following opinion:

TIAA is satisfied that, for the areas reviewed during the year, Kent Community Health NHS Foundation Trust has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or your ability to meet financial obligations which must be obtained by Kent Community Health NHS Foundation Trust from its various sources of assurance.

15. Conclusion

My review confirms that Kent Community Health NHS Foundation Trust has a generally sound system of internal control with no significant issues identified. As mentioned, the head of internal audit has assessed Kent Community Health NHS Foundation Trust and given the trust a rating of reasonable assurance overall, which supports the achievement of the goals, vision, values, policies, aims and objectives of the organisation.

There is a clear process for monitoring progress against audit recommendations with oversight by the Audit and Risk Committee. Recommendations from any reports providing limited assurance are prioritised.

Director statements 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 the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed and addressed.

I have been advised on the implementation of the result of my review of the effectiveness of the system of internal control by the Board supported by the Audit and Risk and Quality Committees' regular reports to the Board.

Processes are in place to maintain and review effectiveness of the system of internal control by:

- the Board providing overall leadership for the management of risk against the achievement of organisational objectives
- the Board's receipt of the Board Assurance Framework at its meetings
- the Audit and Risk Committee and the Corporate Assurance and Risk Management Group providing assurance on the effective operation of the risk management system
- each level of management being responsible for the risks in their areas, regularly reviewing them and the controls in place to mitigate them
- the internal assurance process used to monitor compliance with the Care Quality Commission Essential Standards.

Mairead McCormick
Chief Executive

Date: 14 June 2023

NHS England's System Oversight Framework

NHS England's System Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

The latest segmentation information available as at 31 March 2023 places the trust in segment 1.

Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: **www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation**

M. A McCormick

Mairead McCormick
Chief Executive

Date: 14 June 2023

Independent auditor's report to the Council of Governors, Kent Community Health NHS Foundation Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Kent Community Health NHS Foundation Trust (the 'Trust') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2022-23 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022-23; and
- based on the work undertaken in the course of the audit of the financial statements the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 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 incurring of 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.

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

Responsibilities of the Accounting Officer

As explained more fully in the Statement of the Chief Executive's responsibilities as Accounting Officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements

in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2022-23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines 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 Accounting Officer is 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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23).
- We enquired of management and the Audit & 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 & Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of fraudulent expenditure recognition. We determined that the principal risk was in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on journals meeting a range of criteria as defined as part of our risk assessment**;**
  - challenging assumptions and judgements made by management in its significant accounting estimates**;** and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to

fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition, and the significant accounting estimates related to valuation of land and buildings and IFRS16 included within the accounts.
- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the health sector and economy in which the Trust operates; and
  - understanding of the legal and regulatory requirements specific to the Trust including:
    - the provisions of the applicable legislation;
    - NHS England's rules and related guidance; and
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The Trust's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The Trust's control environment, including the policies and procedures implemented by the Trust to ensure compliance with the requirements of the financial reporting framework.

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

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

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

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

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

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting 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 paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether

all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

- Financial sustainability: how the Trust plans and manages its resources to ensure it 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 – Certificate

We certify that we have completed the audit of Kent Community Health NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors 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 Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Sophia Brown

Sophia Brown, Key Audit Partner

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

London

16 June 2023

Annual accounts
for the year ended 31 March 2023

Foreword to the accounts

Kent Community Health NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by Kent Community Health NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed	
Name	**Mairead McCormick**
Job title	**Chief Executive**
Date	**14 June 2023**

Statement of comprehensive income
for the year ended 31 March 2023

	Note	2022/23 £000	2021/22 £000
Operating income from patient care activities	3	284,579	252,297
Other operating income	4	11,935	19,733
Operating expenses	7, 9	(297,235)	(271,676)
Operating surplus/(deficit) from continuing operations		**(721)**	**354**
Finance income	11	917	37
Finance expenses	12	(336)	(2)
PDC dividends payable		(882)	(380)
Net finance costs		**(301)**	**(345)**
Other gains / (losses)	13	9	-
Surplus / (deficit) for the year from continuing operations		**(1,013)**	**9**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations		-	-
Surplus / (deficit) for the year		**(1,013)**	**9**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(6,114)	(731)
Revaluations	16	6,355	1,272
Gain / (loss) arising from on transfers by modified absorption	35	16,537	5,521
Total comprehensive income / (expense) for the period		**15,765**	**6,071**

Statement of financial position
as at 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
Non-current assets			
Intangible assets	14	7,684	7,768
Property, plant and equipment	15	42,675	27,899
Right of use assets	17	32,224	
Receivables	20	171	283
Total non-current assets		**82,754**	**35,950**
Current assets			
Inventories	19	-	-
Receivables	20	31,400	17,153
Non-current assets for sale and assets in disposal groups	22	-	1
Cash and cash equivalents	23	34,503	35,979
Total current assets		**65,903**	**53,133**
Current liabilities			
Trade and other payables	24	(33,145)	(23,267)
Borrowings	26	(5,554)	-
Provisions	27	(1,317)	(648)
Other liabilities	25	(5,403)	(4,975)
Total current liabilities		**(45,419)**	**(28,890)**
Total assets less current liabilities		**103,238**	**60,193**
Non-current liabilities			
Borrowings	26	(27,262)	-
Provisions	27	(776)	(1,109)
Other liabilities	25	(66)	(244)
Total non-current liabilities		**(28,104)**	**(1,353)**
Total assets employed		**75,134**	**58,840**
Financed by			
Public dividend capital		10,474	9,945
Revaluation reserve		15,957	4,618
Income and expenditure reserve		48,703	44,277
Total taxpayers' equity		**75,134**	**58,840**

The notes on pages 118 to 157 form part of these accounts.

Signed M. A McCormick
Name **Mairead McCormick**
Job title **Chief Executive**
Date **14 June 2023**

Statement of changes in equity
for the year ended 31 March 2023

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**9,945**	**4,618**	**44,277**	**58,840**
Implementation of IFRS 16 on 1 April 2022	-	-	-	**-**
Surplus/(deficit) for the year	-	-	(1,013)	**(1,013)**
Gain/(loss) arising from transfers by modified absorption	-	-	16,537	**16,537**
Transfers by absorption: transfers between reserves	-	11,098	(11,098)	**-**
Impairments	-	(6,114)	-	**(6,114)**
Revaluations	-	6,355	-	**6,355**
Public dividend capital received	529	-	-	529
Taxpayers' and others' equity at 31 March 2023	**10,474**	**15,957**	**48,703**	**75,134**

Statement of changes in equity
for the year ended 31 March 2022

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	**6,589**	**1,166**	**41,658**	**49,413**
Surplus/(deficit) for the year	-	-	9	**9**
Gain/(loss) arising from transfers by modified absorption	-	-	5,521	**5,521**
Transfers by absorption: transfers between reserves	-	2,911	(2,911)	**-**
Impairments	-	(731)	-	**(731)**
Revaluations	-	1,272	-	**1,272**
Public dividend capital received	3,356	-	-	**3,356**
Taxpayers' and others' equity at 31 March 2022	**9,945**	**4,618**	**44,277**	**58,840**

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as the public dividend capital dividend. The trust received additional PDC of £529k during 2022/23 following application to the Department of Health and Social Care for centrally allocated capital funding programmes (£480k provider digitisation; £49k cyber security).

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.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of cash flows
for the year ended 31 March 2023

	Note	2022/23 £000	2021/22 £000
Cash flows from operating activities			
Operating surplus / (deficit)		(721)	354
Non-cash income and expense:			
Depreciation and amortisation	7	13,446	4,958
Net impairments	8	1,319	84
Income recognised in respect of capital donations	4	(296)	-
(Increase) / decrease in receivables and other assets		(14,116)	291
Increase / (decrease) in payables and other liabilities		10,279	(7,883)
Increase / (decrease) in provisions		336	672
Net cash flows from / (used in) operating activities		**10,247**	**(1,524)**
Cash flows from investing activities			
Interest received		797	19
Purchase of intangible assets		(1,849)	(3,912)
Purchase of PPE		(5,124)	(4,453)
Sales of PPE		10	-
Receipt of cash donations to purchase assets		296	-
Net cash flows from / (used in) investing activities		**(5,870)**	**(8,346)**
Cash flows from financing activities			
Public dividend capital received		529	3,356
Capital element of lease liability repayments		(5,097)	-
Other interest		(2)	(2)
Interest element of lease liability repayments		(307)	-
PDC dividend (paid) / refunded		(976)	(364)
Net cash flows from / (used in) financing activities		**(5,853)**	**2,990**
Increase / (decrease) in cash and cash equivalents		**(1,476)**	**(6,880)**
Cash and cash equivalents at 1 April - brought forward		**35,979**	**42,859**
Cash and cash equivalents at 31 March	**23**	**34,503**	**35,979**

The notes on pages118 to 157 form part of these accounts.

Notes to the accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. 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.

Note 1.3 Interests in other entities

NHS charitable fund

The trust is the corporate trustee of Kent Community Health Charitable Fund. The trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. However, the transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes.

Note 1.4 Revenue from contracts with customers

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

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

Satisfaction of performance obligations will result in immediate payment (in cases of verbal or implied contracts) or creation of a contract receivable with payment from the customer expected in line with the credit terms outlined in the relevant written contract.

Revenue from NHS contracts

The main source of income for the trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. In 2022/23 fixed payments are set at a level assuming the achievement of activity targets. These are termed 'aligned payment and incentive' contracts.

The trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN). Delivery under these schemes is part of how care is provided to patients. As such CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner. In 2022/23 payment under these schemes is included in fixed payments from commissioners based on assumed achievement of criteria.

In applying IFRS 15 a number of practical expedients offered in the Standard and mandated by the GAM have been employed. These are as follows:

- As per paragraph 121 of the Standard the trust will not disclose information regarding performance obligations part of a contract that has an original expected duration of one year or less;
- The trust is to similarly not disclose information where revenue is recognised in line with the practical expedient offered in paragraph b16 of the Standard where the right to consideration corresponds directly with the value of the performance completed to date.

Note 1.4.1 Revenue grants and other contributions to expenditure

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where a grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

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 1.4.2 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

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. Payments for additional hours and enhancements are paid one month in arrears and the accounts presented incorporate an accrual for the cost of additional hours and enhancements worked in March 2023 but to be paid in April 2023.

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 schemes are not designed in a way that would enable employers to identify their share of the underlying scheme's assets and liabilities. Therefore, the schemes are accounted for as though they are defined contribution schemes: the cost to the trust is taken as equal to the employer's pension contributions payable to the schemes 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 schemes except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

National Employment Savings Trust (NEST)

The Pensions Act 2008 (the Act) introduced a new requirement for employers to automatically enrol any eligible job holders working for them into a workplace pension scheme that meets certain requirements and provides a minimum employer contribution. Where an employee is eligible to join the NHS Pension Scheme then they will be automatically enrolled into this scheme. However, where an employee is not eligible to join the NHS Pension Scheme, an alternative scheme must be made available by the trust. The trust's alternative scheme is NEST. NEST is a defined contribution pension scheme that was created as part of the Government's workplace pensions reforms under the Pensions Act 2008. Employers' pension cost contributions are charged to operating expenses as and when they become due.

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control
- items forming part of the initial equipping and setting-up cost 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, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

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.

Subsequent measurement is as follows:

- Assets held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. For in use non-specialised property assets, current value in existing use should be interpreted as market value for existing use.
- Specialised assets are held at current value in existing use which is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided.
- Assets held for their service potential but are surplus are valued at current value in existing use, if there are restrictions on the trust or the asset which will prevent access to the market at the reporting date. If the trust can access the market then the surplus asset is valued at fair value using IFRS 13.

- Assets which are not held for their service potential are valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale.
- Assets which are not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and do not meet the IFRS 5 and IAS 40 criteria, these assets are considered surplus and are valued at fair value using IFRS 13.

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.
- Leasehold improvements - in respect of buildings for which the trust is a lessee under an operating lease will be depreciated over the lease duration (or other period deemed appropriate) and carried at depreciated historic cost, as this is not considered to be materially different from current value. Thus, improvements are not revalued, and no indexation is applied as the adjustments which would arise are not considered material.

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, borrowings costs. Assets are revalued and depreciation commences on assets when they are brought into use, other than grouped information technology (IT) assets. Depreciation commences on grouped IT assets on receipt by the trust and not when the separable parts are brought into use, as this is more practicable by alleviating the requirement to depreciate the assets individually.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use. In specific to IT devices (laptops and desktops) purchases, and in recognition of the continual pace of technological change, the trust considers depreciated historical cost may not be the most appropriate method of estimating the fair value of IT devices purchased. There is an active market for this class of asset but values can vary considerably, and therefore to ensure consistency across this asset class, 2 valuation models have been developed for 2 types of IT devices asset (laptops and desktops) with engagement and oversight of the trust's associate director of IT. In effect the valuation models recognise a larger proportion of the cost value of IT devices purchased is lost in the first year following purchase and applies an agreed impairment percentage/charge to the carrying value of the purchased IT devices. This methodology has been applied in 2022/23.

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 economic lives in a manner consistent with the consumption of economic or service delivery benefits. The estimated useful life of an asset is the period over which the trust expects to obtain economic benefits or service potential from the asset. This is specific to the trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. 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' ceases to be depreciated upon the reclassification.

Revaluation gains and losses

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

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

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

Impairments

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

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

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

De-recognition

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

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

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

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

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

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
Buildings, excluding dwellings*	1	35
Plant and machinery	1	12
Transport equipment	2	4
Information technology	1	10
Furniture and fittings	1	4

*Category consists of both trust owned properties and Leasehold improvements and the minimum life stated recognises the short-term nature of some of the leases in place.

Note 1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust, where the cost of the asset can be measured reliably and where the cost is at least £5,000.

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 only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the trust intends to complete the asset and sell or use it
- the trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the trust to complete the development and sell or use the asset and
- the trust can measure reliably the expenses attributable to the asset during development.

Software

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

Measurement

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

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

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	1	10
Software licences	1	5

Note 1.9 Inventories

The trust holds no material inventories. Community Hospitals hold consumables to cover approximately one week's consumption. Consumable expenditure is charged directly to operating expenses.

In response to the Covid-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the trust received £338k of items purchased by DHSC (2021/22: £358k).

In line with the trust's accounting policy for inventories, the deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income (as referenced in note 4 and note 7).

Note 1.10 Cash and cash equivalents

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

Note 1.11 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets or financial liabilities in respect of assets acquired or disposed of through leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

The trust's financial assets and financial liabilities are classified as subsequently measured at amortised cost.

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 a financing income or expense.

The trust's financial assets consist of cash and cash equivalents; and contract and other receivables. The trust has not issued any loans and does not currently hold any financial assets with different characteristics to their host contract i.e. derivatives.

The trust's financial liabilities consist of trade and other payables; and obligations under leases. The trust does not have any loans, financial guarantee liabilities or other financial liabilities.

Impairment of financial assets

For financial assets measured at amortised cost i.e. contract and other receivables, the trust recognises an allowance for expected credit losses.

The trust adopts the simplified approach to impairment for contract and other receivables, measuring expected losses as at an amount equal to lifetime expected losses.

The expected credit loss for contract and other receivables is determined by separately categorising contract and other

receivables into specific classes of debt i.e. by type of debt and common credit characteristics. This classification exercise is completed on review of historical credit loss experience for each type of debt and modified to reflect current and forecast economic conditions. In devising such a provision matrix and in line with the GAM, the trust has excluded the recognition of expected credit losses in relation to other DHSC bodies as it is deemed that the DHSC will provide a guarantee of last resort against the debts of DHSC bodies.

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.

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 1.12 Leases

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

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

The trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the trust recognises a right of use asset and a lease liability.

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

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

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

The trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

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

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

The trust as a lessor

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

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

Finance leases

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

Operating leases

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

Initial application of IFRS 16

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

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

The trust as lessee

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

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

The trust as lessor

Leases of owned assets where the trust is lessor were unaffected by initial application of IFRS 16.

2021/22 comparatives

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

Note 1.13 Provisions

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

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the trust. The total value of clinical

negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 27.1 but is not recognised in the trust's accounts.

Non-clinical risk pooling

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

Note 1.14 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, 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 1.15 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital 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, with certain additions and deductions as defined by the relevant Department of Health and Social Care policy e.g. average daily cash balances held with the Government Banking Service.

This policy is available at www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts

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

Note 1.16 Value added tax

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

Note 1.17 Corporation tax

The trust has determined that it is has no corporation tax liability on the basis it has no activities subject to corporation tax as all activities are core or related to core healthcare as defined in Health and Social Care Act legislation.

Note 1.18 Foreign exchange

The functional and presentational currency of the trust is sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. The trust has no assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

Note 1.19 Third party assets

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

Note 1.20 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 1.21 Modified absorption accounting - Transfer of former Primary Care Trust assets to NHS providers

Transfers of former Primary Care Trust assets from NHS Property Services to NHS providers under the DHSC asset transfer policy announced in May 2019, is accounted for via a modified absorption approach with the gain on transfer recognised directly in reserves (income and expenditure reserve).

For property, plant and equipment assets, the cost and accumulated depreciation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

Note 1.22 Early adoption of standards, amendments and interpretations

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

Note 1.23 Standards, amendments and interpretations in issue but not yet effective or adopted

The following issued accounting standard has not yet been adopted by the HM Treasury FReM and is therefore not applicable in 2022/23:

- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2025 (early adoption is not permitted).

Note 1.24 Critical judgements in applying accounting policies

IFRS 16 trust as lessee

For property leases and in specific to those relating to NHS Property Services Ltd where a formal lease contract or other contractual information to determine the lease term is not in place or available, the trust has judged a 6 year lease term as being sufficient and appropriate for such lease arrangements in line with a trust-wide estates review and rationalisation programme.

Note 1.25 Sources of estimation uncertainty

The trust has no sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Note 2 Operating segments

The trust operates as a single reportable segment, being the provision of healthcare. The board of directors, led by the chief executive, is the chief operating decision maker within the trust. It is only at this level that the overall financial and operational performance of the trust is measured.

The majority of income was received from Clinical Commissioning Groups, Integrated Care Boards, Local Authorities and NHS England. Income for patient care and other operating activities received from these bodies was as follows. There are no other parties that account for more than 10% of total income:

	2022/23 £000s	% of total income
Integrated Care Boards	140,388	47.35%
Groups	46,076	15.54%
Local Authorities	48,217	16.26%
NHS England	33,180	11.19%
Total	**267,861**	**90.34%**

	2021/22 £000s	% of total income
Clinical Commissioning Groups	167,700	61.65%
Local Authorities	43,085	16.24%
NHS England	34,510	12.69%
Total	**245,295**	**90.17%**

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.

Note 3.1 Income from patient care activities (by nature)

	2022/23 £000	2021/22 £000
Community services		
Income from commissioners under API contracts*	206,970	190,374
Income from other sources (e.g. local authorities)	59,011	53,169
All services		
Private patient income	51	63
Agenda for change pay offer central funding***	9,611	
Additional pension contribution central funding**	8,936	8,691
Total income from activities	**284,579**	**252,297**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National Tariff payments system documents.

www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/

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

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:

	2022/23 £000	2021/22 £000
NHS England	40,853	32,489
Clinical commissioning groups	45,177	166,576
Integrated care boards	139,487	
Other NHS providers	7,945	7,312
NHS other	23	15
Local authorities	48,068	43,079
Non-NHS: private patients	51	63
Injury cost recovery scheme	227	237
Non NHS: other	2,748	2,526
Total income from activities	**284,579**	**252,297**
Of which:		
Related to continuing operations	284,579	252,297
Related to discontinued operations	-	-

Note 4 Other operating income

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	190	-	**190**	161	-	**161**
Education and training	3,298	943	**4,241**	2,902	899	**3,801**
Non-patient care services to other bodies	3,490		**3,490**	2,889		**2,889**
Reimbursement and top up funding	709		**709**	10,517		**10,517**
Income in respect of employee benefits accounted on a gross basis	1,090		**1,090**	1,172		**1,172**
Receipt of capital grants and donations and peppercorn leases		296	**296**		-	**-**
Charitable and other contributions to expenditure		356	**356**		376	**376**
Revenue from operating leases		790	**790**		112	**112**
Other income	773	-	**773**	705	-	**705**
Total other operating income	**9,550**	**2,385**	**11,935**	**18,346**	**1,387**	**19,733**
Of which:						
Related to continuing operations			**11,935**			**19,733**
Related to discontinued operations			**-**			**-**

Reimbursement and top-up funding of £709k represents the reimbursement of specific costs incurred by the trust in the operation of the Covid-19 vaccination programme during 2022/23 (£10.5m in 2021/22). The costs incurred of the Covid-19 vaccination programme in 2022/23 are included in the trust's operating expenses in note 7.

Charitable and other contributions to expenditure includes £338k (£358k 2021/22) of income representing the benefit of the deemed cost of inventories (personal protective equipment consumables) received from the Department of Health and Social Care at nil cost during 2022/23. As outlined in note 1.9, the corresponding expense representing the deemed cost of these inventories has been charged directly to expenditure and is included in the trust's operating expenses in note 7.

The education and training income presented as non-contract income represents the value of benefit arising from apprenticeship levy funded training received. The corresponding notional expense is recognised within education and training costs in note 7.

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

	2022/23 £000	2021/22 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	3,854	2,428

Note 5.1 Transaction price allocated to remaining performance obligations

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 5.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2022/23 £000	2021/22 £000
Income from services designated as commissioner requested services		
Income from services not designated as commissioner requested services	296,514	272,030
Total	**296,514**	**272,030**

In line with guidance all foundation trusts' mandatory services were designated as 'Commissioner Requested Services' when licensing began. However commissioners were required to review this designation by 1 April 2016 and, as a result, none of the trust's services provided since 1 April 2016 have been designated as commissioner requested.

Note 6 Operating leases - Kent Community Health NHS Foundation Trust as lessor

This note discloses income generated in operating lease agreements where Kent Community Health NHS Foundation Trust is the lessor.

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

Note 6.1 Operating lease income

	2022/23 £000	2021/22 £000
Lease receipts recognised as income in year:		
Minimum lease receipts	790	112
Total in-year operating lease income	**790**	**112**

The operating lease revenue recognised represents the occupancy charges for tenants at properties now owned by the trust following the respective transfer of ownership of the sites to the trust from NHS Property Services. As at 31 March 2023, formal contracts to cover future periods of occupancy are still to be agreed with the tenants and therefore information relating to the future lease receipts has not been disclosed.

Note 7 Operating expenses

	2022/23 £000	2021/22 £000
Staff and executive directors costs	220,460	204,034
Remuneration of non-executive directors	160	165
Supplies and services - clinical (excluding drugs costs)	24,762	22,475
Supplies and services - general	1,634	2,021
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	3,698	4,235
Consultancy costs	578	335
Establishment	10,290	7,928
Premises	9,500	7,710
Transport (including patient travel)	4,722	3,436
Depreciation on property, plant and equipment and right of use assets	11,819	4,514
Amortisation on intangible assets	1,627	444
Net impairments	1,319	84
Movement in credit loss allowance: contract receivables / contract assets	16	7
Movement in credit loss allowance: all other receivables and investments	163	70
Fees payable to the external auditor		
audit services- statutory audit*	89	78
Internal audit costs	70	71
Clinical negligence	1,024	998
Legal fees	542	32
Insurance	172	176
Research and development	166	-
Education and training	2,419	2,205
Expenditure on short term leases (current year only)	492	
Operating lease expenditure (comparative only)		9,567
Redundancy	488	171
Hospitality	25	10
Losses, ex gratia & special payments	-	4
Other services, eg external payroll	383	350
Other	617	556
Total	**297,235**	**271,676**
Of which:		
Related to continuing operations	297,235	271,676
Related to discontinued operations	-	-

Supplies and services - clinical (excluding drugs costs) includes £338k (£358k 2021/22) deemed cost of inventories (personal protective equipment consumables) received from the Department of Health and Social Care at nil cost during 2022/23 and charged directly to expenditure on receipt (see also note 1.9 and note 4).

*The audit fees payable to the external auditor as presented in the above note includes irrecoverable VAT.

Note 7.1 Limitation on auditor's liability

The auditor's liability for external audit work carried out for the financial year 2022/23 is limited to £2,000,000.

Note 8 Impairment of assets

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	1,319	84
Total net impairments charged to operating surplus / deficit	1,319	84
Impairments charged to the revaluation reserve	6,114	731
Total net impairments	**7,433**	**815**

The impairment values reported follow the revaluation exercise carried out of the trust's owned properties (land and buildings) as at 31 March 2023, and include an assessment of the current usage and occupation by the trust at the respective sites. The outcome of this independent assessment has been agreed by the trust's estates department.

The revaluation exercise undertaken as at 31 March 2023, included a physical review of the land and property transferred to the trust from NHS Property Services during 2022/23 (please also refer to note 35 for further details of the transfers). As a result of this exercise, the impairment values presented include a reduction in the land value transferred of £5.4m, with the reported reduction in value primarily due to the difference in valuation methodology adopted by the trust and the previous owner (NHS Property Services).

In addition, an assessment of the current value in existing use has been undertaken for IT devices (laptops and desktops) purchased by the trust based on an agreed valuation model as set out in note 1.7, resulting in an impairment of £512k.

Note 9 Employee benefits

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	170,913	157,314
Social security costs	16,501	13,863
Apprenticeship levy	836	770
Employer's contributions to NHS pensions	29,384	28,454
Pension cost - other	62	48
Termination benefits	213	127
Temporary staff (including agency)	3,698	4,386
Total gross staff costs	**221,607**	**204,962**
Recoveries in respect of seconded staff	(138)	(140)
Total staff costs	**221,469**	**204,822**
Of which		
Costs capitalised as part of assets	630	661

The 2022/23 total staff costs presented above includes the accrued additional pay award for 2022/23.

The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration levy) from 1 April 2019. Since 2019/20, NHS providers continue to pay over contributions at the former rate with the additional amount being paid over by NHS England on the providers' behalf. The increased cost in employer's contributions (£8,936k 2022/23 and 2021/22 £8,691k) is recognised in full in the figures presented above, with the commensurate notional funding from NHS England for the respective year being recognised in note 3.1.

Note 9.1 Retirements due to ill-health

During 2022/23 there were 3 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £204k (£6k in 2021/22).

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

Note 10 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 2023, is based on valuation data as at 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

Other schemes

The trust participates in the National Employees Savings Trust (NEST) scheme as an alternative for those employees who are not eligible to join the NHS Pension scheme. NEST is a defined contribution scheme with a phased employer contribution rate, currently 3%.

Note 11 Finance income

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

	2022/23 £000	2021/22 £000
Interest on bank accounts	917	37
Total finance income	**917**	**37**

Note 12 Finance expenditure

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

	2022/23 £000	2021/22 £000
Interest expense:		
Interest on lease obligations	334	-
Interest on late payment of commercial debt	2	2
Total interest expense	**336**	**2**

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2022/23 £000	2021/22 £000
Amounts included within interest payable arising from claims made under this legislation	2	2

Note 13 Other gains

	2022/23 £000	2021/22 £000
Gains on disposal of assets	9	-
Total gains on disposal of assets	**9**	**-**

Note 14 Intangible assets - 2022/23

	Software licences £000	Information Technology Systems £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	**3,093**	**5,783**	**91**	**8,967**
Additions	476	737	330	**1,543**
Reclassifications	-	41	(41)	**-**
Disposals / derecognition	(363)	-	-	**(363)**
Valuation / gross cost at 31 March 2023	**3,206**	**6,561**	**380**	**10,147**
Amortisation at 1 April 2022 - brought forward	**1,199**	**-**	**-**	**1,199**
Provided during the year	876	751	-	**1,627**
Disposals / derecognition	(363)	-	-	**(363)**
Amortisation at 31 March 2023	**1,712**	**751**	**-**	**2,463**
Net book value at 31 March 2023	**1,494**	**5,810**	**380**	**7,684**
Net book value at 1 April 2022	**1,894**	**5,783**	**91**	**7,768**

Note 14.1 Intangible assets - 2021/22

	Software licences £000	Information Technology Systems £000	Intangible assets under construction £000	Total £000
Valuation / gross cost at 1 April 2021	**2,188**	**-**	**40**	**2,228**
Additions	885	3,084	91	**4,060**
Reclassifications	40	2,699	(40)	**2,699**
Disposals / derecognition	(20)	-	-	(20)
Valuation / gross cost at 31 March 2022	**3,093**	**5,783**	**91**	**8,967**
Amortisation at 1 April 2021 - as previously stated	**775**	**-**	**-**	**775**
Provided during the year	444	-	-	**444**
Disposals / derecognition	(20)	-	-	(20)
Amortisation at 31 March 2022	**1,199**	**-**	**-**	**1,199**
Net book value at 31 March 2022	**1,894**	**5,783**	**91**	**7,768**
Net book value at 1 April 2021	**1,413**	**-**	**40**	**1,453**

Note 15 Property, plant and equipment - 2022/23

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	**2,336**	**17,328**	**304**	**3,944**	**285**	**19,377**	**1,005**	**44,579**
Transfers by absorption*	8,634	7,918	-	-	-	-	-	**16,552**
Additions	-	1,771	1,026	581	-	2,230	41	**5,649**
Impairments	(5,404)	(1,583)	-	-	-	(513)	-	**(7,500)**
Reversals of impairments	49	18	-	-	-	-	-	**67**
Revaluations	-	3,833	-	-	-	(419)	-	**3,414**
Reclassifications	-	12	(248)	37	-	199	-	**-**
Disposals / derecognition	-	(71)	-	-	-	(2,075)	-	**(2,146)**
Valuation/gross cost at 31 March 2023	**5,615**	**29,226**	**1,082**	**4,562**	**285**	**18,799**	**1,046**	**60,615**
Accumulated depreciation at 1 April 2022 - brought forward	**-**	**4,145**	**-**	**2,004**	**181**	**9,400**	**950**	**16,680**
Transfers by absorption*	-	15	-	-	-	-	-	**15**
Provided during the year	-	3,062	-	344	28	2,862	36	**6,332**
Revaluations	-	(2,522)	-	-	-	(419)	-	**(2,941)**
Disposals / derecognition	-	(71)	-	-	-	(2,075)	-	**(2,146)**
Accumulated depreciation at 31 March 2023	**-**	**4,629**	**-**	**2,348**	**209**	**9,768**	**986**	**17,940**
Net book value at 31 March 2023	**5,615**	**24,597**	**1,082**	**2,214**	**76**	**9,031**	**60**	**42,675**
Net book value at 1 April 2022	**2,336**	**13,183**	**304**	**1,940**	**104**	**9,977**	**55**	**27,899**

*Represents the transfer of Queen Victoria Memorial Hospital (Herne Bay, Kent), Sevenoaks Hospital (Sevenoaks, Kent) and Dover Health Centre (Dover, Kent) from NHS Property Services. Refer to note 1.21 and note 35 for further information on the accounting policy and transfer.

Note 15.1 Property, plant and equipment - 2021/22

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2021	**1,118**	**12,301**	**3,543**	**3,335**	**185**	**17,226**	**1,009**	**38,717**
Transfers by absorption**	1,541	4,056	-	-	-	-	-	**5,597**
Additions	-	861	239	414	55	2,615	6	**4,190**
Impairments	(632)	(305)	-	-	-	-	-	**(937)**
Reversals of impairments	2	120	-	-	-	-	-	**122**
Revaluations	12	429	-	-	-	-	-	**441**
Reclassifications	-	13	(3,478)	195	55	510	6	**(2,699)**
Transfers to / from assets held for sale	295	-	-	-	(10)	-	-	**285**
Disposals / derecognition	-	(147)	-	-	-	(974)	(16)	**(1,137)**
Valuation/gross cost at 31 March 2022	**2,336**	**17,328**	**304**	**3,944**	**285**	**19,377**	**1,005**	**44,579**
Accumulated depreciation at 1 April 2021	**-**	**3,476**	**-**	**1,702**	**181**	**7,787**	**921**	**14,067**
Transfers by absorption **	-	76	-	-	-	-	-	**76**
Provided during the year	-	1,571	-	302	9	2,587	45	**4,514**
Reversals of impairments	-	-	-	-	-	-	-	**-**
Revaluations	-	(831)	-	-	-	-	-	**(831)**
Transfers to / from assets held for sale	-	-	-	-	(9)	-	-	**(9)**
Disposals / derecognition	-	(147)	-	-	-	(974)	(16)	**(1,137)**
Accumulated depreciation at 31 March 2022	**-**	**4,145**	**-**	**2,004**	**181**	**9,400**	**950**	**16,680**
Net book value at 31 March 2022	**2,336**	**13,183**	**304**	**1,940**	**104**	**9,977**	**55**	**27,899**
Net book value at 1 April 2021	**1,118**	**8,825**	**3,543**	**1,633**	**4**	**9,439**	**88**	**24,650**

**Represents the transfer of Victoria Hospital (Deal, Kent), Vicarage Lane Clinic (Ashford, Kent) and Molehill Copse Clinic (Maidstone, Kent) from NHS Property Services in 2021/22.

Note 15.2 Property, plant and equipment financing - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	5,615	24,335	1,082	2,214	76	9,031	35	**42,388**
Owned - donated/granted	-	262	-	-	-	-	25	**287**
Total net book value at 31 March 2023	**5,615**	**24,597**	**1,082**	**2,214**	**76**	**9,031**	**60**	**42,675**

Note 15.3 Property, plant and equipment financing - 31 March 2022

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	2,336	13,183	304	1,940	104	9,977	55	**27,899**
Total net book value at 31 March 2022	**2,336**	**13,183**	**304**	**1,940**	**104**	**9,977**	**55**	**27,899**

Note 15.4 Property plant and equipment assets subject to an operating lease (trust as a lessor) - 31 March 2023

	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Subject to an operating lease	-	3,614	-	-	-	-	-	**3,614**
Not subject to an operating lease	5,615	20,983	1,082	2,214	76	9,031	60	**39,061**
Total net book value at 31 March 2023	**5,615**	**24,597**	**1,082**	**2,214**	**76**	**9,031**	**60**	**42,675**

Note 16 Revaluations of property, plant and equipment

A desktop valuation exercise was undertaken of the trust's owned buildings and land as at 31 March 2023. In addition, a full valuation exercise (physical inspection) was also undertaken as at 31 March 2023 for the land and property of Queen Victoria Memorial Hospital (located in Herne Bay, Kent), Sevenoaks Hospital (located in Sevenoaks, Kent), and Dover Health Centre (located in Dover, Kent), following the transfer of ownership of these sites to the trust from NHS Property Services during 2022/23.

The trust's freehold estate consists of both specialised and non-specialised operational assets. In line with the RICs Valuation Global Standards, the basis for valuation used for the specialised operational assets is Depreciated Replacement Cost (DRC) method and the valuation methodology used for the non-specialised assets is Existing Use Value (EUV). Where buildings have been valued using the DRC method of valuation the assumption is that the replacement costs will reflect those of a modern equivalent asset (MEA). Due to the specialised nature of the operational assets valued using the depreciated replacement cost method of valuation, the value is not based on the sale of similar assets in the market. The value of operational assets held for their service potential do not reflect the market value for an alternative use which may be higher or lower than the reported value.

The revaluation exercise was carried out over the period to the end of March 2023, with a valuation date as at 31 March 2023 and was completed by Eleanor Judd MRICS of Montagu Evans LLP, an independent valuer with sufficient experience and qualifications. The valuation was prepared in accordance with the requirements of the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards.

Note 17 Leases - Kent Community Health NHS Foundation Trust as a lessee

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

The trust's leasing activities support the operations of the organisation and consist of property leases with NHS, other DHSC group bodies and commercial entities; and the leasing of vehicles for the purposes of trust business use only.

In respect of property leases and in specific to those relating to other public sector bodies where a formal lease contract may not be in place, estimated lease terms are used based on an assessment of the underlying commercial reality and business plans associated with the continued use of the properties.

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

Note 17.1 Right of use assets - 2022/23

	Property (land and buildings) £000	Transport equipment £000	Total £000	Of which: leased from DHSC group bodies £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	37,541	179	**37,720**	28,296
Additions	300	69	**369**	117
Remeasurements of the lease liability	(330)	-	**(330)**	(463)
Disposals / derecognition	(48)	-	**(48)**	(48)
Valuation/gross cost at 31 March 2023	**37,463**	**248**	**37,711**	**27,902**
Provided during the year	5,391	96	**5,487**	3,944
Accumulated depreciation at 31 March 2023	**5,391**	**96**	**5,487**	**3,944**
Net book value at 31 March 2023	**32,072**	**152**	**32,224**	**23,958**
Net book value of right of use assets leased from other NHS providers				3,635
Net book value of right of use assets leased from other DHSC group bodies				20,323

Right of use assets are depreciated over the term of the lease duration determined with reference to the lease arrangements in place.

Note 17.2 Revaluations of right of use assets

As at 31 March 2023, the trust has determined that the cost measurement model in IFRS 16 leases provides a reasonable proxy for current value in existing use of the carrying value of the Right of Use leased assets reported, and therefore no formal revaluation exercise has been undertaken.

Note 17.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 26.

Carrying value at 31 March 2022	**2022/23 £000**
IFRS 16 implementation - adjustments for existing operating leases	37,895
Lease additions	369
Lease liability remeasurements	(330)
Interest charge arising in year	334
Early terminations	(48)
Lease payments (cash outflows)	(5,404)
Carrying value at 31 March 2023	**32,816**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. These payments are disclosed in note 7.

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

Note 17.4 Maturity analysis of future lease payments at 31 March 2023

	Total	Of which leased from DHSC group bodies:
	31 March 2023 £000	31 March 2023 £000
Undiscounted future lease payments payable in:		
- not later than one year;	5,834	4,285
- later than one year and not later than five years;	18,749	13,930
- later than five years.	9,350	7,025
Total gross future lease payments	**33,933**	**25,240**
Finance charges allocated to future periods	(1,117)	(834)
Net lease liabilities at 31 March 2023	**32,816**	**24,406**
Of which:		
Leased from other NHS providers		3,673
Leased from other DHSC group bodies		20,733

Note 17.5 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

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

	2021/22 £000
Operating lease expense	
Minimum lease payments	9,567
Contingent rents	-
Less sublease payments received	-
Total	**9,567**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	2,922
- later than one year and not later than five years;	6,351
- later than five years.	3,999
Total	**13,272**
Future minimum sublease payments to be received	-

Future lease commitments as presented above included only those leases with formal lease contracts in place as at 31 March 2022.

Note 17.6 Initial application of IFRS 16 on 1 April 2022

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

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the trust on initial application are detailed in the leases accounting policy in note 1.12.

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

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

	1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**13,272**
Impact of discounting at the incremental borrowing rate	
IAS 17 operating lease commitment discounted at incremental borrowing rate	**12,858**
Less:	
Commitments for short term leases	(187)
Irrecoverable VAT previously included in IAS 17 commitment	(1,155)
Other adjustments:	
Public sector leases without full documentation previously excluded from operating lease commitments	28,296
Rent increases/(decreases) reflected in the lease liability, not previously reflected in the IAS 17 commitment	189
Other adjustments	(2,106)
Total lease liabilities under IFRS 16 as at 1 April 2022	**37,895**

Note 18 Disclosure of interests in other entities

The trust has no interests in other entities other than those disclosed in note 1.3

Note 19 Inventories

The trust holds no material inventories.

Note 20 Receivables

	31 March 2023 £000	31 March 2022 £000
Current		
Contract receivables	27,663	14,519
Allowance for impaired contract receivables / assets	(83)	(70)
Allowance for other impaired receivables	(406)	(266)
Prepayments (non-PFI)	1,959	1,995
Interest receivable	138	18
Operating lease receivables	790	112
PDC dividend receivable	77	-
VAT receivable	525	286
Other receivables	737	559
Total current receivables	**31,400**	**17,153**
Non-current		
Prepayments (non-PFI)	125	190
Other receivables	46	93
Total non-current receivables	**171**	**283**
Of which receivable from NHS and DHSC group bodies:		
Current	17,563	7,753
Non-current	65	93

Contract receivables as at 31 March 2023 include an accrual of £9.6m to account for the additional pay award central funding due from NHS England (see also note 3.1).

Note 20.1 Allowances for credit losses

	2022/23		2021/22	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	**70**	**266**	**67**	**214**
New allowances arising	46	177	24	87
Changes in existing allowances	4	14	4	10
Reversals of allowances	(34)	(28)	(21)	(27)
Utilisation of allowances (write offs)	(3)	(23)	(4)	(18)
Allowances as at 31 Mar 2023	**83**	**406**	**70**	**266**

Note 20.2 Exposure to credit risk

The trust adheres to best practice in credit control activities which includes referral to an external debt collection agency and formal litigation procedures if required to trace debtors and seek to recover overdue debt. In addition the majority of the trust's revenue comes from contracts with other public sector bodies which in turn are supported by underlying contractual agreements and specific payment terms. As a result, it is deemed that the trust has a low exposure to credit risk.

Expected credit losses for contract and other receivables are reviewed on a regular basis taking account of historic, current and forecast information to determine a sufficient and appropriate level of allowance for impaired contract and other receivables.

Note 21 Finance leases (Kent Community Health NHS Foundation Trust as a lessor)

The trust has no finance leases in place where the trust is the lessor. Nil for 2021/22

Note 22 Non-current assets held for sale and assets in disposal groups

	2022/23 £000	2021/22 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**1**	**295**
Assets classified as available for sale in the year	-	1
Assets sold in year	(1)	-
Assets no longer classified as held for sale, for reasons other than sale	-	(295)
NBV of non-current assets for sale and assets in disposal groups at 31 March	**-**	**1**

Note 23 Cash and cash equivalents movements

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

	2022/23 £000	2021/22 £000
At 1 April	**35,979**	**42,859**
Net change in year	(1,476)	(6,880)
At 31 March	**34,503**	**35,979**
Broken down into:		
Cash at commercial banks and in hand	29	31
Cash with the Government Banking Service	34,474	35,948
Total cash and cash equivalents as in SoFP	**34,503**	**35,979**
Total cash and cash equivalents as in SoCF	**34,503**	**35,979**

Note 23.1 Third party assets held by the trust

The trust held no cash and cash equivalents which relate to monies held by the trust on behalf of patients or other parties. Nil for 2021/22.

Note 24 Trade and other payables

	31 March 2023 £000	31 March 2022 £000
Current		
Trade payables	2,764	852
Capital payables	1,725	1,506
Accruals	21,663	14,329
Social security costs	2,517	2,408
Other taxes payable	1,661	1,531
PDC dividend payable	-	17
Pension contributions payable	2,815	2,619
Other payables	-	5
Total current trade and other payables	**33,145**	**23,267**
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	4,302	4,663
Non-current	-	-

Accruals as at 31 March 2023 include an accrual of £9.8m to account for the estimated costs of the additional pay award for 2022/23.

Note 24.1 Early retirements in NHS payables above

There are no early retirement payables. Nil for 2021/22.

Note 25 Other liabilities

	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income: contract liabilities	4,103	4,375
Deferred grants*	1,300	600
Total other current liabilities	**5,403**	**4,975**
Non-current		
Deferred income: contract liabilities	66	244
Total other non-current liabilities	**66**	**244**

*In 2020/21, the trust received a grant (Community Infrastructure Levy Receipts) for £600k from Sevenoaks District Council. During 2022/23, the trust has received a further award of £700k of grants (Community Infrastructure Levy Receipts from Sevenoaks District Council (£600k) and Edenbridge Town Council (£100k)). The grants are to be used for the purposes of the Edenbridge Integrated Health and Wellbeing Centre project which is to see the development and build of a new Health and Wellbeing Centre in Edenbridge to replace the existing Edenbridge Hospital and General Practice buildings. As at 31 March 2023, the grants are yet to be utilised (in part or in full) with plans now in place to utilise the grants in financial year 2023/24 in line with the build/project completion.

Note 26 Borrowings

	31 March 2023 £000	31 March 2022 £000
Current		
Lease liabilities*	5,554	-
Total current borrowings	**5,554**	**-**
Non-current		
Lease liabilities*	27,262	-
Total non-current borrowings	**27,262**	**-**

* The trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 17.

Note 26.1 Reconciliation of liabilities arising from financing activities - 2022/23

	Lease Liability £000
Carrying value at 1 April 2022	**-**
Cash movements:	
Financing cash flows - payments and receipts of principal	(5,097)
Financing cash flows - payments of interest	(307)
Non-cash movements:	
Impact of implementing IFRS 16 on 1 April 2022	37,895
Additions	369
Lease liability remeasurements	(330)
Application of effective interest rate	334
Early terminations	(48)
Carrying value at 31 March 2023	**32,816**

Note 26.2 Reconciliation of liabilities arising from financing activities - 2021/22

The trust had no borrowings or other liabilities arising from financial activities in financial year 2021/22.

Note 27 Provisions for liabilities and charges analysis

	Legal claims £000	Redundancy £000	Other £000	Total £000
At 1 April 2022	**159**	**106**	**1,492**	**1,757**
Change in the discount rate	-	-	(41)	(41)
Arising during the year	410	624	-	1,034
Utilised during the year	(160)	(213)	(7)	(380)
Reversed unused	(100)	(137)	(41)	(278)
Unwinding of discount	-	-	1	1
At 31 March 2023	**309**	**380**	**1,404**	**2,093**
Expected timing of cash flows:				
- not later than one year;	309	380	628	1,317
- later than one year and not later than five years;	-	-	83	83
- later than five years.	-	-	693	693
Total	**309**	**380**	**1,404**	**2,093**

The redundancy provision is a recognition of the expected redundancy costs associated with service changes. These are recognised following the development of detailed formal plans for service changes with uncertainties typically about which staff will be successful with re-deployment etc. The legal provision includes on-going Employment Tribunals and the provision for Liabilities to Third Parties Scheme (LTPS) claims administered and informed by the NHS Resolution.

The provisions classified as other, in the main include a provision (£1,358k) for dilapidations liabilities for the trust's commercially leased properties. The dilapidations provision represents the estimated re-instatement costs/assessed liabilities required when the trust is due to vacate the properties as advised by an external surveyor (BNP Paribas Real Estate).

Note 27.1 Clinical negligence liabilities

At 31 March 2023, £13,301k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Kent Community Health NHS Foundation Trust (31 March 2022: £1,774k).

Note 28 Contingent assets and liabilities

	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities		
NHS Resolution legal claims	(12)	(34)
Gross value of contingent liabilities	**(12)**	**(34)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(12)**	**(34)**
Net value of contingent assets	**-**	**-**

NHS Resolution legal claims - contingent liability relates to Liabilities to Third Party Scheme (LTPS) claims as administered and advised by NHS Resolution.

Note 29 Contractual capital commitments

	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	283	465
Intangible assets	79	-
Total	**362**	**465**

Note 30 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2023 £000	31 March 2022 £000
not later than 1 year	1,828	1,828
after 1 year and not later than 5 years	4,220	6,048
paid thereafter	-	-
Total	**6,048**	**7,876**

Note 31 Defined benefit pension schemes

The trust has no defined benefit schemes.

Note 32 Financial instruments

Note 32.1 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. Due to the continuing service provider relationship that the trust has with NHS and Local Authority commissioners and the way those commissioners are financed, the trust is not exposed to the degree of financial risk faced by business entities. The trust as an NHS foundation 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 organisation in undertaking its activities.

The trust's treasury management operations are carried out by the finance department, within parameters defined formally within the organisation's standing financial instructions and policies agreed by the board of directors. Treasury activity is subject to review by the organisation's internal auditors.

Currency risk

The trust is a wholly UK based organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The trust has no overseas operations. The organisation therefore has low exposure to currency rate fluctuations.

Interest rate risk

The trust's reported borrowings are limited to those only associated to obligations under lease contracts, using a pre-determined interest rate provided annually by HM Treasury. The trust has no other borrowings and is therefore not exposed to interest rate risk.

Credit risk

As the majority of the trust's revenue comes from contracts with other public sector bodies, the organisation has low exposure to credit risk. The maximum exposure as at 31 March 2023 is in receivables from customers, as disclosed in the trade and other receivables note. However the trust exercises effective credit control processes including utilising external tracing and debt collection agencies, and court procedures to pursue overdue debt.

Liquidity risk

The trust's operating costs are incurred under contracts with commissioning organisations, which are financed from resources voted annually by Parliament. The trust funds its capital expenditure through internally generated cash and if/where applicable, the Department of Health and Social Care central funding programmes. The organisation is not, therefore exposed to significant liquidity risks.

Note 32.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	28,807	-	-	**28,807**
Cash and cash equivalents	34,503	-	-	**34,503**
Total at 31 March 2023	**63,310**	**-**	**-**	**63,310**

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	14,965	-	-	14,965
Cash and cash equivalents	35,979	-	-	35,979
Total at 31 March 2022	**50,944**	**-**	**-**	**50,944**

Note 32.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Obligations under leases	32,816	-	32,816
Trade and other payables excluding non financial liabilities	28,967	-	28,967
Total at 31 March 2023	**61,783**	**-**	**61,783**

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Trade and other payables excluding non financial liabilities	19,311	-	19,311
Total at 31 March 2022	**19,311**	**-**	**19,311**

Note 32.4 Maturity of financial liabilities

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

	31 March 2023 £000	31 March 2022 £000
In one year or less	34,801	19,311
In more than one year but not more than five years	18,749	-
In more than five years	9,350	-
Total	**62,900**	**19,311**

Note 32.5 Fair values of financial assets and liabilities

There is no material difference between the carrying value and fair value of the financial assets and liabilities shown above.

Note 33 Losses and special payments

	2022/23		2021/22	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	1	-
Fruitless payments and constructive losses	-	-	1	1
Bad debts and claims abandoned	69	24	124	23
Total losses	**69**	**24**	**126**	**24**
Special payments				
Ex-gratia payments	7	26	10	25
Special severance payments*	-	-	1	25
Total special payments	**7**	**26**	**11**	**50**
Total losses and special payments	**76**	**50**	**137**	**74**

*2021/22 comparator updated to include 1 special severance payment (£25k) made in 2021/22 which obtained approval from HM Treasury.

Note 34 Related parties

All bodies within the scope of the Whole Government Accounts (WGA) are treated as related parties of an NHS foundation trust including the Department of Health and Social Care as the trust's parent organisation. A list of the main entities (those with transactions or balances of more than £1m) within the scope of the Whole Government Accounts (WGA) with which the trust has transacted with during the reporting period or has receivables or payables balances reported as at period end, are as follows:

NHS Kent and Medway Integrated Care Board (ICB)

NHS Sussex ICB

NHS East Sussex Clinical Commissioning Group (CCG)

NHS Kent and Medway CCG

Health Education England

NHS England

NHS Property Services

NHS Resolution

East Kent Hospitals University NHS Foundation Trust

Dartford and Gravesham NHS Trust

Maidstone And Tunbridge Wells NHS Trust

HM Revenue & Customs

NHS Pension Scheme

Kent County Council

East Sussex County Council

Medway Council

As at 31 March 2023, the trust has a receivable of £1k with Kent Community Health Charitable Fund whose corporate trustee is the trust's board of directors. The accounts of the charity are available separately and are not included in these accounts as per note 1.3.

Note 35 Transfer by modified absorption accounting

On 1 April 2022, the ownership of Queen Victoria Memorial Hospital (located in Herne Bay, Kent) and Sevenoaks Hospital (located in Sevenoaks, Kent) were transferred to the trust from NHS Property Services. On 3 May 2022, the ownership of Dover Health Centre (located in Dover, Kent) was also transferred to the trust from NHS Property Services.

All 3 sites transferred during 2022/23 were former Primary Care Trust assets and therefore the transfer of ownership (land and buildings) has been accounted for via modified absorption approach, in accordance with the DHSC GAM.

Transfer Balances	Queen Victoria Memorial Hospital (Herne Bay) £000s	Sevenoaks Hospital (Sevenoaks) £000s	Dover Health Centre (Dover) £000s	Total £000s
Gross Book Value	5,763	9,569	1,220	16,552
Accumulated Depreciation	-	-	(15)	(15)
Gain on Transfer (I&E Reserve)	**5,763**	**9,569**	**1,205**	**16,537**
Revaluation Reserve	(3,473)	(7,246)	(379)	(11,098)
Net impact on I&E Reserve	**2,290**	**2,323**	**826**	**5,439**

Note 36 Adjusted financial performance (control totals basis)

The trust's reported position for 2022/23 is a deficit of £1,013k. NHS England excludes the impact on income and expenditure of certain transactions including impairments and capital donation receipts for the purpose of measuring financial performance. After adjusting for these transactions, the trust's adjusted financial performance for 2022/23 is a surplus of £19k as shown in the table below. The table does not form part of the Statement of Comprehensive Income and is therefore presented as a separate note to the accounts.

	2022/23 £000	2021/22 £000
Adjusted financial performance:		
Surplus / (deficit) for the period	(1,013)	9
Add back all I&E impairments / (reversals)	1,319	84
Surplus / (deficit) before impairments	**306**	**93**
Remove I&E impact of capital donations	(287)	-
Adjusted financial performance surplus / (deficit)	**19**	**93**

Note 37 Events after the reporting date

The trust has no events after the end of the reporting period.

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