MTW
Exceptional people, outstanding care

NHS
Maidstone and Tunbridge Wells
NHS Trust

Annual report and accounts

2023-2024

Maidstone & Tunbridge Wells NHS Trust Annual Report and Accounts 2023/24 Pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

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A message from the Chief Executive

Reflecting on the last 12 months it has been a very challenging but successful year for Maidstone and Tunbridge Wells NHS Trust (MTW) and I want to begin by thanking our staff and volunteers for their incredible efforts, working together to deliver the highest levels of care with compassion and skill.

Throughout the year we have focused on a number of key priorities: developing services to support patients in our local communities and across Kent and Medway, continuing to recover our pre-Covid performance levels, supporting the health and wellbeing of our staff and managing periods of industrial action.

The Trust has also worked hard to respond to the Independent Inquiry into the issues raised by the David Fuller case. The Inquiry's Phase 1 report was published in November last year and contained 15 recommendations for MTW. In February, following the introduction of a robust action plan, the Trust Board was assured all the recommendations had been fully implemented and the response and supporting evidence was signed off by the Kent and Medway Integrated Care Board and submitted to NHS England and the Department of Health and Social Care.

Thanks to the commitment shown by colleagues across the organisation we continue to be one of the best performing acute hospital trusts in the country against a backdrop of record-breaking attendances at our Emergency Departments (ED) and a large increase in cancer referrals. We are one of the few trusts in the country to have no long waiting patients (those waiting more than 52 weeks), reducing this from almost 1,000 to zero in less than a year. (This is ahead of the national ambition which is to treat all patients waiting for more than 65 weeks by September.) We are regularly in the top five trusts in the country for ED performance and have delivered the 62-day cancer standard each month for more than four-years running.

While ensuring our patients receive some of the quickest access to care in the country, we have also delivered a number of major infrastructure projects, developed services and grown our workforce over the last year.

- The West Kent Community Diagnostic Centre (CDC) was formally opened in January by the Secretary of State for Health and Social Care Victoria Atkins. The CDC provides a broad range of elective diagnostics away from our main hospital sites. More than 98% of our patients require diagnostics tests and the expansion has been crucial in enabling us to increase the number of patients we see and provide them with prompt care.
- The Trust acquired the Spire Tunbridge Wells Hospital in March, a purchase which enables us to develop clinical services in a number of areas and provide additional NHS capacity across Kent and Medway. By working in collaboration with NHS partners the facility, which includes two operating theatres, 28 inpatient and day beds and diagnostics, will ensure we improve patient experience by reducing waiting lists and respond to increasing levels of demand.
- In May the new Stroke Unit at Maidstone Hospital was formally opened. The unit, which contains a 14 bed Hyper Acute Stroke Unit and a 25 bedded Acute Stroke Unit, enables the Trust to care for more than 1,000 patients a year, a 30% patient increase since 2019.
- Work on the Kent and Medway Orthopaedic Centre at Maidstone Hospital will complete in the summer. The new centre will include three state of the art operating theatres and 24 dedicated surgical beds, providing additional capacity for patients across Kent and Medway and a reduction in the length of time patients stay in hospital.

- Construction work is nearing competition on the new academic teaching building for medical students at Tunbridge Wells Hospital. The six-storey building will provide teaching facilities and accommodation for 145 medical students a year, including trainee doctors from the Kent and Medway Medical School. Importantly this will enable us to increase the total number of students we take each year by 315%.

- The Trust has continued to develop our successful acute virtual ward service over the last year. Virtual wards enable patients to receive hospital-level care at home safely, helping speed up their recovery while freeing up hospital beds for patients that need them most. Patients on the acute virtual ward are reviewed and supported daily by multi-disciplinary teams and monitored with personal and trust-issued devices. We have rolled out 12 different acute virtual ward pathways including surgery and orthopaedics. As a result, we have already cared for more than 750 patients and saved approximately 3000 acute bed days, which in turn has generated more capacity in our hospitals.

- During 23/24 we were not only able to recruit almost 1,500 new colleagues but we achieved our target of reducing the Trust-wide vacancy rate. In March 2024 this sat at record low of just 4.95% - a huge improvement from April 2021 when we were at 15%.

- Supporting our staff remains a key priority and we were delighted that colleagues ranked MTW as one of the top ten hospital trusts in the country to work for in the annual NHS Staff Survey. In this year's survey, staff experience scores across all seven NHS People Promise themes improved, and more staff said they would recommend the Trust as a place to work compared with last year, placing MTW in the top ten acute trusts for improved scores in this important measure.

In financial terms, the Trust achieved its financial performance requirement with a surplus of £5.3m in 2023/24 on a turnover of £740.6m. Our strong, long-term financial performance has now seen us deliver a surplus position for the last six years, enabling us to continue to invest in services and facilities. During this period the Trust has also delivered a significant Cost Improvement Programme (CIP), including CIPs totalling £18.8 million. In 24/25 we face an unprecedented financial challenge across the Kent and Medway system and the Trust will be working to deliver its largest ever CIP, £37 million.

We are proud of the progress we have made in performance and services, but we know there is still work to do. In 2023 the Trust was inspected by the Care Quality Commission (CQC) and while we were delighted to receive a Good rating for Well-Led, we know there is more we need to do in Maternity services and End of Life Care. Completing our maternity improvement programme and fully implementing the CQC's recommendations for both services is a priority this year.

Looking ahead our attention is also on a number of projects which will strengthen our opportunities to work collaboratively with our partners and deliver real benefits to our patients. These include:

- Working through acute provider collaboratives to improve productivity and the sustainability of clinical services.

- Developing our partnership with West Kent Health and Care Partnership, in particular the development of Integrated Neighbourhood Teams in primary and community care.

- Continuing to provide system support across Kent and Medway and developing, integrating and maximising services at the Spire facility.
- Completing the development of the CDC which will see a modular build to house static MRI, CT scanning, phlebotomy and outpatients. Once complete, it is predicted the CDC will provide 48,000 X-Rays, 35,000 ultrasound scans, 8,500 DEXA scans, 7,000 respiratory diagnostic tests and 6,500 cardiac diagnostic tests each year as of 2024/2025. These are important numbers which will see reduced pressures on our hospitals, faster diagnoses and treatment, and a more efficient service for local patients.
- Strengthening specialist inpatient cardiology service at Maidstone Hospital. This will enable us to provide increased capacity for inpatient care and an ambulatory area to support our Same Day Emergency Care services.
- Taking forward our programme of development and innovation in clinical operations in partnership with TeleTracking, the providers of our nationally recognised electronic bend management system.
- Developing the functionality of our patient portal – Patient Knows Best – which was launched in November last year. The system helps service users take control of the management of their outpatient appointments and in the first six months 100,000 patients registered for the portal.
- Completing the integration of pathology services into a Kent and Medway wide joint venture.

Finally, in April this year Trust Chair David Highton completed his term in office after seven years. I would like to take this opportunity to thank David for the important role he played in the Trust's improvement journey and the leadership he provided. Dr Annette Doherty OBE FRSC was appointed Chair, bringing with her 35 years of international experience working in the pharmaceutical sector. Dr Doherty is President of the Royal Society of Chemistry and her involvement in research and the development of new medicines provides us with a fresh insight and focus as we look forward to an exciting year ahead.

Miles Scott
Chief Executive

The purpose and activities of Maidstone and Tunbridge Wells NHS Trust

Performance Report

The purpose of this report is to provide a summary of information to understand the organisation, its purpose and objectives, how it has performed during the year and the key risks to the achievement of its objectives for the coming year.

The requirements of the performance report are based on the matters required to be dealt with in a Strategic Report as set out in Chapter 4A of Part 15 of the Companies Act 2006, as amended by SI 2013 No.1970, The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The format and context of the Annual Report and Accounts for 2023/24 have been prepared in line with the revisions published in the DHSC Group Accounting Manual 2023/24.

A history of the Trust and its statutory background

Maidstone and Tunbridge Wells NHS Trust (the Trust) is a large acute hospital Trust in the South East of England. The Trust was legally established on 14 February 2000, for the purposes specified in section 5(1) of the National Health Service and Community Care Act 1990 i.e. to be responsible for the ownership, provision and management of hospitals or other establishments or facilities.

The purpose and activities of the Trust

The Trust's mission, as defined in its Strategy, is to be there for our patients and their families in their time of need, and to empower our staff so that they can feel proud and fulfilled in delivering the best care for our community. Through the Trust's vision of "Exceptional people, outstanding care", the Trust provides a full range of general hospital services and some areas of specialist complex care to around 600,0001 people living in West Kent and East Sussex. It is the cancer centre for Kent and Medway and also providing some aspects of specialist care to a wider population of 2 million people. The Trust runs its own charity and works with several voluntary organisations for the benefit of its staff and the local population.

The Trust's core catchment areas are Maidstone and Tunbridge Wells and their surrounding boroughs. It employs over 7,300 full and part-time staff, and operates from three main sites (Maidstone Hospital, Tunbridge Wells Hospital and the Crowborough Birth Centre), but also manages services at Kent and Canterbury Hospital and outpatient services at several community locations.

In 2023, the Trust was recognised regionally and nationally for the significant improvements and progress made by staff across the Trust in recent years by moving to level 1 in the NHS Oversight Framework (NOF). The NOF provides a monitoring framework to support delivery across the NHS. It also ensures the priorities of partner organisations are aligned and partners work together to develop locally appropriate plans.

The decision by NHS England (NHSE) to move the Trust from NOF 2 to 1 (the highest level) follows a recommendation by the Kent and Medway Integrated Care Board (ICB). NOF 1 is given to trusts who are consistently high performing and play an active leadership role in supporting local and ICB priorities.

In MTW are always looking to improve our services for our patients and have continued to introduce our Patient First programme which empowers staff to make changes that will benefit our patients. Staff are trained in teams and then are encouraged to use new problem-solving skills to improve their processes and make 'continuous improvement' part of their day-to-day jobs. This approach has supported many improvements to be made including buying new equipment, reorganising space and making processes work better.

Tunbridge Wells Hospital is a Private Finance Initiative (PFI) hospital, and the majority of the site provides single bedded en-suite accommodation for inpatients in a modern, state of the art environment. It is a designated Trauma Unit, undertakes the Trust's emergency surgery and is the main site for Women's and Children's, and Orthopaedic services. The new Kent and Medway medical student accommodation and academic centre is being built on the Tunbridge Wells site with the completion and opening due in 2024.

The Trust is registered with the Care Quality Commission (CQC) to provide the following Regulated Activities:

- Assessment or medical treatment for persons detained under the Mental Health Act 1983 (at Maidstone and Tunbridge Wells Hospitals)
- Diagnostic and screening procedures (at Maidstone and Tunbridge Wells Hospitals)
- Family planning services (at Maidstone and Tunbridge Wells Hospitals)
- Maternity and midwifery services (at Maidstone and Tunbridge Wells Hospitals and Crowborough Birthing Centre)
- Surgical procedures (at Maidstone and Tunbridge Wells Hospitals)
- Termination of pregnancies (at Tunbridge Wells Hospital)
- Treatment of disease, disorder or injury (at Maidstone and Tunbridge Wells Hospitals)

The Trust's registration with the CQC is detailed on their website.

The Trust's objectives and organisational structure are detailed elsewhere within this Annual Report. Details of the Trust's business model and environment, organisational structure, objectives and strategies can be found within the Performance Report Overview and Performance Analysis.

Snapshot of 2023/24

April 2023

Kent Oncology featured in a **special BBC series**

May 2023

Platinum Bliss Baby Charter accreditation for Neonatal unit

June 2023

Team of the year and **research awards** for Maternity teams

July 2023

NHS
75 years old

August 2023

Trust rated in top 5% for stroke services in the country

September 2023

Clinical Co-ordination Hub trial begins

October 2023

New patient portal launched

November 2023

Topping out ceremony at KMOC

December 2023

Dr Sara Mumford was appointed as **Medical Director**

January 2024

Secretary of State opens **news CDC**

February 2024

Anaesthetic department recognised for **high quality care**

March 2024

Staff Survey **results**

April 2023 – Kent Oncology featured in BBC series

MTW is one of the top performing trusts in the country for access to cancer treatment and the work of colleagues in the Kent Oncology Centre was recognised by BBC South East News.

The Centre was the focus of a series of daily reports by the regional flagship news programme throughout a week in April. The powerful reports looked at the impact a cancer diagnosis can have on patients, their families and the staff who look after them.

As part of the series, the BBC met a number of patients to talk about their experiences. They also spoke to colleagues about the treatments we offer to cancer patients and how these continue to develop.

May 2023 - Platinum Bliss Baby Charter accreditation for Neonatal unit

The Neonatal Unit at Tunbridge Wells Hospital became one of only four in the UK to receive platinum accreditation in the Bliss Baby Charter.

Run by the charity Bliss, which supports premature or sick babies, the Baby Charter was established in 2005 and is now the UK standard for developing, measuring and improving family-centred care. Neonatal Units can audit their practices against the Charter's practical framework, meaning they can develop plans to achieve changes that benefit babies and their families.

After assessing the Neonatal Unit at Tunbridge Wells Hospital in February, Bliss said that they were impressed by many aspects of the Unit's care, including follow-ups with all parents' post-discharge and the availability of support services for bereaved families.

June 2023 – Team of the year and research awards for Maternity teams

Our Maternity teams were recognised with two awards at the South East Perinatal Learning and Sharing Event.

The team were awarded 'Maternity Team of the Year' for supporting a patient who received a terminal diagnosis during her pregnancy. The woman and her partner decided they would like to marry, and the team ensured all arrangements were put in place.

The Maternity research team also won the 'Excellence in perinatal education, learning and research' award for supporting the research into group B Strep in pregnant women. This is the most common cause of life-threatening infection in new-born babies in the UK, and the research led to 80% of eligible women being offered the test for group B Strep.

July 2023 – NHS 75

The Trust marked the NHS' 75th birthday with a number of celebratory events, including the launch of inspiring exhibitions at Maidstone Museum and The Amelia Scott Centre in Tunbridge Wells, which showcased the history of our hospitals and of healthcare in the region.

Colleagues attended services of thanks at Westminster Abbey and Rochester Cathedral as well as a special reception at 10 Downing Street. Staff raised the NHS flag over Tunbridge Wells Borough Council Town Hall, and we were honoured to be presented with the Freedom of the Borough.

Long Service Award ceremonies were held to recognise the incredible work of our colleagues who have served the NHS for over 40 years. Together, our recipients had an incredible 900 years' service between them.

August 2023 – Trust rated in top 5% for stroke services in the country

The Sentinel Stroke National Audit Programme (SSNAP) awarded an overall A-rating to the Stroke Unit at Maidstone Hospital. The results meant the Unit was the highest-rated stroke service in the Kent and Medway region, placing MTW in the top 5% of acute trusts in the country for stroke care.

The national healthcare quality improvement programme measures how well stroke care is being delivered in the NHS in England. The SSNAP provides information to clinicians, commissioners, patients and the public which can be used to improve the quality of care that is provided to patients.

Work is currently underway to develop Stroke services at Maidstone Hospital to provide an Acute Stroke Unit and new Hyper Acute Stroke Unit.

September 2023 - Clinical Co-ordination Hub trial begins

A Clinical Co-ordination Hub was set up by South East Coast Ambulance Service (SECAmb) in partnership with MTW and Kent Community Health NHS Foundation Trust (KCHFT).

Made up of clinicians from MTW, KCHFT and senior paramedics, the team speak with ambulance crews who are on the scene with patients and make joint decisions on the best treatment service for the patients' needs.

This means that patients are not automatically brought to MTW's Emergency Departments (ED) but assessed at the scene and redirected to a more appropriate service when needed. Ambulance crews continue to bring patients into ED whenever required. The Hub has significantly reduced the number of patients brought by ambulance to ED.

October 2023 - New patient portal launched

MTW became the third hospital trust in Kent and Medway to launch a new online patient portal, Patients Know Best (PKB).

The portal, which links in with the NHS app, enables patients to access their healthcare records and manage their own hospital appointments. This helps to reduce the number of calls our patients need to make to our hospitals and decreases the number of missed appointments, freeing up clinical spaces for other patients.

As it develops, the portal will give patients access to test results, questionnaires and symptom trackers. It will also eventually enable them to monitor their own glucose levels, weight or heart readings, and share them with their health teams to avoid extra hospital visits.

November 2023 - Topping out ceremony at KMOC

The Rt Hon Greg Clark, MP for Tunbridge Wells, visited Maidstone Hospital to see the development of the new multimillion-pound Kent and Medway Orthopaedic Centre.

He was joined by our Chief Executive, Miles Scott, and clinical colleagues who will treat patients in the new centre and took part in a 'topping out' ceremony to celebrate the new building reaching its highest point.

The new centre will allow us to significantly increase the number of additional routine orthopaedic operations involving bones, joints and muscles that we carry out each year, including 2,000 extra knee and hip replacements.

December 2023 - Dr Sara Mumford appointed Medical Director

Dr Sara Mumford was appointed as the Trust's new Medical Director.

Dr Mumford, who was previously Deputy Medical Director and Director of Infection and Prevention Control (DIPC) at MTW, took over from Dr Pete Maskell and has also retained the DIPC responsibility.

Dr Maskell has taken up the role of Medical Director (Integrated Care) at the West Kent Health and Care Partnership and will continue to work clinically in the MTW Frailty service and community home treatment service.

January 2024 – Secretary of State opens new CDC

Secretary of State for Health and Social Care, Victoria Atkins, officially opened our West Kent Community Diagnostic Centre (CDC).

Located near Maidstone Hospital, the CDC will enable thousands more patients to get faster access to tests including x-rays, CT, MRI, DEXA and ultrasound scans. The centre at Hermitage Court, on Hermitage Lane, also provides additional clinic rooms and x-ray, respiratory and cardiology rooms. With 98% of our patients needing diagnostic tests, the CDC will provide checks and scans to around 149,000 people in its first year.

During her visit, the Secretary of State talked to clinical staff working in the centre and to patients undergoing treatment. Local MPs Greg Clark, Tracey Crouch and Helen Grant also joined the visit and met members of our senior management team.

February 2024 - Anaesthetic department recognised for high quality care

The Anaesthetic department received accreditation under the Royal College of Anaesthetists (RCoA) Anaesthesia Clinical Services Accreditation (ACSA) scheme, demonstrating the Trust's commitment to patient safety and outstanding care.

The team were awarded the prestigious accreditation at an event held at Tunbridge Wells Hospital. The award highlights the department's commitment to a high standard of practice in providing safe, effective and compassionate care to patients.

Working across the Trust, our Anaesthetic department provides anaesthesia to patients undergoing planned and emergency surgery, and supports the chronic pain and resuscitation services, as well as maternity and intensive care units.

March 2024 – Staff Survey results

Staff have ranked MTW as one of the top 10 hospital trusts in the country to work for, and second best in the south east.

The National NHS Staff Survey is one of the largest workforce surveys in the world, and is carried out every year to improve staff experiences across the NHS.

In this year's survey, staff experience scores across all NHS People Promise themes have improved, and even more staff say that they would recommend the Trust as a place to work compared with last year, placing MTW in the top 10 acute trusts for improved scores in this important measure. The People Promise sets out what will most improve the experience of NHS staff at work and make the NHS the workplace everyone wants it to be.

Key issues and risks affecting delivery of the Trust's key objectives

Integrated Performance Report and Data Reporting

The Board of Directors is presented with timely and accurate information to assess risks to compliance with the Trust's licence, as detailed within the data, quality and governance section within this report. The Trust strive to ensure that information presented is accurate, comprehensive, timely and up to date, and has adopted measures outlined within the NHSE guidance 'Making Data Count' to improve data standards.

The Board of Directors receives Integrated Performance Reports (IPR) at each meeting which covers performance in relation to the Trust's Strategic Themes, these being; People, Patient Safety and Clinical Effectiveness, Patient Access, Patient Experience, Systems and Sustainability.

The Trust enhanced its IPR with the support of NHSE and made use of the 'Making Data Count'. The improvements made to the IPR introduced the comprehensive use of Statistical Process Control (SPC) charts to enable an analysis of patterns that indicate improvements or decline within the context of normal variation and to illustrate whether a target or a standard can be consistently met.

Adopting this approach has reduced the amount of time spent unnecessarily investigating changes in data which are due to normal variation. In addition to this, the Trust has introduced forecasting for key metrics to provide a forward view of performance and Data Quality Kite Marks for each metric to provide assurance over the quality of data being used at Board for decision-making. The Trust's IPR is supported by the improvement methodology being utilised by the organisation and as such Counter Measure Summaries are used for escalation purposes, providing additional assurance to Board members over the underlying causes of any variance and the actions being undertaken to address these.

The purpose of the performance analysis section and its structure

This purpose of the performance analysis section is to detail the mechanisms which are employed by the Trust to measure performance and to outline the Trust's performance during 2023/24 against key objectives. The performance analysis section is structured to cover "How the Trust measures performance"; "Development and performance overview"; "Equality and Performance"; "Financial performance"; and "Sustainability".

How the Trust measures performance

The Exceptional People, Outstanding Care (EPOC) Programme is a comprehensive set of initiatives that have been implemented by MTW to drive the delivery of our vision and strategic objectives and foster a culture of continuous improvement within the organisation. The EPOC programme aims to ensure that all members of the Trust are aligned in their efforts towards achieving common goals which will, in turn, deliver exceptional care to patients.

The EPOC strategy at MTW revolves around six key strategic themes, which are integral to the programme:

- **Patient Experience:** To provide outstanding care and experience where patients are at the centre of all that we do. Communicating in an effective and timely way, keeping patients, families or their carers' fully informed and updated throughout each step of their journey.
- **Patient Safety and Clinical Effectiveness:** An organisation which has a blame free reporting and real time learning culture, delivering harm free hospital care.
- **Patient Access:** All of our patients should be able to access the highest quality care and treatment when they need it, whether it's as an emergency, waiting for a cancer diagnosis or waiting for elective surgery.
- **Systems and Partnerships:** People receive timely care from the right care provider in the most appropriate setting and avoid unnecessary transfer of care delays.
- **Sustainability:** Continued delivery of our financial plan, allowing us to invest sustainably in high quality services and infrastructure, improving patient experience and outcomes, and providing staff the tools they need to do their job.
- **People:** Delivery of a robust workforce plan and pipeline supply that meets our operational plan so that our people are well supported and are able to provide high quality patient care. People leaders will support and coach people by setting clear objectives, encourage and support learning, communicate effectively and with compassion in line with our leadership framework.

The EPOC Improvement Programme is an integral part of the Trust's strategic plan and is closely monitored for progress, effectiveness, and continuous improvement. Through the EPOC, MTW aims to achieve exceptional care delivery, foster a culture of continuous improvement, and fulfil its commitment to outstanding care for its staff, patients and the local community.

A 'Ward to Board' approach is applied and monitored through a sign-off process at Directorate, then Divisional, level before presentation at monthly Divisional Strategy Deployment Review meetings and ultimately, the Trust Board.

A whole day each month is devoted to Trust-wide performance management, attended by members of the Executive Team. The Clinical Divisions and Corporate services are accountable for the delivery of their key indicators for Quality, Performance, Finance and Workforce, together with their strategic and Trust-wide programme responsibilities.

The monthly Integrated Performance Report encapsulates the result of these processes and provides the Board with a rich source of information that has been reviewed and substantiated at all levels of the Trust. The dashboard contains details of all key aspects of performance, under the CQC domains of "Safety", "Effectiveness", "Caring", "Responsiveness" and "Well-Led" and also the Trust's Strategic Themes of "People", "Patient Safety & Clinical Effectiveness", "Patient Access", "Patient Experience", "Systems", and "Sustainability". The Trust uses Statistical process control (SPC) methods to monitor and direct performance improvements. Additional performance information is provided on financial matters and clinical quality. These reports are available on the Trust's website, as part of the information provided for Trust Board meetings (see www.mtw.nhs.uk/about-us/trust-board/).

The content of the Integrated Performance Report is discussed at meetings of the Executive Team Meeting and Trust Board (with specific Strategic Themes discussed at the relevant Trust Board sub-committees). At the latter, the person responsible for each domain is asked to highlight key issues of note, and explain areas of under/failing performance. Performance against the Trust's agreed objectives is measured and monitored via the Strategy Deployment Review process, which is described in more detail in the "Annual Governance Statement for 2023/24" later in this Annual Report. In addition to this, the Trust continues to use nationally-published information (where available), to compare performance. This includes national staff and patient surveys and national clinical audits.

Details of the Trust's accountability issues are outlined within the "Annual Governance Statement for 2023/24" which includes any significant internal control issues reported for the financial year; details of any personal data-related incidents are included within the "Information Governance" section of the Annual Governance Statement for 2023/24; and details of any finance related accountability issues would be reported via the "Financial Performance 2023/24". Only four significant issues were identified in the year 2023/24.

The link between Key Performance Indicators (KPIs), risk and uncertainty

The Trust uses a wide range of KPIs to identify areas of risk and uncertainty. Where these risks and uncertainties can be controlled, these are aimed to be included within the Trust's plans. However, if monitoring of KPIs reveals that performance is at variance from the Trust's plans, mitigating actions may be implemented. The wide range of information collated means that the relationship between different pieces of information is very complex and the Trust engages the specialist analytical skills of staff within the Finance Department, People and Organisational Development Function and Business Intelligence departments to identify themes, variance from plans etc., and to advise on potential actions to address variances, or recommend enacting of mitigations.

Development and Performance Overview

Full details of the Integrated Performance Report highlighted below, and latest updates, are contained within the Trust Board papers for each Board meeting, which are held on our website.

- Trust wide vacancy rate – vision target to get to 8% by end Jan – this has been achieved and is currently around 5.0%.
- Reduce moderate and severe harm from a 12-month average of 1.0 per 1,000 occupied bed days to 0.9 by April 2024 and 0.85 by December 2024. – this has not yet been achieved and is currently performing at 1.75 per 1,000 occupied bed days however the new breakthrough objective focusing on deteriorating patients and sepsis has only recently been agreed and therefore will remain the focus in 24/25.
- To achieve the Trust RTT target (75.8%) – this has not been achieved however great progress has been made and the March position was close to the target at 75.1%. Work continues to focus on the delivery of outpatient activity however the break through objective is now being reviewed as it has been achieved.
- To reduce the number of complaints or concerns each month to 36 – Current performance is 38 per month which is very close to the target which has been achieved a number of times during the year, but not consistently for 6 months.
- To Decrease the number of occupied bed days to 3.5 days per 1.000 for patients identified as medically fit for discharge – this has been achieved and is currently around 2.0 days per 1,000 patients identified as medically fit for discharge. The internal focus on discharges before noon has not met the target of 33% and is currently performing at around 22%. Focus continues on this and a Flow Improvement Board has been established to further drive improvement.
- Delivery of the financial plan – this has been achieved for the 23/24 year. The focus remains on reduction of premium spend for the 24/25 year.

Performance Analysis

Key to the Performance Analysis:

Variation	
Special cause of concerning nature or higher pressure due to (H)igher or (L)ower values	
Special cause of improving nature or higher pressure due to (H)igher or (L)ower values	
Common cause - no significant change	
Assurance	
Consistent (P)assing of Target - Upper control limit is below the target line or Lower control limit is above the target line (depending on the nature of the metric)	
Metric has (P)assed the target for the last 6 (or more) data points, but the control limits have not moved above/below the target.	
Inconsistent passing and failing of the target	
Metric has (F)ailed to meet the target for the last 6 (or more) data points, but the control limits have not moved above/below the target.	
Consistent (F)ailing of Target - Lower control limit is below the target line or Upper control limit is above the target line (depending on the nature of the metric)	
Data Currently Unavailable or insufficient data points to generate an SPC	

Special Cause Concern - this indicates that special cause variation is occurring in a metric, with the variation being in an adverse direction. Low (L) special cause concern indicates that variation is downward in a KPI where performance is ideally above a target or threshold e.g. ED or RTT Performance. (H) is where the variance is upwards for a metric that requires performance to be below a target or threshold e.g. Pressure Ulcers or Falls.

Special Cause Concern - this indicates that special cause variation is occurring in a metric, with the variation being in a favourable direction. Low (L) special cause concern indicates that variation is upward in a KPI where performance is ideally above a target or threshold e.g. ED or RTT Performance. (H) is where the variance is downwards for a metric that requires performance to be below a target or threshold e.g. Pressure Ulcers or Falls.

Vision Goals / Targets 2023/24

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period	Variation	Assurance
People	Well-Led	Reduce the Trust wide vacancy rate to 8%	8%	4.96%	Mar 24		
Patient safety & Clinical Effectiveness	Safe	Reduction in rate of patient incidents resulting in Moderate+ Harm per 1000 bed days (data runs one month behind)	0.90	1.75	Mar 24		
Patient Access	Responsive	Achieve the Trust RTT Trajectory	75.8%	75.1%	Mar 24		
Patient Experience	Caring	To reduce the overall number of complaints or concerns each month	36	38	Mar 24		
Systems	Effective	Decrease the number of occupied bed days for patients identified as no longer fit to reside (NFTR), (shown as rate per 100 occupied bed days)	3.50	2.03	Mar 24		
Sustainability	Well-Led	Delivery of financial plan, including operational delivery of capital investment plan	864	-3429	Mar 24		

Breakthrough Objectives 2023/24

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period	Variation	Assurance
People	Well-Led	Reduce Turnover Rate to 12%	12%	11.54%	Mar 24		
Patient safety & Clinical Effectiveness	Safe	Number of Deteriorating Patients with Moderate+ Harm (data runs one month behind)	TBC	TBC	TBC		
Patient Access	Responsive	To achieve the planned levels of new outpatients activity	231,120	243,922	Year 23/24		
Patient Experience	Caring	To reduce the number of complaints and concerns where poor communication with patients and their families is the main issue affecting the patients experience.	24	29	Mar 24		
Systems	Effective	To increase the number of patients leaving our hospitals by noon on the day of discharge	33%	22.1%	Mar 24		
Sustainability	Well-Led	Reduce the amount of money the Trusts spends on premium workforce spend	1255	1725	Mar 24		

Constitutional Standards 2023/24

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period	Variation	Assurance
Patient Access	Responsive	Access to Diagnostics (<6weeks standard)	99.1%	98.8%	Mar 24	H	F
Patient Access	Responsive	A&E 4 hr Performance	88.6%	86.2%	Mar 24		?
Patient Access	Responsive	Cancer - 2 Week Wait	93.0%	96.0%	Feb 24		F
Patient Access	Responsive	Cancer - 31 Day	96.0%	92.9%	Feb 24		F
Patient Access	Responsive	Cancer - 62 Day	85.0%	85.3%	Feb 24	H	P
Patient Access	Responsive	Cancer - 28 Day Faster Diagnosis Compliance	75.0%	80.1%	Feb 24		?
Patient Access	Responsive	To achieve the planned levels of Elective Inpatient activity	56,292	60,485	Year 23/24		P

Vision Goals / Targets 2022/23

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period
People	Well-Led	Reduce the Trust wide vacancy rate to 8%	12%	10.42%	Apr 23
Patient safety & Clinical Effectiveness	Safe	Reduction in rate of patient incidents resulting in Moderate+ Harm per 1000 bed days (data runs one month behind)	0.90	0.89	Apr 23
Patient Access	Responsive	Achieve the Trust RTT Trajectory	70%	67.93%	Apr 23
Patient Experience	Caring	To reduce the overall number of complaints or concerns each month	36	38	Apr 23
Systems	Effective	Decrease the number of occupied bed days for patients identified as no longer fit to reside (NFTR), (shown as rate per 100 occupied bed days)	3.50	11.27	Apr 23
Sustainability	Well-Led	Delivery of financial plan, including operational delivery of capital investment plan	1,247	1405	Mar 23

Breakthrough Objectives 2022/23

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period
People	Well-Led	Reduce Turnover Rate to 12%	12%	12.69%	Apr 23
Patient safety & Clinical Effectiveness	Safe	Number of Deteriorating Patients with Moderate+ Harm (data runs one month behind)	TBC	TBC	TBC
Patient Access	Responsive	To achieve the planned levels of new outpatients activity	239,273	222,350	Year 22/23
Patient Experience	Caring	To reduce the number of complaints and concerns where poor communication with patients and their families is the main issue affecting the patients experience.	24	26	Apr 23
Systems	Effective	To increase the number of patients leaving our hospitals by noon on the day of discharge	33%	22.1%	Apr 23
Sustainability	Well-Led	Reduce the amount of money the Trusts spends on premium workforce spend	1004	3562	Mar 23

Constitutional Standards 2022/23

Strategic Theme	CQC Domain	Metric	Trust Target	Actual	Period
Patient Access	Responsive	Access to Diagnostics (<6weeks standard)	99.1%	89.4%	Apr 23
Patient Access	Responsive	A&E 4 hr Performance	88.3%	89.6%	Apr 23
Patient Access	Responsive	Cancer - 31 Day	Metric changes past this date, so not comparable		
Patient Access	Responsive	Cancer - 62 Day	85.0%	85.1%	Apr 23
Patient Access	Responsive	Cancer - 28 Day Faster Diagnosis Compliance	75.0%	69.7%	Apr 23
Patient Access	Responsive	To achieve the planned levels of Elective Inpatient activity	53.496	56,744%	Year 22/23

Vision Goals / Targets 2019/20

Strategic Theme	CQC Domain	Metric	Trust Target	Actual	Period
People	Well-Led	Reduce the Trust wide vacancy rate to 8%	12%	9.60%	Apr 20
Patient safety & Clinical Effectiveness	Safe	Reduction in rate of patient incidents resulting in Moderate+ Harm per 1000 bed days (data runs one month behind)	0.90	0.46	Mar 20
Patient Access	Responsive	Achieve the Trust RTT Trajectory	87%	87.31%	Feb 23
Patient Experience	Caring	To reduce the overall number of complaints or concerns each month	36	61	Mar 20
Systems	Effective	Decrease the number of occupied bed days for patients identified as no longer fit to reside (NFTR), (shown as rate per 100 occupied bed days)	3.50	13.64	Mar 20
Sustainability	Well-Led	Delivery of financial plan, including operational delivery of capital investment plan	1,871	1816	Mar 20

Breakthrough Objectives 2019/20

Strategic Theme	CQC Domain	Metric	Trust Target	Most recent position	Period
People	Well-Led	Reduce Turnover Rate to 12%	12%	12.9%	Mar 23
Patient safety & Clinical Effectiveness	Safe	Number of Deteriorating Patients with Moderate+ Harm (data runs one month behind)	TBC	TBC	TBC
Patient Access	Responsive	To achieve the planned levels of new outpatients activity	222,165	204,092	Year 19/20
Patient Experience	Caring	To reduce the number of complaints and concerns where poor communication with patients and their families is the main issue affecting the patients experience.	N/A	N/A	N/A
Systems	Effective	To increase the number of patients leaving our hospitals by noon on the day of discharge	25%	19.3%	Mar 20
Sustainability	Well-Led	Reduce the amount of money the Trusts spends on premium workforce spend	1271	1853	Mar 20

Constitutional Standards 2022/23

Strategic Theme	CQC Domain	Metric	Trust Target	Actual	Period
Patient Access	Responsive	Access to Diagnostics (<6weeks standard)	99.1%	92.3%	Mar 20
Patient Access	Responsive	A&E 4 hr Performance	95.0%	92.8%	Mar 20
Patient Access	Responsive	Cancer - 31 Day	Metric changes past this date, so not comparable		
Patient Access	Responsive	Cancer - 62 Day	85.0%	85.3%	Mar 20
Patient Access	Responsive	Cancer - 28 Day Faster Diagnosis Compliance	75.0%	75.4%	Mar 20
Patient Access	Responsive	To achieve the planned levels of Elective Inpatient activity	57,696	56,114	Year 19/20

Adoption of the 'going concern' basis

The DHSC Group Accounting Manual (GAM) requires the management of the Trust to consider the following public sector interpretation of IAS 1 in respect of applying the going concern assumption when preparing its accounts. In para 4.19 it states: "For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern". Para 4.24 states that "DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant body or DHSC sponsor of the intention for dissolution without transfer of services of function to another entity". Para 4.20 says: "A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up".

The Executive Team Meeting, Finance and Performance Committee, and Trust Board have assessed the Trust's ability to continue for the foreseeable future in the light of the GAM guidance and have prepared the 2023/24 accounts on a 'going concern' basis following consideration of the following:

- There has been no expectation raised in the public arena that healthcare services will not continue to be provided from the two hospital sites. There are no plans to dissolve the Trust or to cease services without transfer to any other NHS body.
- National NHS Provider/Commissioner Planning guidance has been issued to Integrated Care Systems by NHSE that outlines the process and framework for funding arrangements within which NHS Commissioners and Providers will operate during 2024/25. Final planning returns were submitted by Systems to NHSE in June 2024.
- The Trust will be submitting its operational plan for 2024/25 and its updated 5-year capital plan to the Kent and Medway Integrated Care Board (ICB), which manages the overall resource level within the system, in June 2024.
- The Trust is an active participant and fully engaged in financial planning with both Kent and Medway ICS/ Integrated Care Board (ICB) designated leads as well as locally within the West Kent Health and Care Partnership (HCP) locality.
- 2024/25 contracts with NHSE and Kent and Medway ICB are expected to be signed by the 14 June 2024 in line with national NHSE expectations. Regardless of the finalisation of the contract sign off process, a contract is implied and services are being provided and payments are being made to the Trust on the basis that a contract will be in place and fully executed for the full year. This is supported by the joint K&M ICS plan submission for 2024/25 which has been signed off and submitted to NHSE showing the planned intention to have contracts in place between the Trust and Commissioners. The Trust contracts will be held with the local commissioning bodies for patient care in Kent & Medway, Sussex, Surrey Heartlands and South East London. In addition, regional contracts for Specialised Commissioning, Public Health and Health and Justice will be agreed with NHSE. The planned financial regime provides certainty for income and cash flows for the full financial year 2024/25.
- The Trust does not consider that there are any material uncertainties to the going concern basis.

For these reasons, the Trust has prepared its 2023/24 annual accounts using the going concern basis in line with the GAM guidance.

Equality and performance

Public Sector Equality Duty

We are committed to delivering on the Public Sector Equality Duty by eliminating discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; advancing equality of opportunity between persons who share a relevant protected characteristic and those who do not share it; and fostering good relationships between people who share protected characteristics and those who do not.

We do this by regularly reviewing and updating our policies, developing and supporting our staff networks and ensuring that actions arising from the Workforce Race Equality Standard, the Workforce Equality Disability Standard and the Gender Pay Gap are prioritised.

Equality, Diversity and Human Rights

The Trust is committed to creating a diverse and inclusive environment where all our staff, patients and service users can be themselves. Control measures in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. We have an EDI strategy in place and associated action plan which is monitored through a Trust EDI project and overseen by the EDI Steering Group. Linked into this is the delivery of the NHS England High Impact Actions as set out in the EDI Improvement Plan.

Equality of service delivery

MTW have continued to develop our approach to understand and reduce health inequalities. We have profiled patients accessing various categories of care (emergency, elective, day case and outpatient) by factors of age, sex, ethnicity and deprivation (using indices of their area of residence). These profiles were then compared to what would have been expected from MTW's local population and the themes identified to focus the Trusts health inequalities work plan. These themes are age, sex, ethnicity and deprivation.

Activities the Trust is undertaking to promote equality of service delivery

The Trust has focussed on identifying and targeting 'at risk' populations in conjunction with partner organisations including NHS Kent and Medway, local government organisations and the voluntary sector to reach and discuss the challenges with local communities. In addition, we have developed the plan to implement a 5-lens approach as outlined last year which are:

More equal outcomes

- Utilising teachable moments
- Work with charities and social enterprises
- Parity in physical and mental health
- Tackling inequalities with staff.

An MTW Patient Experience Strategy is in development and is due to be finalised by May 2024. It will include a focus on capturing qualitative data on health inequalities. To date the team have analysed existing patient feedback and complaints and conducted an online survey with a local population of patients, carers and staff, including vulnerable groups such as veterans and the deaf community.

The Chief Nurse has recently established a corporate project that will deliver a Mental Health Strategy for the Trust.

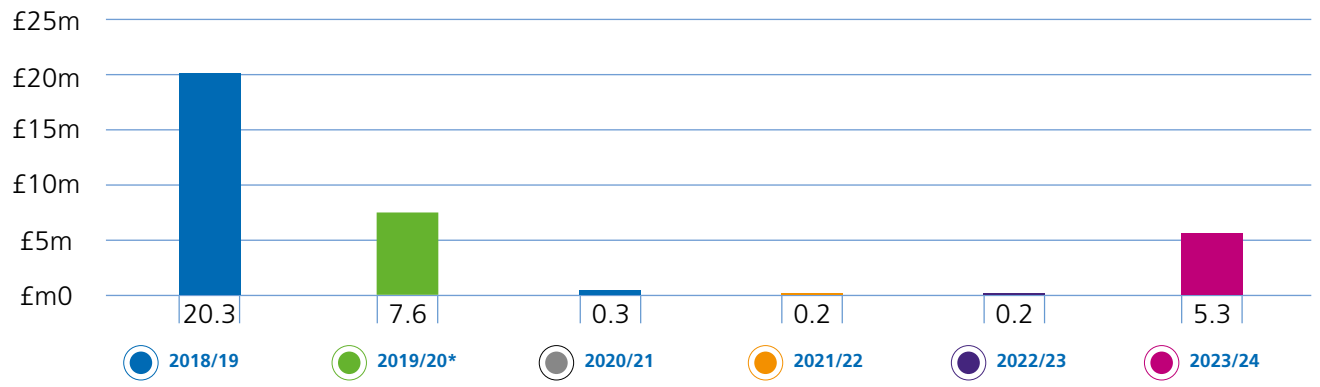
Two strategies in particular seek to support our staff and offer solutions to address inequalities. These are the Our People Our Culture and strategies and they identify three main programmes of work, staff engagement and growth; equality, diversity and personalisation; and health and well-being. As part of the equality, diversity and personalisation programme the organisation is prioritising monitoring and setting targets to reduce the WRES, WDES and gender pay gaps.

The Trust is collaborating with partners across the West Kent Health and Care Partnership (HCP) to identify and reduce health inequalities as identified in the refreshed Joint Strategic Needs Assessment for West Kent. Areas of joint focus have continued to be young persons' mental health and attendances in Emergency Departments, a community larder and staff food bank and falls.
A partnership with the voluntary sector has seen patients with mental well-being needs and those requiring broach social support supported in our Emergency Departments and on their discharge from hospital.

Financial performance

For the financial year 2023/24 the Trust reported a surplus of £5.3m, which was £4.2m adverse to plan. The position was agreed with Kent and Medway ICB and NHS England. The Trust's reported finance performance is shown for the last six years in the graph below. The Trust has now delivered a surplus position for the last six years in succession.

Reported Financial Performance: Surplus /deficit



*In 2019/20 there was an additional £0.7m of post PSF allocation related to 2018/19 which accounted for in 2019/20 but deducted for financial performance measures

The table below shows a trend of the Trust's financial position over the last six years.

Statement of Comprehensive Income	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Income	473.2	513.1	564.2	623.9	680.3	740.6
Operating expenses	(450.5)	(491.8)	(550.3)	(591.4)	(661.4)	(736.1)
Operating surplus / (deficit):	**22.7**	**21.2**	**13.9**	**32.5**	**18.9**	**4.5**
Finance income	0.2	0.3	0.0	0.0	0.7	1.4
Finance expense	(15.8)	(15.7)	(14.7)	(14.5)	(16.3)	(50.5)
PDC dividend charge	(0.7)	(0.6)	(1.3)	(3.4)	(5.1)	(3.1)
Net finance costs	**(16.3)**	**(16.1)**	**(16.0)**	**(17.9)**	**(20.7)**	**(52.2)**
Other gains / (losses)	13.5	0.1	0.0	0.0	0.0	(0.1)
Surplus / (deficit) for the year before technical adjustments	**19.9**	**5.2**	**(2.1)**	**14.5**	**(1.7)**	**(47.8)**
Technical adjustments	0.4	2.4	2.4	(14.3)	1.9	53.1
Surplus / (deficit) for the year after technical adjustments	**20.3**	**7.6**	**0.3**	**0.2**	**0.2**	**5.3**

The Trust received income of £740.6m in 2023/24 and incurred £736.1m of operating expenses which produced an operating surplus of £4.5m. The Trust had net financial costs of £52.2m which was made up of financial income of £1.4m and finance expenses of £50.5m and PDC dividend charge of £3.1m. The finance expenses were significantly higher than previous years as a result an increase in impairments and the impact of the remeasurement of the PFI under principles of IFRS 16. The remeasurement is explained further in the accounting issues section below. After other losses of £0.1m this gave a deficit of £47.8m, however the performance position was adjusted by technical adjustments of £53.1m which resulted in a £5.3m surplus. The technical adjustments included the impairments and the remeasurement of the PFI.

Income

The Financial regime for 2023/24 has changed to a contract value with fixed and variable tariff elements. The Trust has a contract on National Standard Terms and Conditions and has operated in line with national guidance. The variable tariff element gave the Trust the opportunity to receive additional income directly related to additional elective activity.

The Trust's income was £740.6m which mainly consisted of patient care income of £680.0m from other NHS organisations.

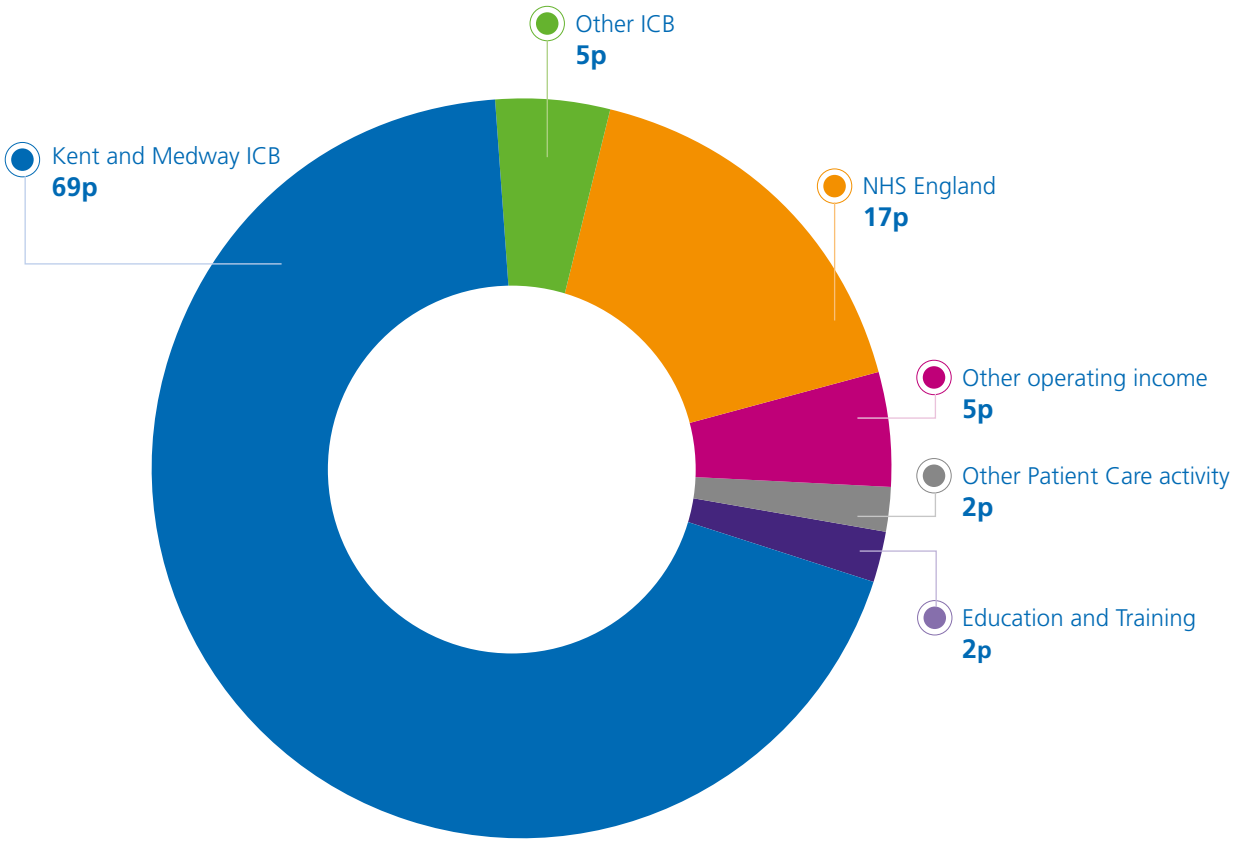
The majority (91%) of the Trust's income is from Integrated Care Boards or NHS England. The contracts were uplifted from previous years to reflect inflation and the pay award in line with national guidance. The Trust received £511.9m from Kent and Medway Integrated Care Board, this included additional funding for the West Kent Community Diagnostic Centre £8.6m, elective activity overperformance against the variable tariff £7.4m and £4.1m support for the costs of industrial action that took place during 2023/24. The Trust contract value for Covid support including testing was £4.6m.

There is a further £8.8m of patient care income from other sources such as local authority, overseas visitors and private patients. The Trust received £51.8m other income, including Education and Training £17.7m, provision of services to other NHS organisations £19.4m, provision of services to other public sector organisations £6.7m, commercial activities such as car parking, catering and accommodation rental £4.2m, and Research and Development £1.8m.

In October 2023 the Trust became the host for the Kent and Medway Pathology Network which increased income and expenditure by £1.5m. This is funded from organisations within Kent and Medway Integrated Care System.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Income - Patient Care Activity	(396.9)	(448.3)	(490.7)	(573.5)	(625.5)	(680.0)
Op Inc from Pat Care Activity	(6.9)	(7.2)	(5.4)	(7.4)	(8.1)	(8.8)
Other Operating Income	(68.7)	(56.7)	(59.1)	(40.7)	(46.9)	(51.8)
Total Income	**(472.4)**	**(512.2)**	**(555.1)**	**(621.5)**	**(680.5)**	**(740.6)**

Where each £1 comes from



Operating expenses and finance costs

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m
Pay - Medical	83.4	94.0	102.3	109.0	116.5	134.1
Pay - Nursing	78.0	83.6	90.9	99.4	113.8	118.7
Pay - Other Clinical and support to Clinical	69.2	78.3	88.3	100.5	119.9	127.0
Pay - Non-Clinical staff	39.1	43.6	47.3	50.5	57.3	58.4
Pay - Other	1.0	0.5	14.1	15.3	17.0	18.5
Pay Total	**270.7**	**299.9**	**342.8**	**374.6**	**424.5**	**456.7**
Clinical Negligence	18.6	17.6	19.1	18.9	18.5	19.1
Drugs & Medical Gases	52.8	55.0	52.9	60.7	68.4	73.0
Premises	23.9	26.3	31.7	37.4	31.4	32.9
Purchasing healthcare from non-NHS	3.8	15.8	6.4	20.1	22.6	23.0
Clinical Supplies and services	36.6	37.0	46.0	46.2	42.8	49.5
Other Non-Pay, Finance Costs and Impairments	47.6	43.6	53.6	33.6	50.9	109.4
Depreciation	13.0	13.0	13.8	17.8	23.7	26.1
Total Expenditure	**467.0**	**508.2**	**566.3**	**609.3**	**682.8**	**789.7**

Pay

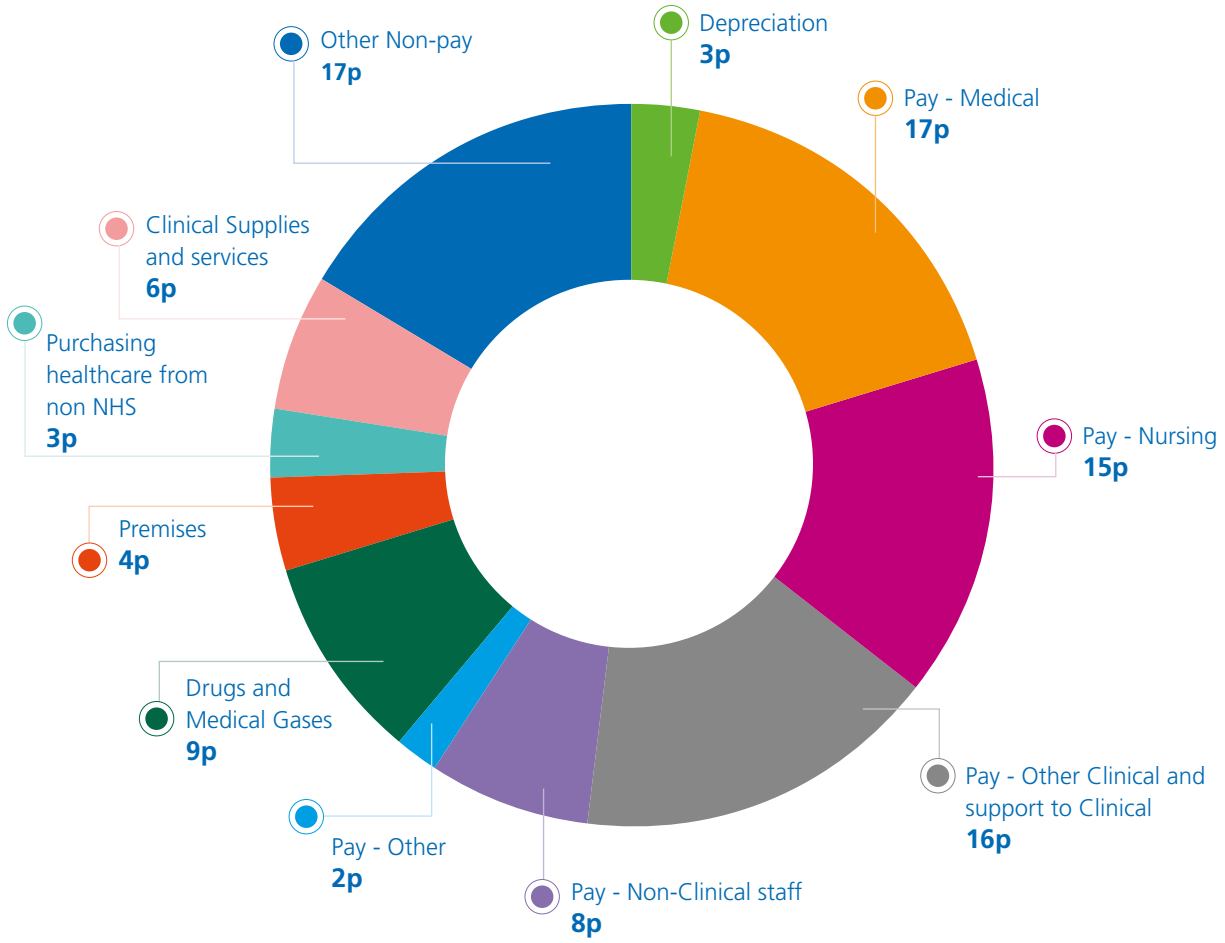
The Trust's expenditure in 2023/24 was £789.7m, the majority of the spend was on pay costs which were £456.7m in total. This was an increase of £32.2m compared to the previous year, £19.1m relates to pay inflation and the cost of industrial action was £3.2m. The rest relates to the increase in both substantive staff and use of temporary staffing. The Trust has recruited additional staff to reduce vacancy levels and to support new services such as the Community Diagnostics Centre and the Kent and Medway Orthopaedic Centre which opens at the start of 2024/25. Agency spend reduced by £10m from £27m in 2022/23 to £17m in 2023/24 this was achieved from Corporate Objective to reduce spend on agency. However, there were increases in bank temporary staffing of £6.2m. Pay other in 2023/24 was £18.5m which included £16.9m pension cost employer contributions (6.3%) paid by NHS England on the Trust's behalf and £1.6m apprenticeship levy.

Non-Pay

The Trust spend was on drugs (£73.0m) which increased by £4.6m in line with activity increases in both elective and non-elective activity as well as chemotherapy and radiotherapy.

There was a significant increase in other non-pay, finance costs and impairments of £58.5m compared to the previous year. This was mainly driven from an increase in impairments of £23.6m and increase in finance costs of £34.3m related to the change in accounting for PFI liability remeasurement. The increase in impairments included £15.1m impairment of the Kent and Medway Orthopaedic Centre (asset under construction); the rest was linked to other valuation changes for land and property. The increase in finance costs was the impact of the remeasurement of the PFI under the principles of IFRS 16 in measuring finance liability obligations. This is explained further in the accounting issues section of this report. The impairment and PFI remeasurement are both treated as technical adjustments and removed from the financial performance of the Trust.

How each £1 is spent

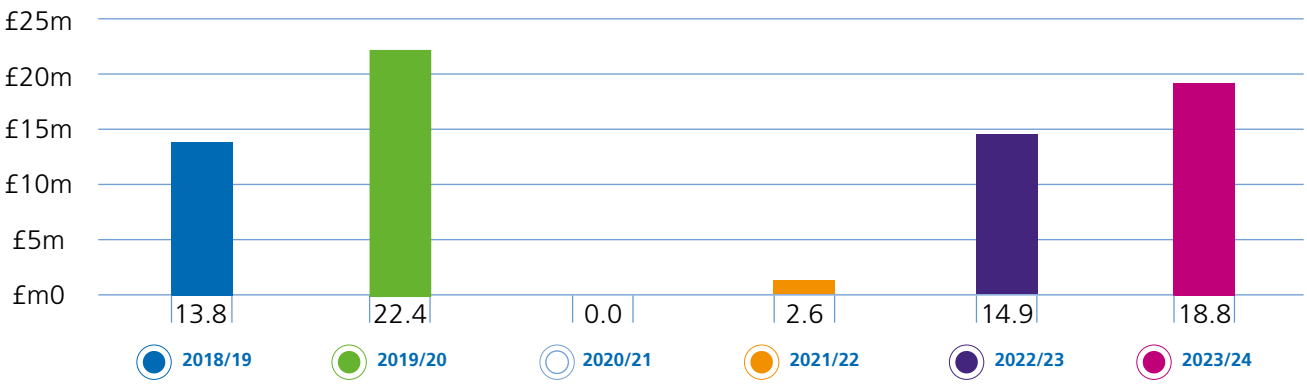


Cost Improvement Programme (CIP)

The Trust had an external (NHSE) savings target for 2023/24 of £33.3m. The Trust delivered savings of £18.8m which was £14.5m adverse to plan. However, this is an increase on previous year delivery which has been low since the Covid-19 period and is now seeing a return to previous levels.

CIP schemes included closing escalation wards from improvements to patient flow, change to MRI provision, reductions in agency usage, reductions in outsourced diagnostics, energy rebate and other procurement savings and improvements to income recording.

CIP Delivery



Capital expenditure including IFRS 16 capitalised leases

During the year the Trust made gross capital investments of £73.3m, comprising £62.5m of purchased and donated capital, and £10.8m of IFRS 16 remeasurements of existing leases (for inflationary uplifts and rent reviews) and new leases.

Purchased and Donated Capital

Significant elements of the capital programme in 2023/24 were:

- £26.8m – for the development of the Kent & Medway Orthopaedic Centre sited at Maidstone Hospital. This is an asset in construction at the end of 2023/24 with an anticipated completion date of May 2024. In 2023/24 the majority of these costs were financed from national funding following NHSE/DHSC approval of the Outline Business Case in December 2022, with the remaining costs funded from internal resources.
- £11.1m of national funds provided for the purchase of the Fordcombe Hospital at Tunbridge Wells, relating to the acquisition of the Fixed assets (£5.78m) and Goodwill (£4.2m) as part of the business acquisition, together with £1.1m of IT and Digital connectivity assets.
- £3.7m – related to the continuing development of the Community Diagnostic Centre including build and equipment elements. This was funded by a combination of national and system resources in .. 2023/24.
- £5.0m on completion of Phase 3 of the Hyper Acute Stroke Unit developments at Maidstone Hospital. This was financed by ICS system funding.
- £4.27m of estates developments, including Maidstone Hospital backlog schemes (£1.94m), Lifecycle works for Tunbridge Wells Hospital of £1.38m (provided through the PFI contract), and Trust wide enabling works e.g. to install new equipment (£0.59m), and additional LED schemes (£0.35m) funded from national capital.
- £3.88m of medical equipment replacement including interventional radiology equipment, mobile x rays, endoscopic and other ultrasound machines, image intensifiers, pathology benches, bladder scanners and a faxitron machine. £1.4m of this was funded from internal sources, with an additional £1.49m from national programme capital sources, £0.8m provided by the local Integrated Care System (ICS) from slippage elsewhere in the system, and £0.2m from Charitable funds.
- £1.8m of internally funded IT storage, infrastructure and networking replacements, and replacement devices.
- £5.8m of national funds relating to Digital Diagnostic (Digital pathology of £2.98m); Front Line Digital systems (£2.76m); and cyber security.

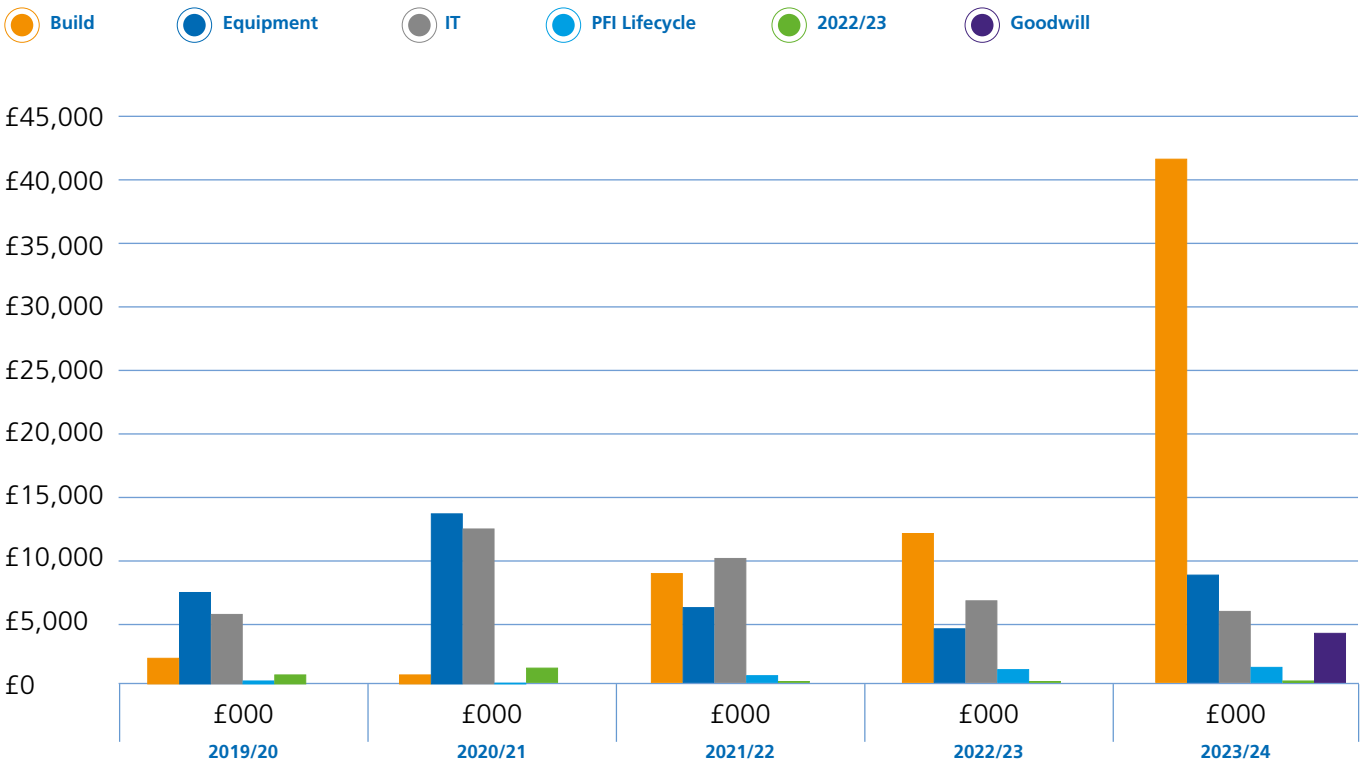
IFRS 16 Leased Capital

The Trust reported IFRS 16 capitalisations and remeasurements of £10.84m at year end. The most significant elements were:

- Fordcombe Hospital property lease – the Trust purchased the lease as part of the overall acquisition of the former Spire hospital business. The capitalised cost of the lease liability was £5.39m.
- Additional offsite office accommodation, including an additional Unit on the Hermitage Court site – capitalised value £0.63m.
- £4.69m of lease remeasurements resulting from rent reviews of existing leases – the most significant elements were £1.46m for 32 High St Pembury (staff residences);

£1.58m for Springwood Road Maidstone staff residences (Block B); £0.42m relating to Springwood Road, Block A, residences; and £0.54m for inflation increase on the Trust printer/copier equipment lease.

Capital expenditure trends: By financial year and type



The table above shows the growth in the Trust's capital spending over the last five years, as the result of significant amounts of national capital programme funding. The mix of spend over the period has changed – the replacement of significant diagnostic and radiotherapy equipment in the middle years, together with the additional ICU related Covid-19 capital, was a key focus for investment, as was the implementation of the Electronic Patient Record (EPR) IT system.

More recently there have been developments in additional modular buildings, e.g. Short Stay Surgical Unit and Paediatric Emergency Department units at Tunbridge Wells Hospital, and Oncology Outpatients, the Hyper Acute Stroke Unit and the Community Diagnostic Centre on or close to the Maidstone sites, together with the currently in construction Kent and Medway Orthopaedic Centre. In addition, the Trust has purchased the Fordcombe hospital in 2023/24 with building refurbishment elements in its fixed assets. This acquisition has also generated a Goodwill intangible asset, which is new in 2023/24.

Balance Sheet trends

The following table sets out the trend over five years of the Trust's borrowing obligations, both current and non-current (long-term), including IFRS 16 liabilities which only become applicable in 2022/23, and with the IFRS 16 application to measuring the PFI liability remeasurement that was implemented in 2023/24.

Borrowing costs	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Current loans - DHSC	27,768	985	983	983	970
Current capital loan - Salix	443	443	461	376	107
Current IFRS 16 Lease Liabilities	n/a	n/a	n/a	4,942	5,024
Current PFI contract obligation	5,349	5,402	5,688	5,992	10,757
Long term loans – DHSC	6,406	5,432	4,458	3,484	2,520
Long term capital loan - Salix	1,300	949	571	195	88
Long term IFRS 16 Lease Liabilities	n/a	n/a	n/a	56,495	62,006
Long term PFI contract obligation	182,173	176,771	171,082	165,091	263,738
Total borrowing obligations	**223,439**	**189,982**	**183,243**	**237,558**	**345,210**

Over the three-year period 2019/20 to 2021/22 the Trust's borrowing obligations reduced by £40.2m. This was mostly driven by a reduction in DHSC loans, both capital loans that have matured, and the settlement of previous working capital loans.

In 2022/23 the accounting for leases changed in the NHS, with the implementation of IFRS 16 requiring leases with a life longer than one year, and an underlying asset value of £5k or more, to be capitalised rather than the prior accounting which led to many of these leases being treated as revenue costs. The conversion of the initial leases plus additional leases taken on during the year increased the lease liabilities by £61.4m. This value has increased year to year by a further £5.6m, principally driven by rent review increases that append to a number of the arrangements (e.g. annual indexation with RPI). The terms of the leases range from 2 years to 43 years.

In 2023/24 there has been a further impact of IFRS 16 principles, in terms of remeasuring the finance liabilities associated with PFI obligations. This accounts for the significant increase in the longstanding PFI liabilities between years of £103.4m. It needs to be stated that the PFI contract has not changed, and the cash payments would be the same under either accounting regime. But the change of approach has increased the finance liabilities on the balance sheet.

The working capital cycle trend is shown in the table on the next page. The Trust has managed in recent years to generate sufficient liquidity through management of its working capital to avoid requiring any revenue support from DHSC, and has held larger than planned cash balances at year end. This has been accompanied by significant improvements in its Better Payment Practice Code performance.

In 2023/24 the Trust ended the year with an increase in capital creditors compared to March 2023 (increase of c. £3.5m) which accounts for a higher cash balance at year end. There was also in increase to both receivables and payables from an increase in the additional pension fund payments made by NHSE (£1.6m). The cash cycle total has nonetheless reduced over the period and is trending downwards. This indicates that cost improvement measures are delivering less than planned cash savings, and the liquidity situation may become tighter for the Trust if this trend is not reversed.

Working Capital	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Inventories	8,893	9,988	9,158	9,249	9,823
Receivables	35,156	16,812	28,670	36,283	33,241
Payables	(38,944)	(48,934)	(45,734)	(54,276)	(58,010)
Cash	3,355	26,221	11,838	7,975	11,985
Total working capital cycle	**8,460**	**4,087**	**3,932**	**(769)**	**3,501)**

The Trust's statutory (i.e. legal) duties

As an NHS Trust, the organisation has a number of statutory financial duties, which are explained below.

External Finance Limit (EFL)

The Trust is required to demonstrate that it has managed its cash resources effectively by staying within an agreed limit on the amount of cash it can borrow and spend. In 2023/24 the Trust met its target with a year-end position balanced to its planned EFL of £18m.

Capital Resource Limit (CRL)

The Trust is expected to manage its capital expenditure within its agreed capital resource level (CRL). The CRL includes the capitalised IFRS 16 additions and remeasurements. The Trust's overall charge to the CRL for 2023/24, after adjustments for donated assets and disposals, was £71.78m (2022/23 £35.61m). This was in line with the Trust CRL including the additional national resource provided to cover the acquisition of the Fordcombe Hospital at Tunbridge Wells.

The following table shows the trend on CRL levels over the previous five years including 2023/24:

Capital Resource Trends	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Charge against CRL	16.0	32.0	26.2	35.6	71.8
Capital Resource Limit	16.2	32.4	26.6	36.8	71.8
Under/(Over) spend against CRL	0.2	0.4	0.4	1.2	0.0

The Trust has consistently remained within its Capital Resource Limit.

Break-even duty

Each NHS Trust has a statutory duty to break-even taking one year with another, measured as the Income and Expenditure position adjusted for specific technical exclusions. This duty is formally measured over a three-year period or a five-year period if agreed with the Department of Health and Social Care.

The Trust's last formal three-year break-even cycle commenced in 2013/14 and was not met by the end of the period in 2015/16. The Trust has achieved break-even duty surpluses in each of the last six financial years. The Trust is not in any financial recovery regime relating to its historic accumulated deficit.

The Trust reported a surplus of £8.32m for 2023/24 against the break duty, after technical adjustments for the PFI costs that are not counted against break even duty.

The table below shows the break-even duty trend for the last 6 years. Since the Trust's last posted a deficit position in 2017/8, the cumulative break-even position has been reduced by 64%, and its percentage of operating income has reduced to close to 2.8%.

Break-even duty performance	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Break-even duty in-year	20,324	7,587	330	231	678	8,323
Break-even duty cumulative position	(37,946)	(30,359)	(30,029)	(29,798)	(29,120)	(20,797)
Operating income	473,169	513,056	564,196	,891	680,301	740,565
Cumulative break-even percentage of operating income	(8.0%)	(5.9%)	(5.3%)	(4.8%)	(4.3%)	(2.8%)

Accounting Issues

The Accounts have been prepared in accordance with guidance issued by the Department of Health and Social Care and in line with International Financial Reporting Standards (IFRS) as applied in the Department of Health and Social Care Group Accounting Manual. The accounts were prepared under the "Going Concern" concept in line with the Department of Health and Social Care Group Accounting Manual requirements for management consideration. This has been set out in the "Overview" section above.

The main accounting change in 2023/24 was the implementation in the DHSC GAM of a change to PFI accounting in line with the principles of IFRS 16 in measuring and remeasuring finance liability obligations. The impact on the finance liabilities is to increase the restated carrying values (see Balance Sheet discussion above) and to reset the finance interest charge. There is no change to the cash value of the overall Unitary Charge payments under the contracts, and no change to the service charge or the lifecycle elements – the accounting allocates the charge in a different way following the accounting policy change impacting on the finance lease liability and finance interest charge. More information on this is set out in the notes to the accounts.

External Auditors

The Trust's External Auditors are Grant Thornton UK LLP. Their charge for the year was £135,875 excluding VAT (in 2022/23 this was £125,000 excluding VAT). Grant Thornton UK LLP did not undertake any non-audit work for the Trust in 2023/24.

The Audit and Governance Committee reviews the independence and effectiveness of the audit process with feedback questionnaires to each member of the Committee each year. The outcomes of these assessments are discussed with the External Auditors. A separate Auditor Panel, comprising the AGC members, reviews the approach to External Audit contracts, including retenders and appointments of the auditors. An additional one-year contract was agreed with Grant Thornton to cover the financial year 2024/25, in view of an intention by the Kent and Medway ICS to undertake a joint system tender process during 2024/25 for appointment of Auditors for 2025/26 onwards.

Looking forward to 2024/25

The Trust has gone through a business planning process including a financial plan. The Trust will have signed contracts in place for the provision of healthcare services in 2024/25. The Trust contracts will be held with the local commissioning bodies for patient care in Kent & Medway, Sussex, Surrey Heartlands and South East London. In addition, regional contracts for Specialised Commissioning, Public Health and Health and Justice will be agreed, signed and effective from April 2024 with NHS England. The planned financial regime provides certainty for income and cash flows for the full financial year 2024/25. The contracts continue the variable element linked to elective activity that was introduced in 2023/24.

The Trust is planning to deliver a break-even position in 2024/25. There is a Cost Improvement Programme of £37.3m and a contingency of £1.2m. The plan includes increased funding for inflation and growth. The plan also reflects the additional income and expenditure related to the opening of the Kent and Medway Orthopaedic Centre, the Hyper Acute Stroke Unit and the acquisition of the Fordcombe Hospital.

Statement of Comprehensive Income	2024/25 (plan) £m
Income	774.1
Operating expenses	(749.2)
Operating surplus / (deficit):	**24.9**
EBITDA%	**3%**
Finance income	1.3
Finance expense	(29.1)
PDC dividend charge	(3.7)
Net finance costs	**(31.5)**
Other gains / (losses)	0.0
Surplus / (deficit) for the year before technical adjustments	(6.6)
Technical adjustments	6.6
Surplus / (deficit) for the year after technical adjustments	**0.0**

Capital allocations and expenditure are managed at the ICS system level. For 2024/25 the Trust's agreed initial control total, excluding IFRS 16 leases, is £19.41m comprising £9.28m of internally generated and financed resource and £10.13m of system PDC relating to the Community Diagnostic Centre – CDC (£2.13m), the Cardiology ward refurbishment at Maidstone Hospital (£3m), and £5m of additional capital earned by the Trust under the winter incentive scheme (for achieving urgent and emergency care targets). In addition, the Trust will be given resource cover for the contractually committed PFI Lifecycle costs (£1.58m). The Trust's plan also includes £0.65m of national funding related to an ICS wide Digital Pathology project and £1.9m for the CDC. The Trust also anticipates within its plan the final tranche of national funding for Frontline Digitilisation projects (£2.79m) which will be subject to final approval during the year. The total planned purchased and donated capital programme for 2024/25 is a total of £26.53m.

The Trust has also included £25.46m of in-year IFRS 16 lease capital resource to cover planned additions (£22.1m) and remeasurements arising from rent reviews or the application of contractual rent uplifts (£3.36m). This is subject to approval and confirmation of this element of the financial regime in terms of final ICS allocations for 2024/25. The most significant element of the additions is the initial lease capitalisation of the Kent and Medway Medical School Accommodation building (£16.5m) on the TWH site that the Trust will recognise under IFRS 16 when it becomes available for use.

Research and Innovation

2023/24 was a very busy year for research and innovation at MTW with over 80 studies open, delivering benefits for patients and staff. The focus during the year was on developing and embedding specialist research teams into services, whose role was to deliver trials and develop research opportunities within clinical settings.

Specialist research teams were developed to support the Digestive Diseases Unit (DDU), Cardiology and Stroke services. The DDU research team supported a number of new studies, including an AI-assisted endoscopy study and the new Cancer Vaccine Launchpad Programme (CVLP), which opened on 20 December 2023. The CVLP is a national programme with the primary objective to identify and recruit cancer patients who might be suitable for personalised cancer vaccine trials.

The programme aims to accelerate development of personalised cancer vaccine treatment by providing a standardised, high quality, expanded standard of care pathway for tumour molecular analysis and sequencing incorporating elements of the NHS Genomic Medicine Service. Set up in a phased approach, the CVLP currently supports one cancer vaccine clinical trial (colorectal cancer patients) and is likely to add additional trials during 2024.

Thanks to the successful integration of research and stroke service staff, stroke research is thriving with more patients recruited to trials in the first six months of 2023 than in the previous year. There are six studies open all most are headed up by stroke therapists and nursing staff.

The cardiology research team has successfully opened trials and has dipped its toe into the world of innovation by working with local industry to investigate new innovative approaches to diagnostics.

The Research and Innovation Department has increased its adoption of technological solutions to support research delivery. Research staff teamed up with a specialist software company to showcase MTW to a wide range of research sponsors and commercial companies across the UK and Europe. Boosting MTW's presence in the commercial research sphere has resulted in a number of invitations to join commercial partners in research development and delivery.

Throughout the year, the research staff held a number of meetings with providers of research management software to facilitate the move to paper-free research management. Work has been underway to future-proof the MTW's research function to address the rapid changes in the UK research eco-system. Moving to a cloud-based electronic research management system will allow efficient study set up, recruitment of patients and overall trial management. The aim is to have a system approved and in place mid-2024.

MTW welcomed a new Innovation Manager to the Research and Innovation Department in January 2024. The appointment will cultivate an environment that fosters creative thinking, accelerates the creation, development, and adoption of new ideas, and streamlines the translation of research discoveries into tangible healthcare solutions. Following this appointment MTW is working on nine innovation projects with local industry and academia.

An increasing number of MTW staff are designing their own research projects and collaborating with external partners in academia and industry. Throughout the year collaborations were agreed and projects designed involving staff from respiratory, general surgery, critical care and pathology services.

Sustainability

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and long term even in the context of the rising cost of natural resources. The commitment to this agenda was reaffirmed in the NHS Long Term Plan with clear targets on carbon and air pollution. Demonstrating that we consider the social, economic and environmental impacts ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

Task Force on climate related financial disclosures (TCFD)

The Trust has considered the Task Force on climate related financial disclosures (TCFD) and is working towards compliance of the tiers as evidenced in this report.

The Trust has considered:

- The governance around climate related risks and opportunities
- The strategy of actual and potential impacts of climate related risks and opportunities for the Trust
- Financial planning where this is material
- Risk management: how the Trust identifies, assesses and manages climate related risk; metrics and targets and how they are used to assess and manage climate related risks and opportunities as such information is material

In order to fulfil our responsibilities, Maidstone and Tunbridge Wells NHS Trust has the following sustainability mission statement located in our Green Plan:

"The provision of Sustainable and Resilient Healthcare and Buildings to ensure Healthy People and Places in Maidstone and Tunbridge Wells NHS Trust".

As the largest public sector emitter of carbon emissions, the health system has a duty to respond to meet the targets which are documented in law.

Policies and the Board's Oversight (including Task Force of climate related financial disclosures (TCFD)

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

One of the ways in which we embed sustainability is through the use of a Green Plan within the Trust. Our Green Plan has been reviewed in the last 12 months and approved by the Trust board in July 2023. We have established a Green Committee to drive our sustainability performance - the committee is representative of all departments and services and is led by a member of the Trust Executive. In addition to this we have established a Green Champions network to delivery our sustainability messaging within the Trust and to help support sustainability initiatives.

We also recognise that our procured services have a substantial sustainability impact. Part of the tender process identifies the key elements of every product to ensure that it is suitable for the Trust. The Trust also requires suppliers to confirm that the products adhere to the NHS terms and conditions. This ensures compliance with the environmental and sustainability requirements.

Our statement on Modern Slavery is that the Trust uses NHS terms and conditions. The Modern Slavery act is included within these terms and Conditions and suppliers must confirm they comply as part of any contract they sign with us.

We comply with the Public Services (Social Value) Act by ensuring that at least 10% of our tenders relates to social and environmental impact of the services being procured. If they are critical to that service, then they will be included within the KPI's for ongoing monitoring and management.

We are proud to have recruited a sustainability / net zero buyer to our procurement team who will take a lead in ensuring that all procured services deliver value for money and align to our net zero trajectory and commitments.

As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff and encouraging all members of the organisation to act in a sustainable manner.

Adaptation

Climate change brings new challenges to our organisation, both in direct effects to the healthcare estate and to patient health. Examples of recent years include the affects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. Our board approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events.

Events such as heatwaves, cold snaps and flooding are expected to increase as a result of climate change. To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies.

Green Space and Biodiversity

The Trust recognises that its grounds and green spaces are an asset, both due to the natural environment that they represent as a habitat and ecosystem and as a resource for local communities to utilise and enjoy.

We also continue to work with a wide range of volunteers and partners to provide spaces within the hospital grounds where patients and visitors can access non-clinical environments to improve mental and physical wellbeing.

Partnerships

The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms.

For commissioned services the ICB's that we engage with are NHS Kent and Medway ICB and NHS East Sussex ICB.

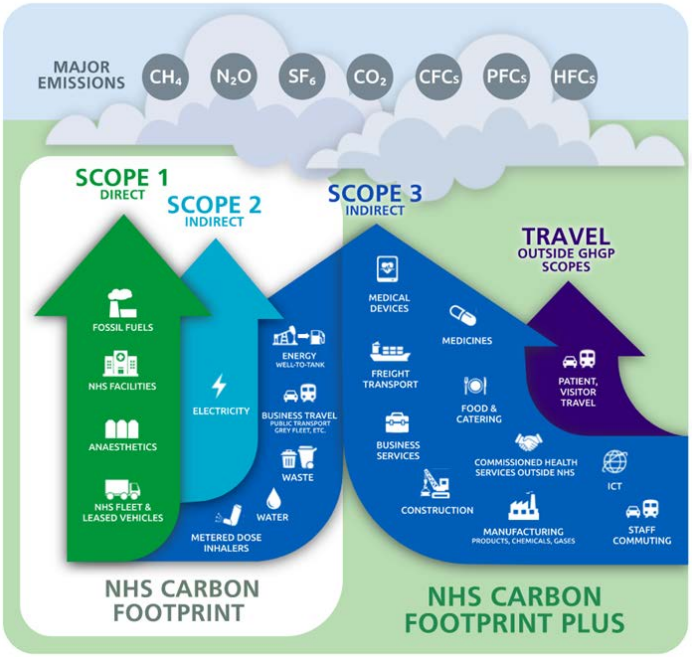
Performance

Organisation

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and is still on-going. In the last year the Trust has continued to remodel and commission new areas which has resulted in a continually expanding operational footprint.

Context info	2007/08	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Floor Space (m2)	109,896	138,533	138,533	138,533	138,533	134,083	133,111	134,371	135,396	152,187
Number of Staff	3,969	4,678	5,130	5,022	5,153	5,313	5,866	6,220	6,626	7,160

The NHS has responded to the amended Climate Change Act by committing to be net zero by 2040 for the emissions that are directly controlled (called the NHS carbon footprint) and to be net zero by 2045 for the emissions that are influenced, called the NHS carbon footprint plus.



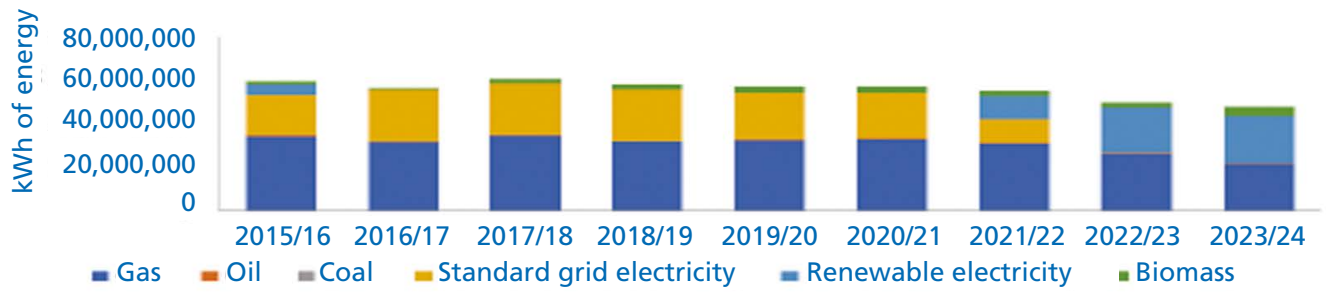
Energy

Managing energy is one aspect of reducing carbon emissions. Maidstone and Tunbridge Wells NHS Trust has spent £4,722,459 on energy in 2023/24, which is a 1% decrease on energy spend from last year. We have been able to now see benefits from our procurement options and have been fortunate to be sheltered from the worst of the market fluctuations.

Resource		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Gas	Use (kWh)	34,139,781	31,605,108	34,671,340	31,855,591	32,475,249	32,920,550	30,821,471	25,991,178	21,310,743
	tCO_2e	6,284	5,804	6,385	5,860	5,971	6,053	5,645	4,735	3,898
Oil	Use (kWh)	635,116	532,926	313,362	280,800	273,640	224,294	521,694	346,712	448,146
	tCO_2e	172	147	86	78	70	58	134	88	115
Coal	Use (kWh)	0	0	0	0	0	0	0	0	0
	tCO_2e	0	0	0	0	0	0	0	0	0
Standard Grid Electricity	Use (kWh)	18,564,756	23,456,861	23,799,662	23,661,820	21,578,000	21,452,491	10,917,054	0	0
	tCO_2e	10,673	9,748	8,319	6,482	5,515	5,001	2,318	0	0
Renewable Electricity	Use (kWh)	4,892,105	0	0	0	0	0	10,437,727	21,505,961	21,866,712
	tCO_2e	0	0	0	0	0	0	0	0	0
Biomass	Use (kWh)	1,301,508	1,092,859	2,044,204	2,362,000	3,029,000	2,701,000	2,677,000	2,055,000	4,435,200
	tCO_2e	14	12	22	25	32	28	28	22	47
Total Energy kWh		58,231,758	55,594,895	58,784,364	58,160,211	57,355,889	57,298,335	55,374,946	49,898,851	48,060,801
Total Energy tCO_2e		20,833	19,062	17,838	14,934	11,556	11,112	8,097	4,823	4,013
Total Energy Spend		£3,919,681	£3,835,790	£4,535,611	£4,912,381	£4,762,269	£4,263,339	£7,025,269	£4,762,269	£4,722,459

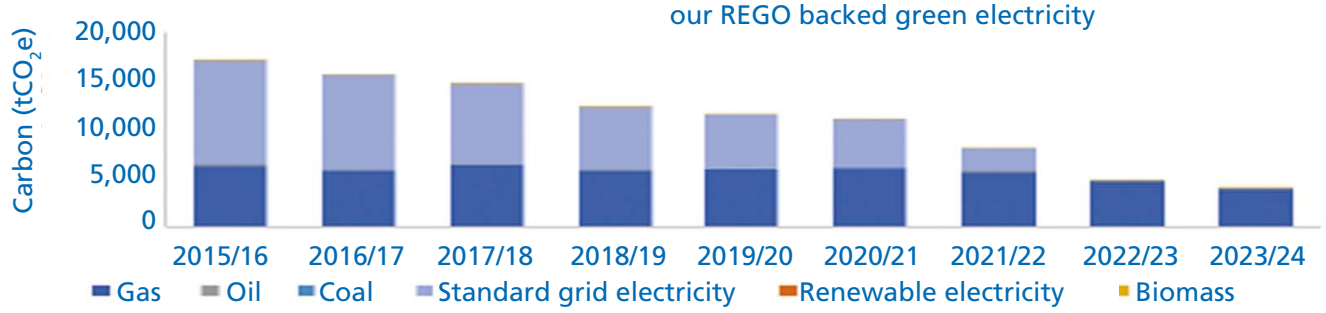
The Trust has moved to a 100% renewable energy contract for electricity, allowing us to report a zero emissions factor for electricity used since 1st October 2021.

Total energy use by type



Carbon emissions - energy use

We are reporting market based emission factors for our REGO backed green electricity



The Trust has continued to drive down energy consumption with an overall reduction of 4% in total energy consumption against last year. This has been largely led by a further decrease in gas consumption, coupled with increase in biomass and oil use, which are less carbon intensive when compared to gas use.

Paper

The movement to a Paperless NHS can be supported by staff reducing the use of paper at all levels, this reduces the environmental impact of paper, reducing cost of paper to the NHS and can help improve data security. The paper consumption has significantly decreased in 2023/24, the volume of paper used this year decreased by 10% against the previous year.

Paper		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Volume used	Tonnes	61	90	62	68	48	80	72
Carbon emissions	tCO2e	58	85	58	64	45	75	68

Travel

We can improve local air quality and carbon emissions through the way we design travel and our services. We have a clear policy on healthy travel for our organisation and we promote healthy and sustainable travel to our stakeholders (staff, patients and the public).

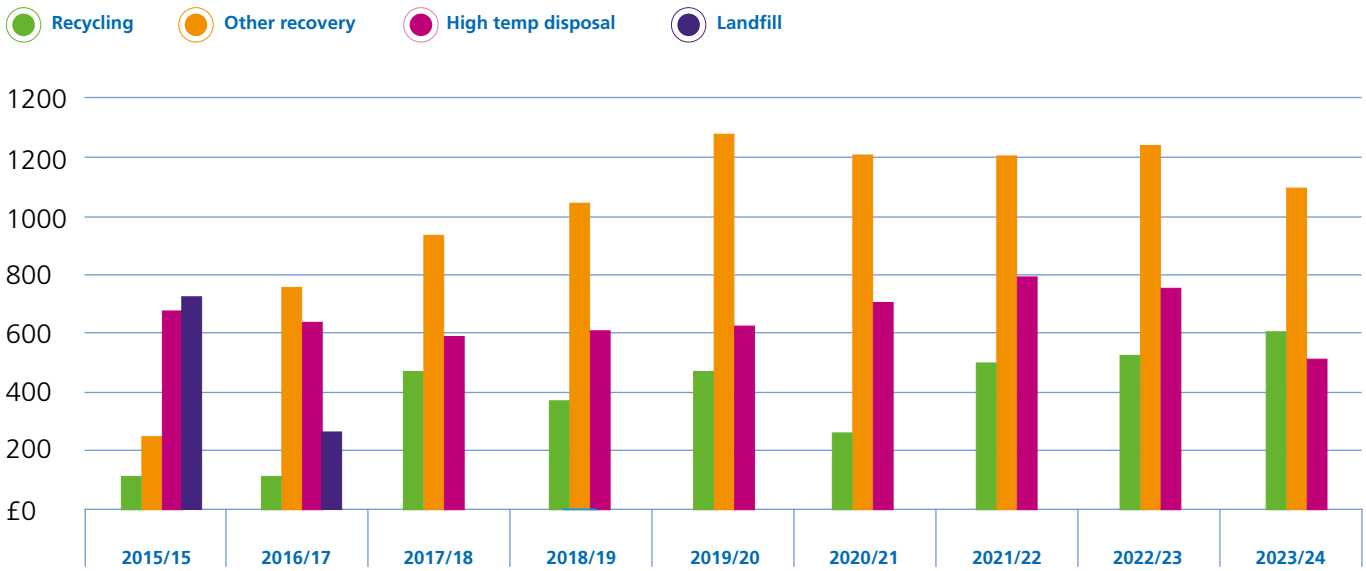
Every action counts and we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO2e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise all cause health problems for our local population, patients, staff and visitors and are caused by cars, as well as other forms of transport.

Category	Mode	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Patient and visitor own travel	Use (kWh)	36,538,472	41,979,942	46,022,302	450,683,559	45,317,097	42,344,366	34,190,245	44,174,138	38,874,251
	tCO_2e	10,721	12,368	13,248	128,769	12,644	11,479	9,268	12,144	10,425
Staff commute		4,493,769	4,929,930	4,824,221	4,824,221	5,105,793	5,637,226	5,977,420	6,367,586	6,880,770
	tCO_2e	1,625	1,782	1,719	1,779	1,765	1,948	1,650	1,758	1,899
Business travel and fleet	Use (kWh)	1,319,789	1,037,636	1,059,360	-	569,989	265,695	735,082	635,651	449,804
	tCO_2e	477	375	377	-	197	92	243	111	121

Waste

We have implemented a number of initiatives in the past year that reduce the volume of waste being produced, and promote the reuse and recycling of materials. An example of this is the reduction in the volume of single use items being used in the canteens, the exchanging of plastic cups with paper cups and the trialling of reusable theatre caps, reusable tourniquets, coolsticks and gowns.

Waste Breakdown: Annual Tonnage



N.B. High temperature ("High Temp") disposal is the incineration of clinical waste. There is no energy recovery from this process at the current time. The Trust sends domestic waste to an 'energy from waste' facility, and this is classed as "Other recovery". Energy from waste cannot be classed as recycling, as that refers to taking a used item, turning it into a raw material and using that as a basis to manufacture a new product. 'Energy from waste' is about recovering the embedded energy within a product and is lower down the waste hierarchy, this being: reduce (the amount of waste being produced); reuse (items in their existing form); recycle (into new products); recover (the embedded energy); or dispose (through landfill).

Waste		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Recycling	tonnes	107	115	468	372	472	258	494	524	596
	tCO_2e	2	2	7	8	10	5	10	11	12
Other recovery	tonnes	248	756	937	1040	1281	1206	1208	1245	1097
	tCO_2e	16	16	15	15	27	25	25	26	23
High Temp disposal	tonnes	679	639	592	614	621	704	792	755	512
	tCO_2e	149	141	190	192	137	155	175	167	113
Landfill	tonnes	724	265	0	0	0	0	0	0	0
	tCO_2e	177	82	0	0	0	0	0	0	0
Total waste	tonnes	1758	1775	1997	2026	2374	2168	2494	2524	2205
	tCO_2e	333	241	211	215	174	186	211	203	148

We accept that a large proportion of our waste cannot be recycled through traditional channels because it is clinical waste, however we are pleased that the proportion of our total waste that is being recycled continues to increase. In comparison to last year, recycling rate increased by 9%.

Finite resource use – water

We are pleased to see that our total water consumption has dropped against 2022/23 by 16%. This is partially due to the closure of some accommodation units. The carbon emissions stated below include the provision of water and those associated with sewerage and water treatment.

Anaesthetic Gases

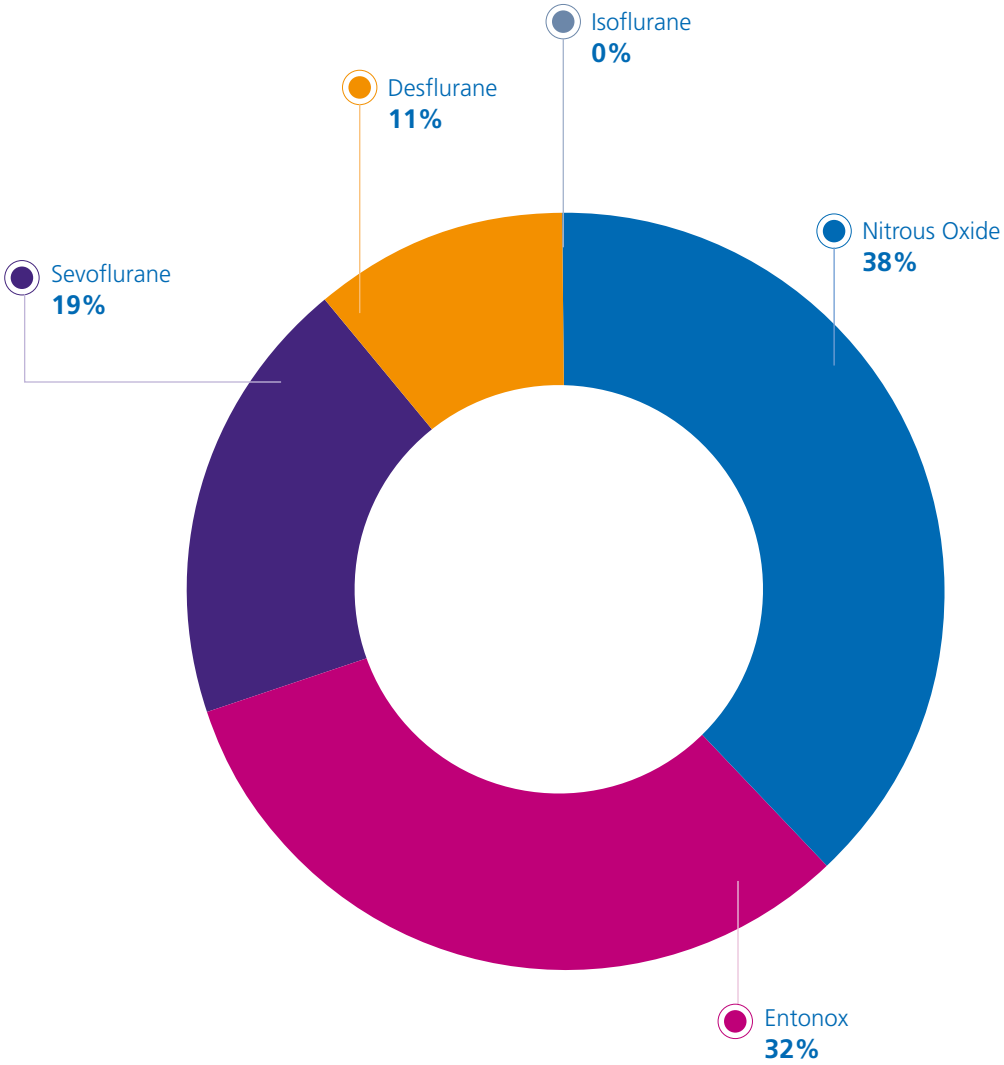
As a Trust we recognise that anaesthetic gases are significant contributors to climate change, and that some gases are much more harmful than others. In the last year we have undertaken comprehensive audits of our manifolded systems for Nitrous Oxide and Entonox and are committed to eliminating wastage within these systems.

We are very proud that we have used no isoflurane within the last year, however desflurane and sevoflurane has gas been used this year.

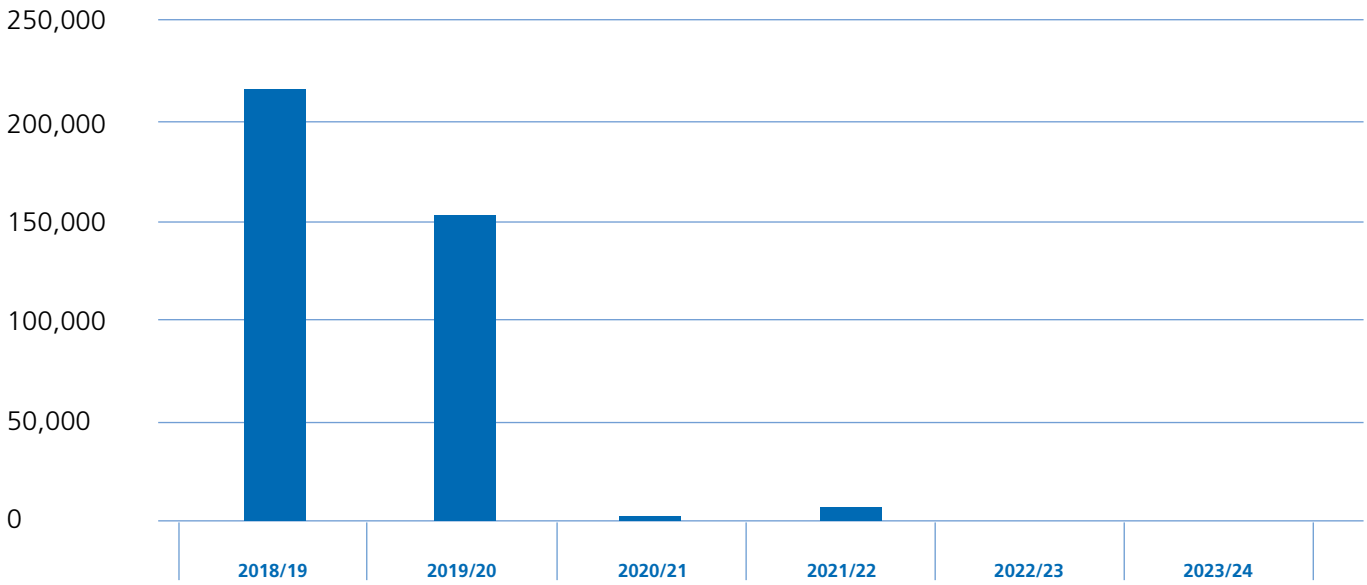
We are also very proud to have decommissioned the Nitrous Oxide manifolds at both Maidstone and Tunbridge Wells Hospitals, making us the first Trust in the region to completely remove these manifolds. Whilst we continue to retain the use of nitrous oxide in theatres, this is now achieved through the use of portable cylinders and not manifolded systems. We anticipate a significant reduction in Nitrous Oxide use in the next year.

In 2023/24 our anaesthetic gases accounted for 266.9tCo_2e.

Water		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Mains Water	m^3	205,246	209,205	225,383	211,936	237,616	219,389	234,950	211,746	177,822
	tCO_2e	216	220	237	223	250	231	247	223	187
Water & Sewage Spend		£582,869	£661,990	£761,100	£758,895	£959,889	£768,234	£835,040	£734,156	£816,638



Desflurane Use per annum (ml)

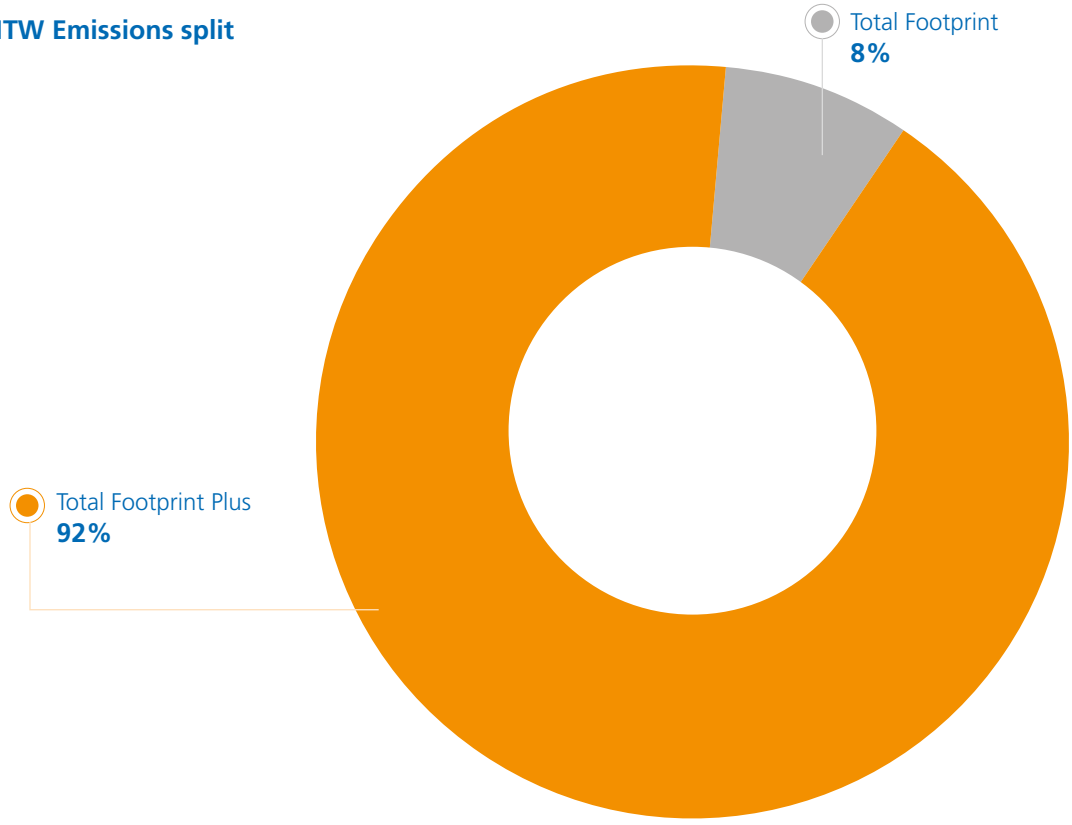


Modelled Carbon Footprint

The data presented so far in this report largely refers to the sources responsible for the "NHS Carbon Footprint", however we recognise that the "NHS Carbon Footprint Plus" produces a significantly larger footprint and this has been calculated below.

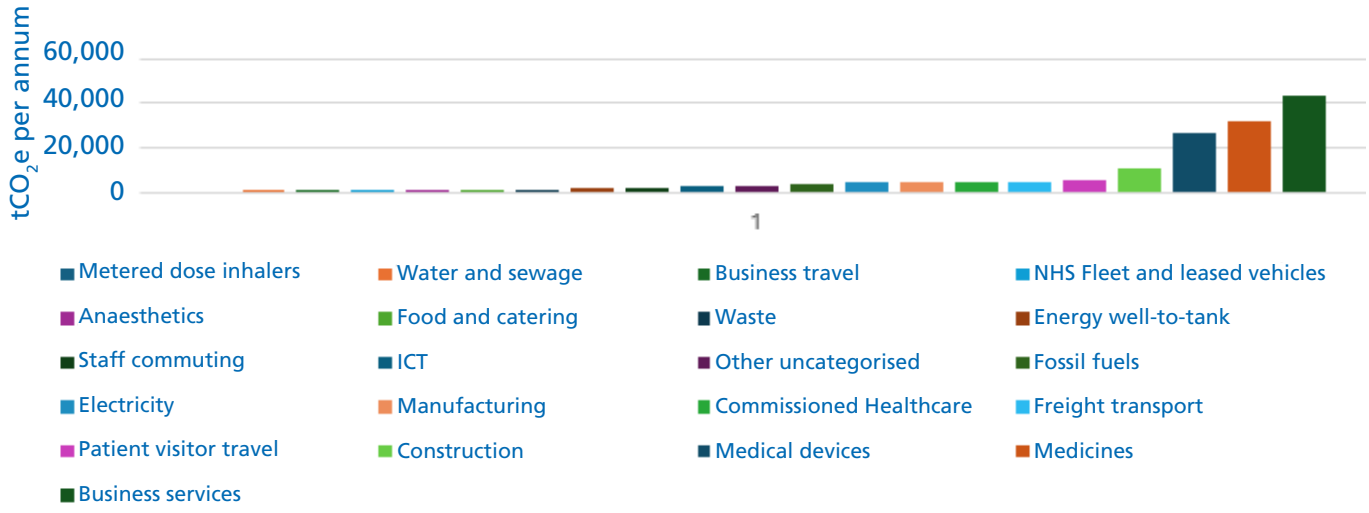
The measurement of supply chain emissions is not a precise art and the methodologies used are evolving on an annual basis as more and more data becomes available. This means that the figures being reported are always indicative and not precise however the proportions of the total footprint are largely accurate.

MTW Emissions split



The above chart shows that the majority of the emissions associated with the Trust are based within the supply chain.

MTW total emissions

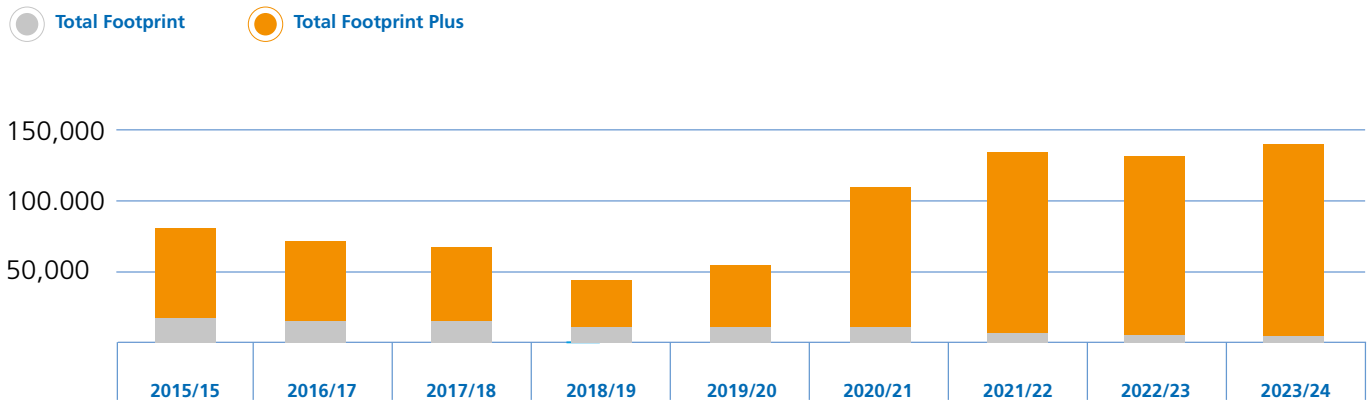


The above chart shows the components of the entire carbon footprint and footprint plus of the Trust in 2023/24. It is apparent that the largest components are from supply chain emissions associated with Business Services, Medicines and Medical Devices.

The Trust is in a PFI agreement for Tunbridge Wells Hospital and as such makes payments on an annual basis through this agreement. These payments fall within the Trust's supply chain and are categorised as Business Services in the above analysis.

We are committed to working with our supply chain partners and the wider NHS community to reduce the emissions associated with our supply chain as much as possible, although we recognise that the level of influence we can have on these partners is limited.

Emissions Trajectory



We acknowledge that emissions associated with our supply chain have grown in recent years. This is partially due to increased operational output and expenditure and partially attributed to new data being available for analysis.

We are proud of the clear reductions that have been made to the emissions from the carbon footprint and are committed to further reducing this in the coming years as we steer the Trust away from the reliance upon fossil fuels and transition towards the provision of decarbonised heat across the estate.

Declaration

I confirm adherence to the reporting framework in respect of the Performance Report.

Miles Scott
Chief Executive

Accountability Report for 2023/24

Introduction

Our Board of Directors (the Board) operates according to the highest corporate governance standards. It is a unitary Board providing overall leadership and vision to the Trust and is ultimately and collectively responsible for all aspects of performance, including clinical and service quality, financial performance and governance as well as the management of significant risks.

Our Board Members

Our Board has a wide-ranging expertise and experience with backgrounds in health, primary care, finance, regulation, business and organisational development, HR, global commercial, local government and third sector.

The Board considers it is balanced and complete in its composition, and appropriate to the requirements of the Trust. There is a clear division of responsibilities between the Chair and the Chief Executive. The Chair has throughout the year been responsible for the effective working of the Board, and for ensuring that the Board has a strategy and delivers a service that meets expectations and requirements of the communities we serve and that all Directors are able to play an important part in the strategic direction of the Trust and its performance. The Chair also facilitates the contribution of Non-Executive Directors and their constructive relationships with the Executives.

David Highton, Chair of the Trust Board

David joined as Chair at the Trust in May 2017.

David was previously Ministerial Advisor on Private Sector Involvement and Public Private Partnership to the Minister of Public Health in Qatar. Since 2011 he was Executive Director of Corporate Development at Hamad Medical Corporation, the main public hospital provider in Qatar. Over that time, he has also been Chair of Sussex Health Care Audiology Ltd, a business delivering age-related hearing assessments in the community in Surrey, Sussex and Berkshire, and a Director of Clearview Healthcare, a Delhi-based company providing operator managed equipment services to the growing private hospital market in India. Prior to moving to Qatar, David worked in the independent health sector and was previously an NHS chief executive from 1991 to 2003, including the Chelsea and Westminster Hospital NHS Trust and the Oxford Radcliffe Hospitals NHS Trust. More recently David has been Chair of Buckinghamshire Healthcare NHS Trust since 2022 and stood down as Chair of Demelza Hospice Care for Children in 2023 after a five-year term. Originally a Chartered Accountant, David worked in publishing, property services, the brewing industry, an industrial starches business and in the City, before joining the NHS as a Finance Director in 1990. David, who is married and has a grown-up family, has strong links with Kent, having spent his childhood himself in Meopham and Sittingbourne, and currently lives in Maidstone and in Witney in Oxfordshire.

Miles Scott, Chief Executive

Miles joined as Chief Executive at the Trust in January 2018.

As the Trust's "Accountable Officer", Miles is responsible for the overall development and performance of the Trust.

In addition to being a Board member, he attends several Board sub-committees. Miles has over 30 years' experience in the NHS encompassing acute, community and mental health services, the Department of Health and the King's Fund.

Miles is actively involved in the Kent and Medway Integrated Care System (ICS), chairing a number of key committees, which includes the Kent and Medway Cancer Alliance and the Kent and Medway Pathology Network.

Miles is also the Senior Responsible Owner (SRO) for the West Kent Health and Care Partnership (HCP). He is a National Delivery Advisor to NHS England's Urgent & Emergency Care Programme where he is leading work on Electronic Bed & Capacity Management Systems.

Prior to joining MTW Miles worked as Improvement Director at NHS Improvement. He was previously Chief Executive of St George's University Hospitals Foundation Trust (2011 to 2016) and prior to that Chief Executive at Bradford Teaching Hospitals NHS Foundation Trust (2005 to 2011) and Harrogate and District NHS Foundation Trust (2001 to 2005).

Sean Briggs, Chief Operating Officer

Sean joined as Chief Operating Officer at the Trust and Board member in 2018.

Sean joined the Trust as Chief Operating Officer designate in November 2018 and became the substantive Chief Operating Officer and member of the Trust Board on 3 December 2018. Sean has a broad experience working within a variety of healthcare settings but has spent most of this time in the acute setting in hospitals such as St George's NHS Foundation Trust and Epsom and St Helier Hospital, where he held a number of senior managerial roles. Sean is passionate about improving clinical engagement and patient care across the Trust and has a strong track record in improving hospital operational performance whilst delivering a number of high profile clinical strategic changes, most notably the development of the 24/7 Thrombectomy service at St George's.

Maureen Choong, Non-Executive Director / Senior Independent Director

Maureen joined the Board in August 2017 as an Associate Non-Executive Director and became a Non-Executive Director in November 2017.

Maureen is a Registered Nurse with over 40 years of clinical and leadership experience in the NHS, prior to her retirement in 2016 from her role as Clinical Quality Director with NHS Improvement. Since her retirement in 2016 Maureen has been a special adviser to the CQC. Her previous roles included Deputy Chief Nurse with NHS London and both clinical and Director roles in NHS trusts. Since retirement, Maureen has worked with Health Education England as an Improvement Associate. Maureen is married with two stepchildren and lives in Kent.

Karen Cox, Associate Non-Executive Director

Karen joined the Trust as a Non-Executive Director in June 2019.

Karen is currently Vice-Chancellor and President of the University of Kent, a position she has held since August 2017. She graduated from King's College London with a BSc (Hons) and her Registered General Nurse (RGN) qualification in 1991. She has held a number of clinical posts in Oxford, Southampton, Gloucestershire and Nottingham, specialising in Oncology and Community Health Care (District Nursing). Karen completed her PhD at the University of Nottingham, funded by the Cancer Research Campaign and was appointed Professor in 2002. She served as the University's Head of the School of Nursing 2002 – 2007, joined the senior leadership team as a Pro Vice-Chancellor in 2008 and became Deputy Vice-Chancellor in 2013 before taking up her role as Vice-Chancellor at the University of Kent in 2017. Karen was a board member of the Nursing and Midwifery Council (NMC) until May 2023 having served for eight years on the Council. She is also a Director of the Universities and Colleges Employers Association and was elected to the Universities UK Board for a 3-year term from August 2022.

Richard Finn, Associate Non-Executive Director / Vice-Chair

Richard joined the Trust as a Non-Executive Director in November 2019.

Richard is currently Managing Director of Richard Finn Ltd, an international management consultancy, where he specialises in providing advice on change, organisation development, governance and leadership. Previously he was Managing Director at Penna PLC, a Director at Crane Davies and Marketing Director at Henley Distance Learning, a division of Henley Management College. Richard has a London BSc (Econ) and Cert Ed (FE), an MA in Management from the University of Kent and CDir from the Institute of Directors. He has been a Fellow of the Chartered Institute of Personnel and Development, Institute of Directors and the Chartered Institute of Marketing.

Since 2019 Richard has been Chair of the Detling Community Interest Company. In November 2023 he also became a Trustee of Demelza Children's Hospice. Richard was a member of the Kent Business Advisory Board from 2014 to 2020 and Chair of Kent Music from 2007 to 2017. He was a member of the Nominations and Governance & Audit Committees of the Lord's Taverners until 2023 and as a Liveryman of the City of London, was Chair of the Pro-Bono Committee of the Livery Company of Management Consultants. Richard has lived all his married life in Kent and currently lives in Detling.

Neil Griffiths, Non-Executive Director / Vice-Chair

Neil joined the Trust as an Associate Non-Executive Director in June 2018 & appointed as a substantive Non-Executive Director in February 2019.

Neil is a career healthcare executive and Board leader with over 25 years' public and private sector experience. His career has included strategic, operational, change management and commercial roles in and around hospitals in the UK. He was previously a Board member and Deputy Chief Executive at University College London Hospitals NHS Foundation Trust, a leading acute academic hospital provider in the UK. Neil's prior Board experience includes at The Royal National Orthopaedic Hospital and East Kent Hospitals. Neil's other career experience includes helping lead the team and development of the McKinsey Hospital Institute (MHI) in the UK. This was part of a global initiative for McKinsey & Company to develop analytical tools and performance improvement support for hospitals. Neil is currently Managing Director of TeleTracking Technologies in the UK, a global leader in the provision of services and technology, supporting healthcare organisations to improve productivity and patient flow. Neil has been a local resident for 12 years, is married with two children and lives in Tunbridge Wells.

Jo Haworth Chief Nurse

Jo joined the Trust as Chief Nurse in August 2021.

Jo has been qualified as a Registered General Nurse for over 20 years. Jo initially specialised in Emergency Nursing at The Royal London Hospital where she worked for over 15 years. Jo has since held a number of senior nursing leadership positions in a wide range of clinical services, including community and mental health services across London. Latterly she was the Deputy Chief Nurse at King's College Hospital NHS Foundation Trust. Jo has a particular interest in the connection between mental and physical health and is passionate about improving this for patients.

Rachel Jones, Director of Strategy, Planning and Partnerships

Rachel joined the Trust as Director of Strategy, Planning and Partnerships in May 2022.

Rachel has 30 years' NHS experience which started when she qualified as a diagnostic radiographer. For the next 10 years she worked in this field in acute hospitals in Birmingham, Manchester and Preston, more latterly specialising interventional radiology. She moved to Kent 19 years ago and broadened her experience working in a Strategic Health Authority, focusing on service improvement and two years focusing on contracts and performance management. From 2011 to 2014 she was the Divisional Director for Surgical Services at East Kent Hospitals University NHS Foundation Trust before moving to be the Director of Strategy and Business Development until 2017. From there she spent a short time in a Clinical Commissioning Group (CCG) before moving to the Sustainability and Transformation Partnership (STP) to lead strategic change programmes across Kent and Medway, including Stroke, Vascular and East Kent Transformation. During her time there she also led on Children and Young People, Learning Disability & Autism and Cancer. In April 2020 she became the Executive Director for Strategy & Population Health for Kent and Medway CCG. She moved to Maidstone and Tunbridge Wells NHS Trust from that role in May 2022 to take up her current post.

Peter Maskell, Medical Director

Peter joined the Trust as Medical Director in February 2017 and left the Trust in December 2023.

Peter joined the Trust Board in February 2017. He qualified from The Royal Free Hospital School of Medicine in 1995 and trained in general and elderly medicine at St Thomas' Hospital/Brighton and Sussex University Hospital, where he also studied for an MSc in gerontology and cognitive decline. Peter became a Consultant in General and Geriatric Medicine with an interest in Stroke medicine at the Trust in 2005, and became clinical lead in 2007. Peter was appointed as Medical Director of Kent Community Health NHS Foundation Trust in 2012 and during his time there, the Trust attained Foundation Trust status and a 'good' rating from the CQC. Clinically, Peter continues to have interests in Stroke, frailty and liaison geriatrics. Peter left the Trust Board on the 31st December 2023 on adoption of his new role as West Kent Health and Care Partnership Medical Director for Integrated Care.

David Morgan, Non-Executive Director

David joined the Trust as Non-Executive Director in August 2019.

David's career has been spent in natural resources, chemicals and technology. He worked for Johnson Matthey plc for twenty years – including ten years as an executive director – and has served on the boards of a number of other companies in the UK and internationally. He is currently the chair of Nova Pangaea Technologies Limited, a biofuels business. He was previously chair of Nordgold plc a gold mining company, deputy chair of an energy technology company, SFC Energy AG, and the senior independent director at the Royal Mint. David is a chartered accountant, having qualified with KPMG, and chairs the Trust's Audit and Governance and Charitable Funds Committees. Away from work David volunteers as a mentor to staff and students at Imperial College, London who are looking to start their own businesses, having previously chaired the advisory board of the Department of Chemistry at Imperial. David has lived in Kent for over twenty years and is married with three sons.

Sara Mumford, Medical Director

Sara joined the Trust in 2007 and has previously been the Trust's Deputy Medical Director becoming Medical Director in January 2024.

Dr Sara Mumford is a Consultant Microbiologist and Director of Infection Prevention and Control as well as Medical Director. She attends the Trust Board and a number of Board sub-committees and also leads the Trust's infection prevention strategy. Sara was awarded Senior Fellowship of the Faculty of Medical Leadership and Management in July 2023. She has also worked as Consultant Microbiologist at East Kent Hospitals University NHS Foundation Trust and as a Consultant in Communicable Disease Control (CCDC) at Kent Health Protection Unit.

Steve Orpin, Deputy Chief Executive / Chief Finance Officer

Steve joined the Trust in April 2014 as Director of Finance.

Steve Orpin is the Trust's Deputy Chief Executive and, as Chief Finance Officer, is also responsible for providing information and advice to the Trust relating to all financial management issues.

Steve joined the Trust from Medway NHS Foundation Trust, where he had been Deputy Director of Finance; including a 12-month spell as Director of Finance.

Steve has held various positions within the Finance function in a number of NHS organisations across London and the South East in an NHS career spanning over 30 years. He is a Fellow of the Chartered Association of Certified Accountants and holds an MBA. In addition to his role on the Board, Steve attends several Board sub-committees.

Emma Pettitt-Mitchell, Non-Executive Director

Emma joined the Trust as an Associate Non-Executive Director in August 2018 and a Non-Executive in August 2019.

Emma is a highly experienced senior executive with over 21 years' experience with one of the largest retailers (UK and globally) and FTSE 100 company. Uniquely, Emma has worked extensively as a director in both the private and public sector, previously working for Kent County Council. She is also an experienced executive and team coach.

Emma lives in Kent with her husband and three children. In addition to her role on the Trust Board, Emma chairs the People and Organisational Development Committee, and is part of the Remuneration and Appointments Committee.

Sue Steen, Chief People Officer

Sue joined the Trust in April 2021 as Chief People Officer.

Sue has over 30 years' experience of working in the public and not-for-profit sector, starting her career as a graduate trainee in Local Government with Coventry City Council.

She was previously Deputy Chief Executive, People and Organisational Strategy, at St John in New Zealand where she lived for four years. Prior to this she was the Director of Corporate Services at the National Crime Agency and previously Director of Human Resources and Governance at South Western Ambulance NHS Foundation Trust.

Sue has a Human Resources and Organisational Development background and is passionate about employee engagement, building high performing teams and creating positive working environments where people can thrive. She is motivated by working in public and health related services that make a difference in people's lives.

Jo Webber, Associate Non-Executive Director

Jo joined the Trust as a Non-Executive Director in November 2019.

Jo is currently Chair of In Control, a national charity working for an inclusive society supporting people with disabilities to live independently. Jo graduated from the University of Surrey with a BSc (Hons) in Human Biology, is a Registered General Nurse (RGN) with a specialist District Nursing qualification and has a Master's in Primary Health Care.

She has held board-level operational and clinical management posts in community health and primary care trusts in Nottingham. In 2004, Jo moved to the NHS Confederation, working for eight years analysing the impact of new health policy on health and social care and working nationally to influence its development and delivery.

She was a trustee of the Burdett Trust for Nursing for nine years, giving grants to support nursing research and leadership development. She has a keen interest in improving joint working and integration within and between the NHS and local government, both nationally and on a local level, to deliver better co-ordinated and more responsive services for patients and their carers.

Wayne Wright, Non-Executive Director

Wayne joined the Trust as Non-Executive Director in January 2022.

Wayne has worked in some of the most celebrated corporate entities as well as fast-growing, medium-sized businesses at senior and board levels. His experience is in the building of businesses from the bottom up with a clear understanding of the strategic elements essential in driving successful growth. With a scientist background he is named on nine patents. Wayne has investments in healthcare businesses in the UK and US, and for the last 20 years has led [W]sq solutions, a small boutique entrepreneur coaching organisation that works with fast-growing businesses in accelerating growth and profitability. His corporate and turnaround experience for venture capitalists and the serving of those high growth businesses have created learning and principles that have been packaged into his book, The Ten Commandments of Business Growth and discussed in depth through his new breakthrough online course for business leaders and their executive teams 'Business Growth, Strategy and Execution Course'. Wayne is active in the Maidstone community where he has lived for over 20 years with his wife and grown-up family. He currently owns Maidstone Warriors Basketball Club, the largest youth basketball club in the Kent region and active in his local church, The Vine, which has a strong reputation in the Maidstone community and schools for supporting those in financial and physical need.

Alex Yew, Associate Non-Executive Director

Alex joined the Trust as Non-Executive Director in March 2023.

Alex is currently an Associate Non-Executive Director on the Performance and Investment Committee of the Kent and Medway Integrated Care Board (ICB) and a Non-Executive Director of GCP Infrastructure Investments Limited, Plenary Europe, West Kent Housing Association and Rockdale Housing Association. Prior to embarking on a portfolio/non-executive career, Alex spent more than 25 years as a lawyer, banker and investor. His last executive role was at John Laing, the international infrastructure and energy investor, where he was Senior Advisor to the Chief Executive and Senior Managing Director. Alex was born in Malaysia, was educated and worked in Singapore, and has worked in the city and lived in Kent for the last 19 years.

A statement about the balance, completeness and appropriateness of the Board of Directors

The Board currently comprises the Trust Chair, Chief Executive, four other Executive Directors and five other Non-Executive Directors. In addition, the Board has two non-voting other directors, and four Associate Non-Executive Directors

The Board of Directors believes that the Trust is led by an effective Board, as the Board is collectively responsible for the exercise of the performance of the Trust. And, that no individual group or individuals dominate the meetings of the Board.

There is a clear separation of the roles of the Chair and the Chief Executive. The Trust Chair has responsibility for the running of the Board, setting the agenda and for ensuring that all directors are fully informed of matters relevant to their roles. The Chief Executive has responsibility for implementing the strategies agreed by the Board and for managing the day-to-day business of the Trust.

The Board considers that the Non-Executive Directors bring a wide range of business, commercial, financial and clinical knowledge required for the successful direction of the Trust. All of the Non-Executive Directors are considered to be independent in accordance with the Code of governance for NHS provider trusts.

All directors are subject to an annual review of their performance and contribution to the management and leadership of the Trust.

Diversity is a vital part of the continued assessment and enhancement of board composition, and the Board recognises the benefits of diversity amongst its members.

At the present time, the Board is satisfied as to its balance, completeness and appropriateness and will keep these matters under review, in conjunction with NHS England who are responsible for appointing chairs and other non-executive directors of NHS Trusts.

Key responsibilities

Chief Executive

The Chief Executive leads the NHS' work Regionally and Nationally to improve health and ensure high quality care for our communities. They are the Responsible Officer for the Trust.

Senior Independent Director

The Senior Independent Director is a non-executive director appointed by the Board of Directors. The Senior Independent Director may be, but does not have to be, the Deputy Chair of the Board of Directors. They will be available to members of the Board and staff if they have concerns that contact through the usual channels of Chair, Chief Executive, Director of Finance and Company

Secretary has failed to resolve or where it would be inappropriate to use such channels. The Senior Independent Director also carries out the role of a Non-Executive Director.

The Senior Independent Director has a key role in supporting the Chair in leading the Board of Directors and acting as a sounding board and source of advice for the Chair.

The SID consults with the other Non-Executive Directors as part of the annual appraisal process for feedback on the Chair.

The SID has a vital independent role in times where the Board may not be in agreement. They will work with the Chair and other Directors to resolve significant issues.

Vice-Chair

The Vice-Chair deputises for the Chair in the event of their absence or unavailability.

Independence of the Non-Executive and Associate Non-Executive Directors

The Trust is committed to ensuring that the Board is comprised of a majority of independent Non-Executive and Associate Non-Executive Directors who objectively challenge management. Our Non-Executive Directors provide a wide range of skills and experience. They bring strong independent oversight and judgement on issues of strategy. Performance and risk through their contribution at Board and Committee meetings. The Board considers that throughout the year each Non-Executive Director was independent in character and judgement.

Register of Interests

All Board of Directors are required to disclose their relevant interests as defined in our constitution. These are recorded in a publicly available register that is formally reported to the Board at the beginning of each meeting. A copy of the register is available on our website.

How to Contact the Board of Directors:

Post: Maidstone Hospital, Hermitage Lane, Maidstone Kent, ME16 9QQ

Switchboard: 01622 729000

Email: mtw-tr.communications@nhs.net

The Board and Committee Structure

The Board

The role of the Trust Board in maintaining and reviewing the effectiveness of the system of internal control. The Trust Board meets every month (with the exception of August) in public (a 'Part 1' meeting). In 2023/24 thirteen of the meetings were held virtually and three face to face. Public Board meetings were broadcast live on the internet, via the Trust's YouTube channel. The agenda and reports for all 'Part 1' Trust Board meetings are available via the Trust's website, and members of the public are able to submit questions, in advance of the meeting, in relation to any of the agenda items.

The agenda for Trust Board meetings is mainly focused on the reports from the Trust Board sub-committees; an in-depth review of the Integrated Performance Report; quality items; workforce; systems and place; planning and strategy; and assurance and policy. A separate ('Part 2') meeting is held on the same day as the meeting held in public, to consider confidential matters, in accordance with the Public Bodies (Admission to Meetings) Act 1960. A 12-month rolling forward programme of agenda items is actively managed to ensure the Trust Board receives the information, and considers the matters it requires, to perform its duties efficiently and effectively.

The Trust Board and Committees have a full evaluation programme in place, which is subject to a continual enhancement programme. In line with the Trust Board Well-led review by Deloitte LLP in 2023 the board was evaluated as being effective with recommended enhancements such as additional 'deep dives' within Committees and the Executive Team Meeting (ETM) to focus reporting to the Trust Board and the introduction of additional Committees. The Trust is in the process of adopting all recommendations.

In addition the Trust Board carries out the following to evaluate its effectiveness:

1) The Chair of each Committee conducts an evaluation of the meeting at the end of the meeting to gain feedback on the effectiveness of the meeting and consider reflections and any outcomes which are then recorded by the Trust Secretariat and actioned upon.

2) The Trust has undertaken a Deloitte LLP external governance review of its effectiveness in 2023/24.

3) An annual evaluation and best practice consideration / review including consideration against other Trusts takes place.

4) The Trust is adopting NHS Providers Effective board assurance committees guidance

5) The Trust has adopted the new NHS standards for Board members to strengthen leadership and governance.

6) A full review of the Committee structure has taken place as part of the well-led review which has led to changes taking place in 2024/25.

7) A formal record of attendance is kept for each Committee and the Trust Board.

8) Effective consideration of the agenda and discussions that took place has been enhanced by the Trust Secretariat mapping this across all Committees for 2024/25 with the aim to report to the Chair.

9) Following evaluation further deep dives have been implemented such as "The 'new' 31-day referral to treatment cancer standard" by the Finance and Performance Committee in January 2024.

The following improvements are scheduled for 2024/25:

1) Implementation of the new Committee structure has commenced and will be embedded in 2024/25 (i.e. Patient Safety Committee, Patient Outcomes Committee, Experience of Care Committee, Risk and Regulation Committee and Quality Improvement, Research and Innovation (QIRI) Committee), to streamline the reporting structure and to ensure that the Quality Committee receives the appropriate assurances. Full Terms of References will be approved for each Committee.

2) The Trust will continue to adopt the NHS Providers Effective board assurance committees guidance

3) In line with the new Chair of the Trust Board joining the Trust further board development programmes are being implemented to support effective meetings.

The Trust Board operates with the following sub-committees (which are listed alphabetically):

The Audit & Governance Committee

This Committee supports the Trust Board by critically reviewing the governance and assurance processes on which the Board places reliance. This therefore incorporates reviewing governance, risk management and internal control and oversight of the Internal and External Audit and Counter Fraud functions. The Committee also undertakes detailed review of the Trust's Annual Report and Accounts, and is the Trust's Auditor Panel (in accordance with Schedule 4, Paragraph 1, of the Local Audit and Accountability Act 2014). This Committee

approves the Internal Audit plan for the year and receives details of the findings from each of the Internal Audit reviews that are undertaken in addition to the other Committees receiving details relevant to their area.

The following limited assurance internal audit reviews were received in 2023/24:

- **Use of Temporary Staff**
  Whilst the Trust has effective processes in place, compliance was poor with a Vacancy Request Form not available in eighteen of twenty cases tested. As such the reason for the vacancy and the request for use of a temporary worker, including approval, could not be verified.

  For the six Bank Staff included within the test sample, evidence was not provided at the time of testing to evidence the appropriate completion of pre employment checks. However, this has subsequently been provided for three of these.

  The Temporary Staffing Policy notes that the People and Culture Committee is responsible for monitoring compliance with the Policy and process with compliance reports submitted. However, there was no evidence available to support that this was happening in practice.

- **Implementation of NICE Guidance and Safety Alerts**
  The Trust had raised a risk in March 2023 regarding the significant backlog of NICE guidance that was outstanding and had breached the agreed targets for review. Testing of 10 NICE Guidance documents highlighted that six had not been reviewed at the time of testing and had past the agreed target date for review.

- **Outpatient Utilisation**
  Testing of 10 outpatient (OP) clinics for August and September 2023, noted that appointments were not booked to the full capacity of the clinic in 8 of the 10, when considering the total capacity available for the 10 clinics during the period reviewed, (1078 appointment slots with 211 of these not booked).

  Whilst appropriate processes were in place for managing OP clinic utilisation. Testing highlighted areas of the processes that were not always being applied consistently. This included for example, only 21 of the 87 appointments cancelled by the Trust cancelled with 6 weeks' notice. Evidence to support the reason and evidence of approval for the short notice cancellation, was also not available in all cases.

- **Electronic Patient Records Post Implementation Review**
  The project benefits were to be realised over 10 years from 2018 to 2028. However, due to project delays including the Covid pandemic this has been reduced to 8 years. The total benefit is estimated to be around £20 million in the most recent business case update from December 2023, down from an estimate of £49.4 million in July 2020.

All reviews with a 'Limited assurance' conclusion are also subject to follow-up by the Internal Auditors, to monitor compliance with the actions agreed in response to the recommendations, and the findings from that follow-up are reported to the Audit and Governance Committee. The Committee is chaired by a NED and met six times in 2023/24 (including a specific meeting to review the Annual Report and Accounts prior to the Trust Board being asked to approve these). All other NEDs (apart from the Chair of the Trust Board) are members, and all Associate NEDs are invited to attend each meeting, as is the Deputy Chief Executive/Chief Finance Officer. The Committee receives a standing "Security issues" report at each standard Committee meeting, to support the Committee Chair in fulfilling their role as the Trust's Security Management NED Champion. The Committee also considers a Security Annual Report, and this took place in May 2023.

Charitable Funds Committee

This Committee's objective is to ensure that the Maidstone and Tunbridge Wells NHS Trust Charitable Fund is managed efficiently and effectively in accordance with the directions of the Charity Commission, relevant NHS legislation and the wishes of donors, which includes reviewing, and agreeing the Charitable Fund Annual Report and financial accounts, for approval by the Trust Board. The Committee is chaired by a NED, and met in July 2023, November 2023 and March 2024 (3 times in 2023/24).

Finance and Performance Committee

This aims to provide the Trust Board with assurance on the effectiveness of financial management, treasury management, investment and capital expenditure and financial governance; an objective assessment of the financial position and standing of the Trust; and advice and recommendations on all key issues of financial management and financial performance. In addition, the Committee receives assurance on Information Technology (IT) performance (and IT-related business continuity). The Committee is chaired by a NED and meets monthly.

Patient Experience Committee

This considers the effectiveness of the Trust's progress in utilising the learning from patient and service users experience of Trust services in order to improve and identifying the level of inclusion achieved for patients and service users by Trust operations. The Committee is chaired by a NED and meets quarterly. In addition to Trust staff, its membership included representatives from the Trust's catchment area, Healthwatch Kent, and from the Leagues of Friends of Maidstone and Tunbridge Wells Hospitals. The last meeting was held on the 21/03/24 and is being newly formed as the Experience of Care Committee which will be an Executive led Committee with new membership, reporting arrangements, and reporting into the Quality Committee.

Quality Committee

To consider and obtain assurance on the effectiveness of the Trust's structures, systems and processes to enable delivery of the Trust's objectives relating to quality of care. The Committee is chaired by a NED and meets monthly. On alternate months, the Committee meets in the form of a 'deep dive', with a reduced membership, to enable a small number of subjects to be scrutinised in greater detail. 11 areas were considered during the 'deep dive' meetings in 2023-24.

Remuneration and Appointments Committee

Reviews, on behalf of the Trust Board, the appointment of members of the Executive Team, to ensure such appointments have been undertaken in accordance with Trust policies. It also reviews the remuneration, allowances and terms of service of such staff; reviews (with the Chief Executive) the performance of members of the Executive Directors; oversees appropriate contractual arrangements for such staff (including the proper calculation and scrutiny of termination payments, taking account of such national guidance, as appropriate) and considers and approves, on behalf of the Trust Board, proposals on issues which represent significant change. The Committee is chaired by the Chair of the Trust Board, and meets on an ad-hoc basis.

Executive Team Meeting

Although not a Trust Board sub-committee, the ETM enables key clinical and managerial issues to be discussed, debated, developed, scrutinised, monitored and agreed and/or approved. The ETM generally meets weekly throughout the year, is chaired by myself as Chief Executive and its membership comprises all the Executive Directors, the five Divisional Chiefs of Service, the Director of Infection Prevention and Control and the Director of Estates and Capital Development. The ETM is authorised to make decisions on any matter that is not reserved for the Trust Board or its sub-committees.

In addition to the above committees, there are a range of other forums, structures and processes in place to oversee and manage any issues relevant to particular/r aspects of risk and governance. In this respect, the Trust has, for example, an Infection Prevention and Control Committee; a Health and Safety Committee; a Sepsis Committee; a Drugs, Therapeutics and Medicines Management Committee; an Information Governance Committee; and a Joint Safeguarding Committee.

Director Meeting Attendance Summary

The table below shows the attendance at Board of Directors meetings for all Directors in post during 2023-24 financial year.

Attendance at Trust Board meetings

There were 16 formal and 4 extraordinary Trust Board meetings in 2023/24. Attendance at each meeting is shown below:

Formal | Extraordinary | Trust Board Seminar | Apologies received | Resignation of membership

Committee Member	27th Apr 2023	25th May 2023	22nd Jun 2023	29th Jun 2023	20th July 2023	27th July 2023	28th Sep 2023	11th Oct 2023	26th Oct 2023	26th Oct 2023	20th Nov 2023	20th Nov 2023	30th Nov 2023	22nd Dec 2023	25th Jan 2024	25th Jan 2024	25th Jan 2024	14th Mar 2024	27th Mar 2024	28th Mar 2024
David Highton, Chair of the Trust Board	✓	✓		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
Sean Briggs, Chief Operating Officer		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Maureen Choong, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		✓
Karen Cox, Associate Non-Executive Director (NV)	✓		✓	✓	✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓
Richard Finn, Associate Non-Executive Director (NV)	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Neil Griffiths, Non-Executive Director (Vice Chair of the Trust Board)	✓		✓			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Haworth, Chief Nurse	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Rachel Jones, Director of Strategy, Planning and Partnerships (NV)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter Maskell, Medical Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
David Morgan, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Sara Mumford, Medical Director and Director of Infection Prevention and Control				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓
Steve Orpin, Deputy Chief Executive/Chief	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Emma Pettitt-Mitchell, Non-Executive Director	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		
Miles Scott, Chief Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sue Steen, Chief People Officer (NV)			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Webber, Associate Non-Executive Director (NV)	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wayne Wright, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Alex Yew Associate Non-Executive Director (NV)	✓	✓		✓			✓	✓	✓	✓				✓			✓			

Attendance at Audit and Governance Committee meetings

There were 6 formal Audit and Governance Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received Resignation of membership

Committee Member	16th May 2023	22nd Jun 2023	19th July 2023	9th Nov 2023	9th Nov 2023 (Audit and Governance Committee as Auditor Panel)	6th Mar 2024
David Morgan, Non-Executive Director	✓	✓	✓	✓	✓	✓
Maureen Choong, Non-Executive Director (Vice Chair)		✓	✓			✓
Neil Griffiths, Non-Executive Director				✓	✓	✓
Emma Pettitt-Mitchell, Non-Executive Director		✓				
Wayne Wright, Non-Executive Director	✓	✓	✓	✓	✓	✓

Attendance at Charitable Funds Committee meetings

There were 3 formal Charitable Funds Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received Resignation of membership

Committee Member	26th July 2023	22nd Nov 2023	20th Mar 2024
David Morgan, Non-Executive Director	✓	✓	✓
Steve Orpin, Deputy Chief Executive / Chief Finance Officer	✓	✓	
Karen Cox, Associate Non-Executive Director			
Jo Webber, Associate Non-Executive Director			✓
Sean Briggs, Chief Operating Officer			
Rachel Jones, Director of Strategy, Planning and Partnerships			

Attendance at Patient Experience Committee meetings

There were 4 formal Patient Experience Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received

Committee Member	June 2023	Sep 2023	Dec 2023	March 2024
Jo Webber, Assoc. Non-Executive Director (Chair)	✓	✓	✓	✓
Emma Pettitt-Mitchell, Assoc. Non-Executive Director (Vice Chair)	✓		✓	
Rachel Jones, Director of Strategy, Planning and Partnerships	✓	✓		
Jo Haworth, Chief Nurse	✓			✓

Attendance at People and Organisational Development Committee meetings

There were 11 formal People and Organisational Development Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received

Committee Member	April 2023	May 2023 (Deep Dive	June 2023	July 2023 (Deep Dive	Sept 2023	Oct 2023 (Deep Dive	Nov 2023	Dec 2023 (Deep Dive	Jan 2024	Feb 2024 (Deep Dive	March 2024
Emma Pettitt-Mitchell, Non-Executive Director (Chair)	✓				✓	✓	✓	✓	✓	✓	✓
Richard Finn, Associate Non-Executive Director (Vice Chair)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Karen Cox, Associate Non-Executive Director		✓			✓	✓	✓		✓		✓
Steve Orpin, Deputy Chief Executive/ Chief Finance Officer	✓		✓	✓	✓	✓	✓		✓		✓
Sue Steen, Chief People Officer	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Haworth, Chief Nurse				✓	✓		✓		✓	✓	✓
Wayne Wright, Wellbeing Guardian Non-Executive Director	✓	-	✓	-	✓	-	✓	-	✓	-	✓

Attendance at Finance and Performance Committee meetings

There were 11 formal Finance and Performance Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received

Committee Member	25th Apr 2023	23rd May 2023	27th June 2023	25th July 2023	26th Sep 2023	24th Oct 2023	28th Nov 2023	19th Dec 2023	23rd Jan 2024	27th Feb 2024	26th Mar 2024
Neil Griffiths, Non-Executive Director Non-Executive Director (Chair)	✓			✓	✓	✓	✓	✓	✓	✓	✓
Miles Scott, Chief Executive	✓		✓	✓				✓	✓	✓	
Sean Briggs, Chief Operating Officer		✓	✓	✓		✓		✓	✓	✓	✓
Steve Orpin, Deputy Chief Executive / Chief Finance Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
David Highton, Chair of the Trust Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
David Morgan, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Richard Finn, Associate Non-Executive Director	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓

Attendance at Quality Committee meetings

There were 12 formal Quality Committee meetings in 2023/234. Attendance at each meeting is shown below:

Apologies received Resignation of membership

Committee Member	April 2023 (Deep Dive	May 2023	June 2023 (Deep Dive	July 2023	Aug 2023 (Deep Dive	Sept 2023	Oct 2023 (Deep Dive	Nov 2023	Dec 2023 (Deep Dive	Jan 2024	Feb 2024 (Deep Dive	March 2024
Maureen Choong, Non-Executive Director (Chair)	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Jo Webber, Associate Non-Executive Director (Vice-Chair)	✓		✓	✓			✓	✓	✓	✓	✓	✓
Wayne Wright, Non-Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jo Haworth, Chief Nurse	✓		✓	✓	✓		✓	✓	✓	✓	✓	
Sean Briggs, Chief Operating Officer	✓	✓				✓			✓	✓	✓	✓
Peter Maskell, WKHCP Medical Director (Integrated Care)	✓	✓	✓	✓	✓							
Sara Mumford, Medical Director / Director of Infection Prevention and Control (DIPC)		✓	✓	✓		✓	✓	✓	✓	✓		
Sarah Flint, Chief of Service, Women's Children's and Sexual Health	-	✓	-	✓	-	✓	-	✓	-	✓	-	
Danny Lawes, Acting Chief of Service, Surgery							-	✓	-	-	-	✓
Laurence Maiden, Chief of Service, Medicine & Emergency Care	-	✓	-	✓	-	✓	-	✓	-	✓	-	✓
Ritchie Chalmers, Chief of Service, Core Clinical Services	-	-	-		-		-	✓	-	-	-	✓
Philippa Moth, Chief of Service, Cancer Services	-	✓	-	✓	-	✓	-	✓	-		-	

Emergency planning, response and recovery

Introduction

The Trust is a Category 1 responder as designated by the Civil Contingencies At 2004. This places specific duties on the Trust in relation to emergency planning and response. Additionally, the Trust has other obligations as required by contracts and assurance standards set by NHSE. The Trust achieved a full compliance rating in relation to NHSE's Emergency Planning Core Standards Assessment.

During the year the Trust completed a self-assessment and Kent & Medway ICB agreed that the Trust met all the criteria and had a rating of full compliance.

Training and Exercising

During the year a number of exercises have been carried out including a test of managing radioactively contaminated patients out of hours in conjunction with the Emergency Department and Medical Physics. and a test with South East Water of a failure of water supplies. In addition, the team have been supporting planning for the junior doctor's industrial action. The team have also continued its highly regarded command and Chemical, Biological and Radiation incident Training both at MTW and at other Trusts locally.

Planning

This year there have been a large number of public events especially with the Coronation of HM The King but the usual large events from concerts and festivals to established events like the County Show have all received input from the team. The Team have also been involved in NHS 75 events. This year our combined emergency plan including Business Continuity, major incidents and Critical Incidents all in one document went live. The Team continue to support and play an active part in the Kent Resilience Forum.

Response

The team have been involved in a number of adverse weather events including flash flooding, high temperatures and high winds. There have also been other disruptive events such as car fires on site and construction of both the new Orthopaedic Unit and Medical School buildings.

Partnership

The team have taken part in schools' events to promote emergency planning and also other events such as personal security with Kent Police and our security management team. Further work with our local Fire service and helicopter providers including Children's air ambulance, Kent Surrey Sussex Air Ambulance and HM Coastguard have taken place both in terms of training and exercising.

Review of the effectiveness of risk management and internal control

This is considered in the Annual Governance Statement 2023/24.

Renumeration and Staff Report

NHS national staff survey

Underpinned by the NHS People Plan and the NHS People Promise, the delivery of year two of our People and Culture Strategy is well underway. The focus on our people priorities is enabling us to create a culture of compassionate leadership with engaged staff who support and encourage others to learn, develop and grow. More staff are thriving at MTW, building careers and delivering exceptional and outstanding care for our patients.

Our 2023 National Staff Survey results show positive experiences of our staff including an increase in morale, quality of patient care, retention and recommending MTW as a place to work. Our staff ranked MTW as one of the top ten Trusts in the country and the second-best Trust in the South East to work for. Staff experience scores in all seven of the NHS People Promise themes have improved which puts us in the top ten acute Trusts for improved scores.

47% of our staff completed the survey which is an impressive 5% increase on 2022 plus 20% of our bank only staff (up 4% on the previous year).

We scored above the national average in all of the NHS People Promise domains.

74% of our staff say we are compassionate and inclusive (up 2% from 2022), 68% feel that we have a voice that counts (up 1% from 2022) and 68% feel part of a team (up 2% from 2022). Patient care remains our top priority and staff would recommend MTW to friends and family. Following feedback in 2022, the appraisal process was reviewed and changed to better support staff in gaining the information and support they need for career development – this has seen a 4% increase in staff saying they are always learning.

Our results show some key areas where we can continue to improve which includes a continued focus on staff retention, an increase in flexible working and embedding good teamwork and line management across the organisation. Developing retention areas and helping to improve staff experience are key drivers for our newly appointed People Promise Manager in cohort 2 of the national People Promise Exemplar Programme.

The full staff survey results are available at: http://www.nhsstaffsurveyresults.com/

Indicators ('People Promise' elements and themes)	2023/24		2022/23		2021/22	
	Trust score	Benchmarking group score	Trust score	Benchmarking group score	Trust score	Benchmarking group score
People Promise: We are compassionate and inclusive	7.38	7.24	7.2	7.2	7.8	7.2
We are recognized and rewarded	6.01	5.94	5.8	5.7	6.5	5.8
We each have a voice that counts	6.84	6.7	6.7	6.6	7.3	6.7
We are safe and healthy	6.20	6.09	5.9	5.9	6.5	5.9
We are always learning	6.07	5.61	5.6	5.4	6.0	5.2
We work flexibly	6.30	6.20	6.1	6	6.7	5.9
We are a team	6.80	6.75	6.6	6.6	7.1	6.6
Staff engagement	7.10	6.91	6.9	6.8	7.4	6.8
Morale	6.14	5.91	5.8	5.7	6.5	5.7

Employee benefits

The details within this section relating to staff benefits, analysed by staff grouping, are included in accordance with section 411 of the Companies Act 2006.

Staff numbers and costs

Average[2] staff numbers	Permanently employed (WTE) [3]	Other (WTE)	Permanently employed (expenditure) (£000s)	Other (expenditure) (£000s)
Medical and dental	1,016	43	119,704	3,470
Ambulance staff	9	0	586	0
Administration and estates	1,250	14	56,486	1,788
Healthcare assistants and other support staff	2,177	21	79,036	4,168
Nursing, midwifery and health visiting staff	2,102	69	114,188	4,579
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	638	29	37,195	2,316
Healthcare Science Staff	226	0	13,570	1,048
Social Care Staff	0	0	0	0
Other - Redundancy and Special Payments	0	0	119	0
Apprenticeship levy	0	0	1,591	0
Employers Pension Contribution 6.3%	0	0	16,873	0
Total	7,416	176	439,348	17,369
Staff engaged on capital projects (excluded	17	0	823	**60**
Total Including staff engaged on capital	7,433	176	440,171	17,429

The permanently employed staff costs are further analysed into their component elements in the table below:

[2] The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year.

[3] This excludes any staff on unpaid leave (and therefore does not equate to the WTE reported within the Sustainability Report)

Analysis of staff costs	2023/24 Permanently employed (£000s)	2022/23 Permanently employed (£000s)
Salaries and wages	345,206	312,398
Social security costs	37,566	32,853
Apprenticeship levy	1,591	1,642
Pension cost - employer contributions to NHS pension scheme	38,899	35,084
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	16,873	15,337
Pension cost - other*	36	43
Total	440,171	397,357

Exit packages (subject to audit)

The figures disclosed below relate to exit packages agreed in the year. The actual date of departure might be in a subsequent period, and the expense in relation to the departure costs may have been accrued in a previous period. The data here is therefore presented on a different basis to other staff cost and expenditure notes in the accounts.

Exit package cost band (including any special payment element)	*Number of compulsory redundancies Whole numbers only	*Cost of compulsory redundancies £s	Number of other departures agreed Whole numbers only	Cost of other departures agreed £000s	Total number of exit packages Whole numbers only	Total cost of exit packages £000s	Number of departures where special payments have been made Whole numbers only	Cost of special payment element included in exit packages £000s
Less than £10,000	None	0	11	29	11	29	None	0
£10,000 - £25,000	None	0	56	81	56	81	1	12
£25,001 - £50,000	1	47	0	0	1	47	None	0
£50,001 - £100,000	2	115	0	0	2	115	None	0
£100,001 - £150,000	None	0	0	0	None	0	None	0
£150,001 - £200,000	None	0	0	None	0	None	0	0
>£200,000	None	0	0	0	None	0	None	0
Total	3	162	16	110	19	272	1	12

Exit packages – disclosures (excluding compulsory redundancies)	Number of exit package agreements 2023/24	Total value of agreements (£000s)	Number of exit package agreements 2022/23	Total value of agreements (£000s)
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	0	0	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice	15	98	17	79
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non-contractual payments requiring HMT approval *	1	12	0	0
Total	16	110	17	79

Voluntary redundancies including early retirement contractual costs	0	0	0	0

Note * this includes any non-contractual severance payment following judicial mediation and amounts relating to non-contractual payments in lieu of notice.

Staff turnover

Staff turnover at the year end 23/24 was 11.5%. This may differ to the Cabinet Office (CO) guidance for calculating turnover in the UK Civil Service due to differences in recording Doctors in Training rotating between Trusts, policies on secondments between NHS entities, treatment of certain staff exercising pension flexibilities under the NHS Pension Scheme and the use of Whole Time Equivalent figures.

Learning, Education and Development 2024

The Trust is committed to the ongoing development of its staff. Each hospital site has an Education / Academic Centre, providing dedicated staff teaching space, access to technology and resources and a library.

MTW-Learning is a learning platform utilised by all staff to support their training needs - both online learning, access to resources and training materials and content, and the booking of face-to-face sessions. It has been developed to meet the growing requirements of the Trust as well as supporting staff to access training, development and wellbeing opportunities. Staff have an annual appraisal conversation which includes the co-creation of a personal development plan and a focus on wellbeing.

All staff have access to our in-house learning and education teams who support them with advice and guidance about internal and external development opportunities, access to funding with the aim of supporting them to develop the skills, knowledge and experience to excel in their roles and progress their careers.

By working with colleagues in Equality, Diversity and Inclusion, Wellbeing, Occupational Health, Organisational Development, Medical Education, Nursing, Allied Health Professionals and many others we have been able to develop new opportunities for students and staff, enabling them to support the Trust to develop as a clinically led organisation. Knowing that Trusts with a strong learning and educational ethos are safer, have better clinical outcomes, retain staff, and become an employer of choice for applicants, we are committed to continuing to create a supportive and engaging environment in which our staff can continue to develop and grow.

There has been a significant amount of work focused on continuing to develop apprenticeship opportunities within the Trust with over 330 staff being part of a programme in 2023/24 with an associated investment of over £1m made via the apprenticeship levy to support these learners. The team have also supported the development of learners in our partner organisation SECamb and successfully completed a training initiative via DFN Project SEARCH which supported young people with learning disabilities and/or autism to gain valuable work experience alongside employability support.

In September 2023 we also welcomed a new cohort through the NHS Graduate Management Training Scheme who will be supported to learn to lead teams and drive change by developing the skills they need for a successful career within the NHS.

The hard work and dedication of the teams involved has led to continuous improvements across the service and the introduction of new initiatives to continue to support staff learning, education and development.

As part of the journey for the Trust becoming a well led organisation there has been significant investment in the leadership development of senior staff within the organisation. Over 300 senior leaders have attended the MTW Exceptional Leadership For All programme which supports leaders at all levels so that we can continue to develop high quality leadership across the organisation.

Fair and inclusive recruitment

Our Workforce Race Equality Standard (WRES) and Workforce Disability Equality Standard (WDES) data tell us that generally we are improving the diversity of our organisation year on year. We know that enabling and supporting staff from different backgrounds with different lived experiences together inspires creativity, improves problem solving and increases staff motivation, engagement and retention so we are taking a staged approach to increase diversity at all levels of the Trust. Our EDI recruitment representative program is well established, providing a supportive approach to interview panels and our next step is the roll out of inclusive recruitment training for all recruiting managers.

Please note that the data for Trust Board Members is not included within the "Staff [head count]" data, to avoid double counting, even though 8 of the 17 Trust Board members are substantive members of staff.

Age	Staff (head count)		Trust Board Members	
Less than or equal to 20 years	66 (61)	0.8% (0.8%)	0 (0)	0% (0%)
21 to 25	494 (484)	6.2% (6.6%)	0 (0)	0% (0%)
26 to 30	1049 (957)	13.1% (13.1%)	0 (0)	0% (0%)
31 to 35	1204 (1055)	15.4% (14.4%)	0 (0)	0% (0%)
36 to 40	1066 (906)	13.4% (12.4%)	1 (1)	5.9% (5.6%)
41 to 45	875 (849)	11.0% (11.6%)	0 (0)	0% (0%)
46 to 50	976 (917)	12.2% (12.5%)	1 (3)	5.9% (16.7%)
51 to 55	955 (883)	12.0% (12.1%)	6 (6)	35.3% (33.3%)
56 to 60	734 (685)	9.2% (9.4%)	3 (3)	17.6% (16.7%)
61 to 65	435 (398)	5.5% (5.4%)	1 (2)	5.9% (11.1%)
66 to 70	84 (81)	1.1% (1.1%	3 (2)	17.6% (11.1%)
71 years or over	41 (38)	0.5% (0.5%)	2 (1)	11.8% (5.6%)

Gender	Staff (head count)		Trust Board Members	
Male	1966 (1752)	24.6% (24.0%)	9 (10)	52.9% (55.6%)
Female	6013 (5562)	75.4% (76.0%)	8 (8)	47.1% (44.4%)
Grand total	7979 (7314)	-	17 (18)	-

Ethnic group	Staff (head count)		Trust Board Members	
A White – British	4012 (3863)	50.3% (52.8%)	14 (15)	82.4% (83.3%)
B White – Irish	52 (44)	0.7% (0.6%)	1 (1)	5.9% (5.6%)
C White - Any other White background	497 (480)	6.2% (6.6%)	0 (0)	0% (0%)
C2 White Northern Irish	1 (1)	< 0.1% (<0.1%)	0 (0)	0% (0%)
C3 White Unspecified	1 (1)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CA White English	5 (3)	0.1% (< 0.1%)	0 (0)	0% (0%)
CF White Greek	1 (1)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CH White Turkish	2 (0)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CK White Italian	1 (2)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CP White Polish	6 (5)	0.1% (0.1%)	0 (0)	0% (0%)
CU White Croatian	1 (1)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CX White Mixed	1 (2)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
CY White Other European	6 (11)	0.1% (0.2%)	0 (0)	0% (0%)
D Mixed - White & Black Caribbean	15 (18)	0.2% (0.2%)	0 (0)	0% (0%)
E Mixed - White & Black African	24 (23)	0.3% (0.3%)	0 (0)	0% (0%)
F Mixed - White & Asian	45 (41)	0.6% (0.6%)	0 (0)	0% (0%)
G Mixed - Any other mixed background	50 (43)	0.6% (0.6%)	0 (0)	0% (0%)
GA Mixed - Black & Asian	1 (1)	< 0.1% (< 0.1%)	0 (0)	0% (0%)

Ethnic group	Staff (head count)		Trust Board Members	
GC Mixed - Black & White	1 (1)	< 0.1% (<0.1%)	0 (0)	0% (0%)
GD Mixed - Chinese & White	1 (0)	< 0.1% (0%)	0 (0)	0% (0%)
GE Mixed - Asian & Chinese	1 (1)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
GF Mixed - Other/Unspecified	5 (5)	0.1% (0.1%)	0 (0)	0% (0%)
H Asian or Asian British - Indian	775 (710)	9.7% (9.7%)	0 (0)	0% (0%)
J Asian or Asian British - Pakistani	118 (94)	1.5% (1.3%)	0 (0)	0% (0%)
K Asian or Asian British - Bangladeshi	37 (24)	0.5% (0.3%)	0 (0)	0% (0%)
L Asian or Asian British - Any other Asian background	369 (349)	4.6% (4.8%)	1 (0)	5.9% (0%)
LA Asian Mixed	9 (5)	0.1% (0.1%)	0 (0)	0% (0%)
LB Asian Punjabi	0 (0)	0% (0%)	0 (0)	0% (0%)
LE Asian Sri Lankan	1 (0)	<0.1% (0.1%)	0 (0)	0% (0%)
LF Asian Tamil	1 (1)	< 0.1% (<0.1%)	0 (0)	0% (0%)
LH Asian British	2 (2)	< 0.1% (< 0.1%)	0 (0)	0% (0%)
LJ Asian Caribbean	0 (0)	0% (0.1%)	0 (0)	0% (0%)
LK Asian Unspecified	5 (5)	0.1% (0.1%)	0 (0)	0% (0%)
M Black or Black British - Caribbean	26 (33)	0.3% (0.4%)	1 (1)	5.9% (5.6%)
N Black or Black British - African	374 (300)	4.7% (4.1%)	0 (0)	0% (0%)
P Black or Black British - Any other Black background	28 (22)	0.4% (0.3%)	0 (0)	0% (0%)
PB Black Mixed	0 (0)	0% (0%)	0 (0)	0% (0%)
PC Black Nigerian	18 (9)	0.2% (0.1%)	0 (0)	0% (0%)
PD Black British	2 (2)	< 0.1% (<0.1%)	0 (0)	0% (0%)
PE Black Unspecified	2 (0)	<0.1% (0%)	0 (0)	0% (0%)
R Chinese	66 (47)	0.8% (0.6%)	0 (0)	0% (0%)
S Any Other Ethnic Group	194 (182)	2.4% (2.5%)	0 (0)	0% (0%)
SA Vietnamese	0 (0)	0% (0%)	0 (0)	0% (0%)
SB Japanese	3 (4)	<0.1% (0.1%)	0 (0)	0% (0%)
SC Filipino	30 (28)	0.4% (0.4%)	0 (0)	0% (0%)
SD Malaysian	1 (1)	< 0.1% (<0.1%)	0 (0)	0% (0%)
SE Other Specified	2 (3)	< 0.1% (<0.1%)	0 (0)	0% (0%)
Z Not Stated / Undeclared	1188 (946)	14.9% (12.9%)	0 (1)	0% (5.6%)
Total	7979 (7314)	-	17 (18)	-

Equality, Diversity and Inclusion (EDI)

We want to create a working environment and culture where every individual can feel safe, have a sense of belonging and is empowered to achieve their full potential. By creating an environment in which everyone's voice is heard and considered, we can tap into a wealth of diverse perspectives, leading to increased collaboration, productivity and overall staff satisfaction. We are now in our second year of delivering our EDI Strategy and have created a Trust EDI project which is monitored through the SDR process. An EDI Steering Group has been established which monitors progress on the delivery of both the EDI strategy and the NHS EDI Improvement Plan.

The Trust supports a number of initiatives to ensure equal and inclusive access to learning and employment which include:

- Developing and empowering our vibrant staff networks - MTWProud, Cultural and Ethnic Minorities Network, DisAbility Network, Parental Responsibility Network, Chronic pain support group, neurodiversity support group, clinically extremely vulnerable support network, menopause support group and recently re-launched Senior Women Leaders.
- Representation from our staff networks on the EDI Steering Group, Health and Wellbeing Committee and various stakeholder interview panels ensuring the voices of our minority staff are heard.
- Developing interactive workshops on inclusive recruitment and ally ship.
- Delivering interactive sessions on bias, micro aggressions and advancing cultural competence.
- Increasing the number of EDI recruitment representatives to help raise awareness of and offer peer to peer support for inclusive recruitment.
- Ensuring equality objectives are in place for the Trust Board.
- A mentoring programme to help address the gap in representation of ethnic minority staff in senior roles.
- A focus on inclusive recruitment in bands 8b and above to address the gap in ethnic minority and disabled staff representation.
- Participating in Step into Health programme which helps those leaving the Armed Forces to access employment opportunities in the NHS
- A second cohort of reverse mentoring which enables staff from ethnic minority backgrounds and those with long term health conditions share their experiences with senior colleagues including our Trust Board and Divisional Leaders.

Our LGBTQIA+ community

We are committed to ensuring that staff who identify as LGBTQIA+ feel safe and valued at work. We want our staff to feel able to be authentic at work to reduce stress and ill health and increase morale and retention. We obtained Bronze Award in the NHS Rainbow Badge Assessment demonstrating our commitment to inclusion in the recruitment and retention of staff from the LGBTQIA+ community, ensuring that they can develop and grow their careers at MTW.

Our LGBT+ network has re-launched this year with the appointment of a new Co-Chair, new Executive Sponsor and a more inclusive network name – MTWProud. The vibrant network is open to all LGBTQIA+ staff and allies, providing a safe space for all. They also provide advice and guidance to the Trust on EDI related initiatives. Over the last year they have:

- Celebrated LGBT History Month with a weekly feature on Health and Medicine – reliving some of the most historic times within the community and how history impacts their future.
- Hosted the second MTW Pride event, spreading their colourful wings to share information about the network to the majority of our sites.
- Joined other local NHS organisations in Canterbury Pride walking under the banner "Pride in our NHS".
- Regularly attend Department meetings and inclusion events for staff to sign the Rainbow Badge pledge and talk about the importance of pronouns and gender inclusive language.

Our staff with long term health conditions and disabilities

We are committed to supporting staff with long term health conditions, those with disabilities and anyone who acquires a disability during their employment with us. We are a Disability Confident Leader which demonstrates our commitment to the recruitment and retention of people with disabilities, how we ensure our policies, processes, training and culture enables disabled staff to flourish. We have had one cohort of Project SEARCH, a programme committed to transforming the lives of young people with learning disabilities and/or autism and we are currently working with Bemix to host supported internships from September 2024.

Our DisAbility Network has increased, and a small committee has formed which has included the appointment of a Deputy Chair and a Secretary. The network provides advice and support to its members and act as a trusted advisor to the EDI Team in the implementation of initiatives such as increasing disability declaration rates on ESR. Over the last year they have:

- Designed a commendation letter which is sent from the network and our Chief Executive to managers who have been recognised as providing excellent support to staff with health conditions.
- Provided advice to the Learning & Development team to ensure that staff accessing training could request reasonable adjustments and that training venue accessibility is accessed and communicated.
- Encouraged participation of network members as mentors in the reverse mentoring programme.

Our black and ethnic minority staff

We are proud to say that over 26% of MTW staff are from ethnic minority backgrounds and we are committed to supporting this staff group to have opportunities to learn, grow and develop their careers in the Trust. Our work on raising awareness of racism continues with anti-racism workshops delivered to our senior leadership team and EDI recruitment representatives being present on panels of 8a and above. We have appointed a lead nurse for the pastoral care of our international recruits and have been awarded a national NHS pastoral care quality award in recognition of the support provided.

The Cultural and Ethnic Minorities Network (CEMN) continues to provide support to staff and is a trusted advisor to the EDI team in the implementation of initiatives such as the second cohort of the reverse mentoring programme. Over the last year they have:

- Lead on the design and delivery of the Kent and Medway ICS Black History Month event.
- Created an event focussed on the experiences of our internationally educated staff.
- Hosted Black History Month event "Sheroes among us".
- Supported listening events with our Chief Nurse.
- Designed and delivered an event to recognise the . contributions of our internationally educated staff past and present on Windrush Day.
- Encouraged participation of network members as mentors in the reverse mentoring programme.

Staff sickness absence

The staff sickness absence for 2023/24 (and 2022/23) is reported below:[4]

	Figures converted by the Department of Health and Social Care (DHSC) to best estimates of required data items		Statistics produced by NHS Digital from Electronic Staff Record (ESR) Data Warehouse		
Reporting period	**Average Full Time Equivalent (FTE)**	**Adjusted FTE days lost to Cabinet Office definitions**	**FTE-Days Available**	**FTE-Days Lost to Sickness Absence**	**Sick Days per FTE[5]**
2022/23	6,347	66,329	2,316,556	07,600	10.5
2023/24	6,808	60,545	2,484,842	98,217	8.9

[4] The Electronic Staff Record (ESR) does not hold details of the normal number of days worked by each employee. Data on days available and days recorded sick are based on a 365-day year.

[5] Average Annual Sick Days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE and multiplying by 225 (the typical number of working days per year).

N.B. This data is provided via the Department of Health and Social Care (DHSC) (as it is necessary to reconcile NHS Electronic Staff Record data with the 'Cabinet Office' data reported by central Government, to permit aggregation across the NHS) 6. The sickness absence figures reported for 2023/24 are actually for the calendar year 2023 (i.e. January to December 2023). However, the DHSC considers the figures for the calendar year to be a reasonable proxy for the financial year. It should be noted that the reporting requirement was suspended for 2020/21 due to the COVID-19 pandemic, however information for previous reporting periods is available on the NHS Digital website.

Trade Union Facility Time

Under the Trade union (Facility Time Publication Requirements) Regulations 2017, there is a legal requirement to publish this information. The Trust data for the financial year April 2023 to March 2024 is outlined below, and this is also published on our website, in line with the regulation requirements. Maidstone & Tunbridge Wells NHS Trust regards the active participation of Trade Unions in its work as an important part of its approach to staff engagement.

Trade union facility time data:

Your organisation

- Maidstone and Tunbridge Wells NHS Trust
- 1 April 2023 to 31 March 2024

Employees in your organisation

- 5,001 to 9,999 employees

Trade union representatives and full-time equivalents

- Trade union representatives: 30
- FTE trade union representatives: 27.08

Percentage of working hours spent on facility time

- 0% of working hours: 6 representatives
- 1 to 50% of working hours: 22 representatives
- 51 to 99% of working hours: 2 representatives
- 100% of working hours: 0 representatives

Total pay bill and facility time costs

- Total pay bill: £440171000
- Total cost of facility time: £60674.83
- Percentage of pay spent on facility time: 0.01%

Paid trade union activities

- Hours spent on paid facility time: 820
- Hours spent on paid trade union activities: 0
- Percentage of total paid facility time hours spent on paid TU activities: 0.00%

Health and Safety at Work

The Trust is committed to ensuring the health and safety of its employees, patients, visitors, volunteers, contractors and others affected by its activities. It aims to provide safe and healthy working conditions and seeks the support of staff in achieving this. The use of risk assessment to identify, assess and manage risk is key to health and safety management within the Trust. During the year:

- The number of non-patient safety incidents reported in 2023/2024 decreased. There were 2829 incidents reported compared with 3100 in 2022/2023, a decrease of 8%. This could be attributed to the change in Incident Management system from Datix to InPhase.
- Violence and harassment against staff continues to be an issue. The incidents are largely attributable to patients diagnosed with dementia, an addictive disease or those suffering from a mental health crisis. The Health and Safety team is working with the Security Team to improve the safety of our staff, to identify the high-risk areas and ensure that suitable and sufficient risk assessments are completed with appropriate control measures implemented to decrease the risk of harm.
- At the end of March 2024, the number of reports to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 increased by one to 22 in 2023/24.
- 2024/25 will see the opening of the student medical accommodation at Tunbridge Wells Hospital and the Kent and Medway Orthopaedic Centre (KMOC) at Maidstone Hospital. There will be safety exercises undertaken for both sites run by the Emergency Planning Team involving the Safety Teams.
- InPhase, the new risk information management system was rolled out in 2023/24. Incidents and risks as well as other modules were also launched and there is work ongoing to investigate whether the same system can be utilised for health and safety audit and monitoring, this would improve efficiency and triangulation.
- A risk assessment template has been developed and information provided in how to complete and review the environmental ligature risk assessments. All clinical areas across the Trust have been requested to undertake these risk assessments, the Safety Team is involved in a risk task and finish group to monitor compliance.

[6] There may be inconsistencies between this data and the statutory basis for accounts, in terms of the organisation against which staff are reported for a particular month.

"Senior Managers" remuneration

In accordance with Section 234b and Schedule 7a of the Companies Act, as required by NHS Bodies, this report includes details regarding "senior managers" remuneration. In the context of the NHS, this is defined as: "Those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments".

It is usually considered that the regular attendees of the entity's Board meetings are its "Senior Managers", and the Chief Executive has confirmed that the definition of "Senior Managers" only applies to Trust Board Members. With the exception of the Non-Executive Directors (whose remuneration is set by NHSE) all "Senior Managers" are on "Very Senior Manager" (VSM) contracts and salaries are agreed with each individual.

The Trust Board has established a Remuneration and Appointments Committee to advise and assist in meeting its responsibilities to ensure appropriate remuneration, allowances and terms of service for the Chief Executive, Directors and other key senior posts (refer to the Board Committee Structure).

The Chief Executive and Directors' remuneration is reviewed annually and decisions are based on market rates, national pay awards and performance. Reward is primarily through salary adjustment, although non-recurrent awards can be used to recognise exceptional achievements. Pay rates for Non-Executive Directors of the Trust are determined in accordance with national guidelines, as set by NHSE. Remuneration for the Chair of the Trust Board is also set by NHSE.

The Directors are normally on permanent contracts and subject to a minimum of six months' notice period; the Chief Executive's notice period is six months. Contract, interim and seconded staff will all have termination clauses built into their letters of engagement, which will be broadly in line with the above. All Director contracts contain a 'Fit and Proper Person' clause stating that the post holder will be unable to continue as a Trust Board Member should they meet any of the criteria for being "unfit" within The Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

Termination arrangements are applied in accordance with statutory regulations as modified by Trust or National NHS conditions of service agreements, and the NHS pension scheme. The Remuneration and Appointments Committee will agree any severance arrangements following appropriate approval from NHSE and HM Treasury as appropriate. The figures included in the tables below show details of salaries, allowances, pension entitlements and any other remuneration of the Trust's 'Senior Managers' i.e. non-recurrent awards etc.

There are no staff sharing arrangements in place for any of the Trust's senior managers.

Salaries and allowances for the year ending 31st March 2024

Comparatives for the year ending 31st March 2023 are shown in brackets below the figure for 2023/2024 (unaudited).

Name and title (alphabetical by surname N.B. Dates of service are for the full 2023/24 year unless otherwise disclosed	(a) Salary (bands of £5,000) £000	(b) Taxable expense payments and other benefits in kind, to the nearest £100 £	(c) Annual performance-related pay and bonuses (bands of £5,000 £000	(d) Long-term performance-related pay and bonuses (bands of £5,000) £000	(e) All pension-related benefits (bands of £2,500) £000	(f) TOTAL (columns a - f) (bands of £5.000) £000
Sean Briggs, Chief Operating Officer	150-155 (145-150)	0 (0)	N/A (N/A)	N/A (N/A)	35.0-37.5 (42.5-45.0)	190-195 (190-195)
Maureen Choong, Non-Executive Director	10-15 (10-15)	0 0	N/A (N/A)	N/A (N/A)	N/A (0)	10-15 (10-15)
Karen Cox, Associate Non-Executive Director ■	0 (0)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	0 (0)
Richard Finn, Associate Non-Executive Director	10-15 (10-15)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	10-15 (10-15)
Neil Griffiths, Non-Executive Director	10-15 (10-15)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	10-15 (10-15
Joanna Haworth, Chief Nurse ■	145-150 (140-145)	0 (0)	N/A (N/A)	N/A (N/A)	0 (85-87.5)	145-150 (225-230)
David Highton, Chair of the Trust Board	45-50 (45-50)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	45-50 (45-50)
Rachel Jones, Director of Strategy, Planning & Partnerships ■	135-140 (105-110)	0 (0)	N/A (N/A)	N/A (N/A)	0 (97.5-100)	135-140 (205-210)
Peter Maskell, Medical Director (left Board 31/12/2023) ■ ■	155-160 (210-215)	0 (0)	0-5 (5-10)	N/A (N/A)	0 (395-397.5)	160-165 (610-615)
David Morgan, Non-Executive Director	10-15 10-15	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	10-15 (10-15)
Sara Mumford, Director of Infection Prevention and Control / Medical Director ■ ■	200-205 (185-190)	0 (0)	15-20 (15-20)	N/A (N/A)	0 (10-12.5)	215-220 (210-215)
Steve Orpin, Deputy Chief Executive / Chief Finance Officer ■	195-200 (190-195)	0 (0)	N/A (N/A)	N/A (N/A)	0 0	195-200 (190-195)
Emma Pettitt-Mitchell, Non-Executive Director	10-15 (10-15)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	0-15 (10-15)
Miles Scott, Chief Executive ■	275-280 (250-255)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	275-280 (250-255)
Sue Steen, Chief People Officer	150-155 (140-145)	0 (0)	N/A (N/A)	N/A N/A	37.5-40.0 (35.0-37.50)	190-195 (180-185)
Jo Webber, Associate Non-Executive Director	10-15 (10-15)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	10-15 (10-15)
Wayne Wright, Non-Executive Director	10-15 (10-15)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	10-15 (10-15
Alex Yew, Associate Non-Executive Director ■	5-10 (0-5)	0 (0)	N/A (N/A)	N/A (N/A)	0 (0)	5-10 (0-5)

Key: Salaries and allowance

- hundreds are used for taxable expense payments, and other benefits (column (b)). All other columns are in £ thousands
- Drs Maskell and Mumford hold clinical roles in the Trust alongside their responsibilities as Senior Managers. Both doctors receive Clinical Excellence Awards (CEA), these are reported within performance related pay and bonuses. Dr Maskell left the Trust Board on the 31st December 2023 but continues to work for the Trust. Dr Mumford took over Dr Maskell's role as Medical Director on the Trust Board.
- Steve Orpin, Miles Scott and Dr Sara Mumford took pension recycling adjustments during 2022/23.
- Karen Cox does not receive renumeration from the Trust.
- Within "all pension related benefits" column - Rachel Jones, Dr Peter Maskell and Joanna Howarth are affected by the Public Service Pensions Remedy (the "McCloud" pension judgement) and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 scheme on 1 October 2023. This rollback has affected pension values year to year and resulted in a negative pension related benefits value. As per the guidance in the GAM, negative values are not disclosed in this table but substituted with a zero.
- Alex Yew joined the Trust on 27th March 2023. He is a joint appointment with Kent and Medway ICB.

Pension benefits for the year ending 31st March 2024

Name and title (alphabetical by surname) N.B. Dates of service are for the full 2023/24 year unless otherwise disclosed	(a) Real increase in pension at pension age (bands of £2,500) £000	(b) Real increase in pension lump sum at pension age (bands of £2,500)) £000	(c) Total accrued pension at pension age at 31st March 2024 (bands of £5,000) £000	(d) Lump sum at pension age related to accrued pension at 31st March 2024 (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 1st April 2023 £000	(f) Real increase in Cash Equivalent Transfer Value £000	(g) Cash Equivalent Transfer Value at 31st March 2024 £000	(h) Employee's contribution to stakeholder pension £000
Sean Briggs, Chief Operating Officer	2.5-5.0	0	35-40	0	302	141	494	0
Joanna Haworth, Chief Nurse	0	25-27.5	55-60	160-165	1075	186	1389	0
Peter Maskell, Medical Director	0	0	25-30	65-70	990	0	581	0
Sara Mumford, Director of Infection Prevention and Control / Medical Director	0	0	0	0	1302	0	0	0
Rachel Jones, Director of Strategy, Planning & Partnerships	0	35-37.5	55-60	150-155	967	208	1291	0
Steve Orpin, Deputy Chief Executive / Chief Finance Office	0	0	0	0	0	0	0	0
Miles Scott, Chief Executive	0	0	0	0	0	0	0	0
Sue Steen, Chief People Officer	2.5-5	0	15-20	0	162	51	250	0

Key: Pension benefit

As Non-Executive Directors (and Associate Non-Executive Directors) do not receive pensionable remuneration; there are no entries in respect of pensions for Non-Executive Directors

- A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008. Please however note that the CETV values at 31/03/21 and 31/03/22 may have been calculated using different methodologies, and this may have impacted the "Real increase in Cash Equivalent Transfer Value" figure in the table
- Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period
- Miles Scott, Steve Orpin and Dr Sara Mumford did not make any contributions into the NHS Pension Scheme in 2023/24
- Within "Real Increase in pension at pension age" column - Rachel Jones, Dr Peter Maskell and Joanna Howarth are affected by the Public Service Pensions Remedy (the "McCloud" pension judgement) and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 scheme on 1 October 2023. This rollback has generated negative values. As per the guidance in the GAM, negative values are not disclosed in this table but substituted with a zero.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31st March 2024. HM Treasury published updated guidance in January 2024; this guidance will be used in the calculation of 2023 to 24 CETV figures.

Fair pay disclosure

Entities are required to disclose pay ratio information and detail concerning percentage change (from the previous year) in remuneration for both employees of the entity, and the highest paid director.

The remuneration of the highest paid director has increased between 2022-23 and 2023-24. The median pay of all other staff (which includes temporary bank and agency staff), has remained at a similar level (a reduction of 0.38%) due to the reduction of the proportion of expenditure in year on higher cost agency staff and an increase in the proportion of apprentices being employed.

The table below shows the percentage change between financial years, for salary/allowances, and performance pay or bonuses, for both the highest paid director, and all employees of the entity:

Percentage Change for the highest paid Director:

2023-24	Percentage change for highest paid director	Percentage change for employees as a whole
Salary and allowances	9.90%	-0.38%
Performance pay/bonuses	0%	14.06%

2022-23	Percentage change for highest paid director	Percentage change for employees as a whole
Salary and allowances	6.32%	8.29%
Performance pay/bonuses	0%	-2.81%

In the above tables, performance pay/bonuses refers to Clinical Excellence Awards (CEA) awarded to Consultants for performing 'over and above' the standard expected of their role. There was a significant increase in the CEA Awards in 2023-24 compared with 2022-23. This reflected both an increase in consultant numbers in the Trust together with a national change in approach in how the CEAs are awarded. The value of the awards is measured against the total Trust whole time equivalents, and the change in unit cost year to year measured on that basis is 14.06%. This contrasts with the prior year unit cost movement of negative 2.81%.

Pay Ratio Information:

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

The banded remuneration of the highest paid director in the financial year 2023/24 was £277,500 (2022/23 £252,500). The banded remuneration is the mid-point of the pay band within which the highest paid director's salary falls. The relationship to the remuneration of the organisation's workforce is disclosed in the pay ratio table below, which has also updated the prior year comparators.

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. The distinction between total remuneration and salary is performance related pay and bonuses.

Pay Ratios – highest paid director compared with organisation workforce (including temporary staffing) at 25th, Median and 75th percentile:

2023-24	25th percentile total remuneration ratio	25th percentile salary ratio	Median total remuneration ratio	Median salary ratio	75th percentile salary ratio	75th percentile total remuneration ratio
Salary and allowances	10.2:1	10.2:1	7.7:1	7.7:1	5.5:1	5.5:1
Performance pay/bonuses	9.3:1	9.3:1	7.0:1	7.0:1	5.0:1	5.0:1

Annualised employee remuneration (including temporary staff):

2022-23 (£)	All employees £	Highest Paid Director £	Ratio
25th Percentile	27,336	277,500	10.2
Median (50th) percentile	35,839	277,500	7.7
75th percentile	50,056	277,500	5.5

2022-23 (£)	All employees £	Highest Paid Director £	Ratio
25th Percentile	27,136	252,500	9.3
Median (50th) percentile	35,874	252,500	7.0
75th percentile	50,550	252,500	5.0

The ratio of the remuneration of the highest paid director to the median pay of all employees has increased from 7.0: 1 last year to 7:7:1 this year. This increase can be explained by a reduction in agency worker whole time equivalents for medical and non-medical roles, and an increase in apprenticeships. These factors have contributed to a lower median pay, as although remuneration has increased as a whole, there were less whole-time equivalents on higher annualised remuneration.

In 2023-24, 2 employees (2022-23, 2) received remuneration in excess of the highest-paid director / member. Remuneration (including the highest paid director) ranged from £15,668 to £281,562 (2022-23, £17,979 to £271,492). The two employees who received remuneration in excess of the highest-paid director / member were medical agency consultant grade Oncologists.

Reporting relating to the review of tax arrangements of public sector appointees

As part of the Review of Tax arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23 May 2012, the Trust in common with all public bodies, is required to publish information in relation to the number of 'off-payroll' arrangements meeting the specific criteria set by the Treasury. Individuals that are 'on-payroll' are subject to Pay As You Earn (PAYE), with income tax and employee National Insurance Contributions (NICs) deducted by the Trust at source. Individuals engaged to provide services to the Trust but who do not have PAYE and NICs deducted at source are 'off-payroll'.

All off-payroll engagements as of 31 March 2024, for more than £245 per day:

	Number
Number of existing engagements as of 31st March 2024 Of which, the number that have existed:	1
for less than one year at the time of reporting =	1
for between one and two years at the time of reporting =	0
for between two and three years at the time of reporting	0
for between three and four years at the time of reporting =	0
for four or more years at the time of reporting =	0

All existing off-payroll engagements have at some point been subject to a risk-based assessment, as to whether assurance was required that the individual is paying the right amount of tax. Where necessary, that assurance has been sought.

New off-payroll engagements between 1 April 2023 and 31 March 2024, for more than £245 per day:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024	1
Of which…	
Number not subject to off-payroll legislation	1
Number subject to off-payroll legislation and determined as in-scope of IR35	0
Number subject to off-payroll legislation and determined as out of scope of IR35	1
Number of engagements reassessed for compliance or assurance purposes during the year	10
Number of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll engagements of Board member / Senior Official engagements with significant financial responsibility, between 1 April 2023 and 31 March 2024:

	Number
Number of off-payroll engagements of Board members and/or senior officials with significant financial responsibility, during the year	0
Number of individuals that have been deemed "Board members and/or senior officers with significant financial responsibility", during the financial year. This figure includes both off-payroll and on-payroll engagements	17

Expenditure on consultancy staff

The Trust's internal expenditure on consultancy staff for 2023/24 was £279k, an increase of £8k.

Patient feedback and protected characteristics

- The Trust received a total of 34,967 Friends and Family Test (FFT) survey responses during 2023/24. 102 were submitted by tablet, 20,490 online and 14,375 were paper cards.
- The overall percentage of respondents that reported a 'very good' or 'good' experience of care was 93.9% and with 3.5% respondents reporting a 'poor' or 'very poor' experience of care.
- From the responses received 14,114 (40.4%) were from men, 16,320 (46.7%) from women and a further 12.9% did not confirm their gender identity.
- 11,449 (32.7%) respondents identified a disability, long-term health or mental health condition.

31,119 ethnicity questions were answered:

What is your ethnic group	No.	%
Asian or Asian British	814	2.6
Black, Black British, Caribbean or African	600	1.9
Mixed or Multiple Ethnic Groups	688	2.2
Other Ethnic Group	757	2.4
White	28,260	90.8

Freedom to Speak Up

In the 2023/24 period, the Freedom to Speak Up Guardians received 91 concerns, a decrease from the 117 received in 2022/23. Prominent topics included bullying, harassment, respect, and dignity, with 16 concerns specifically related to Patient Safety. All concerns are managed internally by the Guardian, with an escalation process available when necessary. Each concern is handled according to the preferences of the individual raising it, ensuring a tailored experience. Quarterly reports are submitted to the Trust Board, providing oversight, assurance, and a focus on trends and learning.

During Q4 of 2023/2024, the Guardian notably enhanced their presence across the Trust by actively participating in night shifts, conducting site visits, and contributing to departmental newsletters.

Throughout the year, the Guardian maintained communication with all divisional triumvirates, offering support and ensuring they are well-informed to address investigations and interventions effectively. This engagement has yielded valuable insights into the operational dynamics within their respective areas.

Countering fraud, bribery and corruption

The Trust has a range of policies and procedures in place to identify and respond to risks of fraud, bribery and corruption, including an "Anti-fraud, bribery and corruption policy and procedure"; "Conflicts of interest policy and procedure"; "Standing Financial Instructions", "Risk management policy and procedure", "Serious Incidents (SI) policy and procedure", and the "People policies manual: Freedom to speak up: raising concerns" as well as policies relating to, for example, employee verification checks etc. Such policies are available to all staff via the Trust's Intranet system. The Trust's local Anti-Crime Specialist (ACS) is a mandated consultee for such policies. In addition, the ACS undertakes a programme of work for the Trust which aims to prevent, deter, and detect fraudulent activity in accordance with the Government Functional Standard – Counter Fraud (GFS) as set out by the NHS Counter Fraud Authority (NHSCFA) 12 NHS Requirements. The outcomes of the work are reported to the Audit and Governance Committee, which in turn provides a summary report on its own activity to the Trust Board.

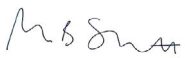
Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

The Chief Executive of NHS England has designated that the Chief Executive should be the Accountable Officer of the Trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- There are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- Value for money is achieved from the resources available to the Trust;
- The expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- Effective and sound financial management systems are in place; and
- Annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

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



Miles Scott
Chief Executive

Statement of Directors' responsibilities in respect of the accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, other items of comprehensive income and cash flows for the year. In preparing those accounts, the Directors are required to:

- Apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- Make judgements and estimates which are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

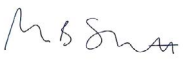
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts. As far as they are aware, there is no relevant auditing information of which the Trust Auditors are not aware.

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

Declaration

I confirm adherence to the reporting framework in respect of the Accountability Report.



Miles Scott
Chief Executive

Steve Orpin
Deputy Chief Executive / Chief Finance Officer

Annual Governance Statement for 2023/24

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Maidstone and Tunbridge Wells NHS Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that Maidstone and Tunbridge Wells NHS Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to an agreed level of tolerance 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 Maidstone and Tunbridge Wells NHS 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 Maidstone and Tunbridge Wells NHS Trust for the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

As designated Accountable Officer, the Chief Executive has overall accountability for risk management in the Trust. The Chief Nursing Officer is the Executive Director with responsibility for risk management at Trust Board level since April 2023. The Director of Quality Governance has operational management and oversight of the risk function.

The Trusts risk management approach focuses on enabling staff to manage risk in a way that is straightforward, supportive and proportionate to individual roles and responsibilities. The Trust has commenced an enhancement programme which commenced in 2023 and will continue into 2024 in respect of effective operational risk management, which includes additional investment to improve the digital risk management system in use and also the workforce capacity to deliver the highest standard of support to staff in respect of training and support. The Trust ensures appropriate communication and reporting with senior oversight on key risks through the Committee structure as discussed in detail in the Board Committee Structure.

- Risk review at key management meetings
- The Trust Board – The Trust Board - no less than six monthly undertakes a review of high rated risks
- The Executive Team Meeting - red rated risk oversight processes takes place quarterly
- The Audit and Governance Committee quarterly review of Red Rated Risks
- The Health & Safety Committees bi-monthly review of Trust risk activity, which met four times to review risks between 1 April 2023 and 31 March 2024

Risk Management Strategy

The ongoing enhancement programme for managing risk in the Trust includes;

- The separation of the Board Assurance Framework (BAF) from the Integrated Performance Report to provide further clarity and enhanced understanding across the Trust.
- New descriptors for Trust Level Risks (TLR's) to describe any strategic risks or risks that meet the risk appetite threshold for their related risk type as agreed (by the Trust Board). These will be used for inclusion into the Trusts BAF.
- New Executive risk sponsors (ERS's) for all BAF TLRs
- A new accountable committee structure for risk that ensure all TLRs are mapped to both the accountable committee for oversight alongside a new executive chaired risk and regulation committee, this will strengthen the oversight of Trust risk activity in support of the Trust Audit and Governance Committee
- The delivery of a risk improvement plan as an output of the Trusts 2023 commissioned Deloittes review of our governance processes. In line with the CQC principles - Well-Led Framework, the Board approved the requirement for an enhanced risk management process in January 2024. The risk improvement plan will focus on delivering.
- Clear reporting mechanisms and timescales for the delivery of effective risk management.
- An effective and current evolving risk management strategy and policy.
- A revised approach to our risk management training infrastructure.

Risk Management Training

Local risk ownership, knowledge and skills are maintained by:

- Clinical divisions and corporate directorate governance alongside corporate leadership groups reviewing their risks in line with current Trust policy.
- A programme of training for staff via risk workshops and bespoke risk training – provided by our Head of risk management.
- On-going coaching in risk management through our existing governance structures.

Management Policy

The Trust's risk management policy framework aims to ensure a pro-active approach to risk management by engaging staff at all levels in efforts to resolve risk locally. 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 in line with agreed risk tolerance levels. Risk management at MTW is integrated with other supporting and co-dependent mechanisms. For example, themes and learning from incidents, investigations, audits and external agency inspections contribute to the organisation's understanding of risk exposure, via our current improvement methodology (SDR: strategy deployment process).

Discussions of new and emerging risks form a key part of the Trust's governance/committee framework. For example, the Trusts Quality Committee receives monthly updates on all patient safety activity, and it is envisaged from May 2024 that the new executive chaired patient safety committee will receive an update on all patient safety risks rated as ≥9 This approach will also be replicated across the Trust's new Experience of Care Committee, Patient Outcomes Committee and People and Organisational Development Committee.

There is an annual audit of risk management processes via the Trust's Internal Audit function which includes reference and comparison to best practice guidance and good practice in other organisations. Recommendations are considered and where appropriate acted upon by the Trust and this is overseen by the Trusts Audit & Governance Committee.

The Trust Internal Auditors (TIAA) Audit have undertaken a review of risk as part of the 2023-24 audit plan, the results of which are expected in the Trust within the first quarter of the 2024 financial year.

Risk scoring methodology

A risk management matrix (5x5) with clear risk descriptors and tolerance levels is used to support a consistent approach to assessing and responding to clinical and non-clinical risks within the boundaries of the Trust's risk evaluation framework. The Trust seeks to reduce risks as far as possible; however, it is recognised that delivering healthcare carries inherent risks that can never be completely eradicated. The Board and its committees are aligned to assure that there is independent and strategic focus on both risk and assurance.

Risk appetite

The Trusts risk appetite is included and reviewed regularly within the existing risk oversight processes. The risk appetite is scheduled to be enhanced and this work is included within the Trusts risk improvement plan. This includes the revision of the BAF as considered above.

The Risk and Control framework

Risk management is guided by the risk management policy, it is understood by the Trust that it requires commitment, collaboration and participation from all members of staff. The process starts with the systematic identification of risks which are then evaluated, graded and either managed locally (with risk control measures identified and implemented to mitigate the potential for harm), or escalated for possible inclusion in the directorate's, divisions or corporate risk register. The Trust utilises a risk register to oversee and manage operational risk across the Trust. This allows the central Quality Governance team to monitor any change in risk scores, as well as challenge non-moving risk within the system. Thematic reviews of risk types (patient safety or people risks) are undertaken regularly and reported to the relevant risk oversight committees for assurance on control (for example, high level clinical risks are reported to the Trust's audit and governance committee).

Strategic / Major Risks

In 2023 the Trusts risk register was reviewed to link all risks to one of the Trusts six strategic priorities for improvement that the Trust has chosen to focus on in an effort to take us to outstanding.

These areas are the focus of continuous improvement and include.

Patient experience risks

A key theme is the experience of care within maternity services which has been monitored through the Trust governance processes as a red risk. An A3 project was undertaken to determine root causes and develop an action plan. Progress against this was reviewed through the Maternity Board and the risk subsequently closed once the target score was met.

Patient Safety & Clinical Effectiveness risks

Key themes in relation to patient safety and clinical effectiveness have related to the availability of equipment, care of patients with mental health needs and patients at risk of being lost to follow up.

- Availability of equipment - There is regular review of equipment and servicing with a working group in place to resolve IT issues.
- Care of patients with mental health needs - Additional staff have been utilised to provide enhanced care for patients with mental health needs, SMART tool is completed at the point of initial triage and environment adjusted as far as practicable to support safe care. A mental health committee has been established to monitor Trust-wide actions.
- Patients at risk of being lost to follow up - A follow up process has been implemented with waiting lists validated, waiting list initiatives being explored to support capacity for follow ups.

Sustainability risks

The key theme for sustainability risk is the equipment replacement programme which is funded through the capital programme and monitored through the capital steering group.

People risks

A key theme for People risks has been related to compliance with training. Top line data is shared on the IPR scorecard with the Board and regular reports are provided to Health and Safety Committee, Joint Safeguarding Committee and Infection Prevention and Control Committee.

Systems and partnership risks

A key theme for Systems and Partnership risks is in relation to access control at Tunbridge Wells Hospital, works are ongoing to mitigate.

Patient access risks

Key themes for patient access include demand and capacity gaps within surgical services and triaging of referrals. Reviews of demand and capacity have been undertaken, triage processes have been revised and a business case agreed to recruit additional staff to deliver a 7-day service.

This work will feed into the BAF considerations as part of the enhancement plan being undertaken

Trust Board horizon scanning workshops have been undertaken this year to identify emerging strategic risks.

How risks to data security are managed and controlled

Risks to data security are managed and controlled via a range of methods, as stated below:

- Trust appointed 'Named' Senior Information Risk Owner and Data Protection Officer to oversee and advise on all elements of data security and protection.
- Robust Policies and Procedures in place, with regular review and updating.
- The Trust completes the annual Data Security and Protection Toolkit reporting directly to NHS England and the relevant authorities of breaches requiring investigation and action.
- Mandatory annual Data Security and Information Governance training.
- Robust auditing programme, including data quality and IG Walk Arounds – Random and targeted areas.
- KPI and Bi-Monthly reporting via Information Governance Committee.
- Quarterly reporting to Trust Board.

Effective Governance

The responsibilities of our Board of Directors and Committees reporting lines and accountabilities are set out within the Board and Committee Structure.

Governance Arrangements

Our business is managed by the Board of Directors, which exercises all the powers of the Trust, subject to any contrary provisions of the National Health Service Act 2006 and the Health & Social Care Act 2012. The Board remains accountable for all its functions, even those delegated to Board Committees and Executive Assurance Groups, and these are clearly set out in the respective Committees' and Groups' terms of reference.

In June 2023, a review of the Trust's quality and corporate governance arrangements was commissioned by the Trust with Deloitte. To enhance our governance arrangements, it has been agreed by the Board in January 2024 that the following Committees will be established to undertake detailed consideration of specific areas of reporting;

- Experience of Care Committee
- Patient Safety Committee
- Patient Outcomes Committee
- Quality Improvement, Research and Innovation Committee
- Risk & Regulation Committee

These will be implemented from May 2024 onwards.

Integrated Performance Report and Data Reporting

The Board of Directors is presented with timely and accurate information to assess risks to compliance with the Trust's licence, as detailed within the data, quality and governance section within this report. The Trust strive to ensure that information presented is accurate, comprehensive, timely and up to date, and has adopted measures outlined within the NHSE guidance 'Making Data Count' to improve data standards.

The Board of Directors receives Integrated Performance Reports (IPR) at each meeting which covers performance in relation to the Trust's Strategic Themes, these being; People, Patient Safety and Clinical Effectiveness, Patient Access, Patient Experience, Systems and Sustainability.

The Trust enhanced its IPR with the support of NHSE and made use of the 'Making Data Count'. The improvements made to the IPR introduced the comprehensive use of Statistical Process Control (SPC) charts to enable an analysis of patterns that indicate improvements or decline within the context of normal variation and to illustrate whether a target or a standard can be consistently met. Adopting this approach has reduced the amount of time spent unnecessarily investigating changes in data which are due to normal variation. In addition to this, the Trust has introduced forecasting for key metrics to provide a forward view of performance and Data Quality Kite Marks for each metric to provide assurance over the quality of data being used at Board for decision-making. The Trust's IPR is supported by the improvement methodology being utilised by the organisation and as such Counter Measure Summaries are used for escalation purposes, providing additional assurance to Board members over the underlying causes of any variance and the actions being undertaken to address these.

Governance and Assurance Structure 2023/24

The Trust purchased the Fordcombe Hospital (formerly Spire TW) on 31st March 2024. On this date the Trust acquired the trade and assets of the Spire hospital at Tunbridge Wells, primarily being the plant and equipment and the lease of the property.

Within the purchase there are two stages of completion with the first stage being the purchase of trade and assets and taking over the lease of the property (March 2024). During the transition period (until September 2024) the facility will continue to function as it does currently accommodating private patient services and NHS patients that have been outsourced to the facility from acute NHS organisations. Within this period The Trust is applying its financial governance such as standing orders, standing financial instruction, capital policies etc.

The Provider Licence and Code of Governance for NHS Provider Trusts

On an annual basis the Board of Directors considers an assessment of compliance with the Trust's licence and identifies areas of risk for the forthcoming financial year. These risks are monitored via the corporate risk register. The Trust is compliant with the Provider licence requirements and the updated code of governance for NHS provider Trusts (last updated 23 February 2023) evidenced by appendix 1.

Equality Impact Assessments /Incident Reporting

The Trust has a number of processes and checks in place to ensure consideration of equality and human rights within decision making processes and day to day work. Equality Impact Assessments (EIA) are a tool used to demonstrate 'due regard' as outlined in the Public Sector Equality Duty and to meet legal, equality and human right duties. EIA's are carried out for the following: service changes; policy development; strategy development and changes to working practices, policies and procedures. The EIA framework enables staff to evaluate potential impacts of decision making on people with protected characteristics and other disadvantaged groups in advance of any policy decision being made. The Trust is undergoing a programme of enhancement to ensure that this is continually effective and in line with best practice.

Workforce strategies

The Trust is committed to ensuring that patients receive the highest quality of care by ensuring that staffing processes are safe, sustainable and effective. Internally a corporate workforce plan is developed and supported by recruitment and training plans. These are reviewed on a regular basis by the Executive Management Team and the People and Organisational Development Committee. Workforce data, activity and finance data are triangulated with the operational plan.

Any changes or introduction of new clinical working roles/working practices or changes to current roles are considered by the Chief Nurse Officer and the Medical Director who considers the Quality Impact Assessment undertaken by the service, prior to approving or rejecting the changes.

Systems are in place to monitor safe staffing levels across the Trust including short term strategies enabling appropriate response to day-to-day challenges for the workforce. A safer Staffing Review was completed. Demand and capacity modelling across services enables the Trust to establish where challenged areas are across the Trust. A clear escalation process is in place, with daily huddles to review safe staffing and other operational issues. The Trust is continually enhancing and developing further safeguards.

Where staffing pressures cannot be addressed, the Trust has the ability to draw on our internal bank or third-party providers support patient and staff safety. Regular updates are provided to People and Organisational Development Committee.

Robust workforce governance systems continue to be utilised and embedded to ensure the Trusts compliance

with legislative requirements and to enable oversight of the Trust's short, medium and long-term workforce strategies.

The Trust values the importance of the need for a highly skilled and motivated workforce to provide high quality inpatient and community orientated health care. The Trust is committed to supporting the wellbeing of our staff and ensuring that staff feel valued and able to contribute to the best of their ability. The Trust complies with the Developing Workforce Safeguards 4 recommendations.

Care Quality Commission

The trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). Assurance on compliance with CQC registration requirements is reported and monitored regularly through the Quality Committee.

The Trust has had inspections in the following areas in 2023-24, with the ratings allocated:

- **Maidstone Birthing Centre** – Requires improvement
- **Maternity Services at Tunbridge Wells Hospital** – inadequate
- **End of life care** – requires improvement
- **Crowborough Birthing Centre** – requires improvement
- **Well-Led** – Good
- **Ionising Radiation (Medical Exposure) Regulations 2017 (IR(ME)R) of the radiotherapy service** – improvement notice

Clinical Audit

The Clinical Audit Team at MTW NHS Trust specialises in enabling and supporting Directorates to develop quality improvement (QI) programmes. These QI programmes include:

1. National clinical audits

2. Projects assessing the quality of care at the Trust against recognised best practice standards and the implementation of change (clinical audits)

3. Projects that evaluate the quality of care at the Trust (service evaluations)

4. Projects undertaken to make a patient's experience and outcome better (QIPs)

Participation in national clinical audits, national confidential enquires and local clinical audit is mandated and provides an opportunity to stimulate quality improvement at the Trust and to benchmark the quality care provided at the Trust against other similar Trusts locally and nationally. Clinical audit is part of the NHS contract.

Never Events

The Trust had no never events for the period of the 1 April 2023 and the 31 March 2024

Register of Interests including gifts and hospitality

A register of Interests, including gifts and hospitality for decision making staff (as defined by the trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance' has been published on the Trust website. As part of this, mandatory declarations for decision making staff are monitored and cross referenced against external sources of assurance, for example records held by Companies House relating to individual directorships and the Association of British Pharmaceutical Institute for transfers of value from pharmaceutical companies to individuals employed by the Trust. The results are published at least annually as required under the guidance. This register is actively considered at appropriate Committee, Board and other such meetings.

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 ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Involvement of Stakeholders

The interests of service users, carers, staff, our members and local partner organisations are embedded in our values and demonstrated in our ways of working.

Collaborations and partnerships are increasingly the cornerstone of effective integrated health and care delivery, and the Board has paid close attention to the developing Integrated Care Systems in which the Trust operates.

The Trust is an active member of the Kent and Medway Integrated Care Board, West Kent Health Care Partnership and Provider Collaboratives which involves multiple stakeholders including district and local authorities and the voluntary sector alongside NHS provider colleagues.

The Trust has continuing positive relationship with stakeholders and staff through the delivery of our strategic plans and delivering performance against contracts. Risks to public stakeholders are managed through formal review processes with NHS England and local commissioners through joint actions on specific issues, such as emergency planning and learning from incidents, and through scrutiny meetings.

Equality, Diversity & Human Rights

Measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. In addition, strategies are in place to further enhance equality diversity and inclusion.

Financial viability programmes are subject to equality impact assessments as necessary and ongoing monitoring to ensure the efficiencies do not adversely impact on the quality-of-service delivery.

Sustainability

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

Review of Economy, Efficiency and Effectiveness of the Use of Resources

As Accounting Officer, I have responsibility for ensuring economy, efficiency and effectiveness of the use of resources and I am supported by my executive team that has responsibility for overseeing the day-to-day operations of the Trust. Performance in this area is monitored by the Board on a regular basis and through assurance reports from its standing committees. The Board discusses and approves the Trust's strategic and annual plans (budgets).

Throughout the year the Board receives regular finance financial viability, quality and performance reports which enable it to monitor progress in implementing the annual plan, the Trust's strategic objectives and the performance of the Trust. The Board's integrated performance report provides assurance to the Board on the delivery of the Trust's strategy and Trust wide performance, finance and compliance matters, and seeks to demonstrate how the Trust is improving the quality of life for all the people we care for.

The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively centre on robust budget-setting and control system which includes activity-related budgets and periodic reviews during the year are considered by Executive Directors, the Board's Finance & Performance Committee, and the Board. The budgetary control system is complemented by standing financial instruction, a scheme of delegation and financial approval limits.

The Trusts Audit & Governance Committee supports the Board and me as Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management and the control environment. The scope of the Audit & Governance Committee is defined in terms of reference and encompasses all the assurance needs of the Board and the Accounting Officer role. The Audit & Governance Committee has engagement with the work of internal audit and external audit, which is chaired by a Non-Executive Director.

Internal audit services support the Trust's system of internal control providing an objective and independent opinion on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives. The Trust's internal audit plan is agreed by the Board and sets out the full range of audits across the Trust, and includes reviews of the economy, efficient and effective use of resources.

Information governance

The Trust had four Serious Incidents (SIs) requiring investigation involving personal data that met the criteria for reporting to the Information Commissioner's Office (ICO) (i.e. a 'Level 2' severity incident) as follows.

Date of incident (month)	Nature of incident	Number affected	How patients were informed	Lessons learned
June 2023	Inappropriate access to patient record by a staff member.	1	In writing	A report was filed with the ICO whilst investigations were completed. Access to the record was found to be appropriate to staff members' role and relevant to the care provided to the patient at the time. On reflection, due to the personal circumstances between the staff member and patient, it would have been appropriate for the staff member should have sought support from colleagues to complete the processing. Training refreshed and additional supporting practices identified within the organisation to support staff to escalate future cases of a similar nature.

Date of incident (month)	Nature of incident	Number affected	How patients were informed	Lessons learned
October 2023	Inappropriate access to patient record by staff member. Information shared with a 3rd party.	2	In writing	A report was filed with the ICO whilst investigations were completed. The Investigation found that access to the record was inappropriate, and a breach of personal data confirmed. Formal disciplinary processes were completed. A review of Role Based Access for appropriateness to role was completed. Audit programme reviewed and updated in line with Role Based Access requirements. Policy and Procedure Guidance updated in line with change of roles and review of Role Based Access. Training needs analysis completed, and additional supporting practices identified.

Date of incident (month)	Nature of incident	Number affected	How patients were informed	Lessons learned
June 2023	A file containing patient data was misplaced. The file was later found and secure.	54	The affected individuals were contacted by telephone and in writing	The file was found on Trust premises, in a secure lockable location. The file was secure throughout and no data loss occurred. Report downgraded. Minimal clinical impact to patients due to content of file being available digitally on a range of clinical systems. Failure to adhere to Trust processes in relation to the movement of physical patient data identified during investigation. Paperless processes now adopted by department affected. Robust Policy and supporting guidance in place.

Date of incident (month)	Nature of incident	Number affected	How patients were informed	Lessons learned
March 2024	Inappropriate access to patient record by a member of staff. Patient also member of staff.	1	By telephone	A report was filed with the ICO late March, at the time of writing this report the investigation is ongoing. Formal disciplinary processes have been commenced.

No action has been taken by the ICO on any of the above incidents, all have been closed with no further action. The ICO was satisfied with the actions of the Trust and all actions taken as a result of the incidents.

The Trust also had the following severity 'Level 1' data-related incidents in the year:

Category	Nature of Incident	Total
A	Corruption or inability to recover electronic data	8
B	Disclosed in error	105
C	Lost in transit	4
D	Lost or stolen hardware	4
E	Lost or stolen paperwork	12
F	Non-secure disposal – hardware	0
G	Non-secure disposal – paperwork	4
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	2
J	Unauthorised access/disclosure	47
K	Other	260

Data quality and governance

As Accounting Officer, I have a personal commitment to quality in everything we do, and this is shared by our Chair and all member of the Board.

There are controls in place to ensure the accuracy of data (including the quality and accuracy of elective waiting time data), and the risks to the quality and accuracy of this data.

The following processes are in place to assure the quality and accuracy of elective waiting time data (and to manage the risks to such quality and accuracy):

- The Trust has a Data Quality Steering Group, chaired by the Deputy Chief Executive/Chief Finance Officer. There is a standing agenda item for risk and the group reviews gaps in control and assurance and monitors planned actions to mitigate these risks.
- The Trust has a "Patient access to elective care policy", which covers the management of waiting lists at all stages of a referral to treatment pathway. The policy also states the responsibilities of key staff, including those relating to data quality.
- The Trust also has an "Information lifecycle management policy and procedure", which describes the Trust's general approach to data quality; and a "Data Quality Strategy", which has been developed by the Data Quality Steering Group to ensure alignment with NHS Digital's Provider Data Quality Assurance Framework.
- There is a validation process involving operational, management and information leads, to assure the quality of local and national waiting times reporting/data.

The quality of performance information is primarily assessed via the Internal Audit programme, and in particular via the review of "Data Quality of Key Performance Indicators", which forms part of the Internal Audit plan each year. The "Data Quality of Key Performance Indicators" that was undertaken as part of the 2022/23 Internal Audit plan (and which was issued in July 2023) covered the Outpatient Utilisation and 18 weeks Referral to Treatment (RTT) incomplete pathway and gave an overall assessment of "Reasonable Assurance". A "Processes for Dealing with Data Quality Issues" Internal Audit review was also undertaken as part of the 2022/23 Internal Audit plan, and that resulted in a "Reasonable Assurance" conclusion. The final report of the "Data Quality of Key Performance Indicators" Internal Audit review for 2023/24 was not available at the time of drafting this Statement.

In addition, the Trust's contract with the Kent and Medway Integrated Care Board (KM ICB) during 2023/24 included a requirement to have a Data Quality Improvement Plan (DQIP). The governance processes defined in the contract mean that any data quality issues relating to the Trust's RTT or cancer waiting times can be raised and resolved via that route. The Trust's commissioners received copies of the Trust's performance reports, as well as information provided to them via NHSE, to support the performance management of the Trust's services (with the aim of ensuring the achievement of key targets such as the RTT and cancer waiting time standards). Any associated data quality issues are raised as part of this dialogue and are managed via the technical groups established under the contract and documented in the DQIP. Furthermore, all Trusts now have to submit a weekly copy of their RTT waiting list (Patient Tracking List,

or PTL) to NHSE, and NHSE have developed a Data Quality assurance report that is linked to this called "LUNA". All Trusts had the target to reach an RTT PTL confidence level of 95% by December 2021, which the Trust successfully achieved and maintained throughout 2023/24.

Review in relation to the Health and Care Act at 2022

The trust has worked as a key partner at a Kent & Medway ICB and a West Kent HCP level to ensure we are compliant with the requirements relating to the Health and Social Care act. We have worked with partners using our JSNAs to inform priorities and work plans across the HCP.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within Maidstone and Tunbridge Wells NHS Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the information provided in this annual report, and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit and Governance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit Opinion for 2023/24

TIAA is satisfied that, for the areas reviewed during the year, Maidstone and Tunbridge Wells NHS 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 Maidstone and Tunbridge Wells NHS Trust from its various sources of assurance.

Conclusion

My overall opinion is that taking into account the items referred to above and the mitigations put in place the Trust has maintained a sound system of internal control designed to meet the Trust's objectives and that controls are generally applied consistently. The Trust has identified only four significant internal control issues during 2023/24 all of which have clear management plans in place and are as follows:

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1.	A "Section 29A Warning Notice" was issued by the Care Quality Commission (CQC) for Maternity Services
Trust plans	A full response to the "Section 29A Warning Notice" can be viewed in the Trust Board papers for December 2023.
2.	An "Inadequate" rating was issued for Maternity Services at Tunbridge Wells Hospital
Trust plans	The "Inadequate" rating is fully considered in the Trust Board papers for February 2024.
3.	An Information Commissioners Office (ICO) investigation was conducted in relation to potential personal data breach relating to the Euroking maternity records software
Trust plans	The Trust has cooperated fully with the ICO's nationwide investigation into use of the Euroking Maternity Software. All investigatory questions posed to the Trust have been responded to in full. The Trust remains unaware of any reported breach. The ICO continues to investigate the reported issues at all NHS Trusts in England, noting that all maternity services in Kent have received the same investigation questions. The ICO investigations continue
4.	An Improvement Notice was issued following the CQC Inspection of compliance against IR(ME)R in Radiotherapy at the Kent Oncology Centre
Trust plans	A full and detailed improvement plan has been implemented. Full details of which are available in the Trust Board papers for November 2023.

Miles Scott
Chief Executive 25th June 2024

Maidstone & Tunbridge Wells NHS Trust
Annual accounts

for the year ended 31st March 2024

Statement of Comprehensive Income

	Note	2023/24 £000	2022/23 £000
Operating income from patient care activities	3	688,793	633,662
Other operating income	4	51,772	46,639
Operating expenses	7, 9	-736,118	-661,377
Operating surplus/(deficit) from continuing operations		**4,447**	**18,924**
Finance income	11	1,419	738
Finance expenses	12	-50,548	-16,303
PDC dividends payable		-3,079	-5,107
Net finance costs		**-52,208**	**-20,672**
Other gains / (losses)	13	-73	4
Surplus / (deficit) for the year from continuing operations		**-47,834**	**-1,744**
Surplus / (deficit) for the year		**-47,834**	**-1,744**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	-5,246	5,755
Revaluations	18	3,329	19,925
Total comprehensive income / (expense) for the period		**-49,751**	**23,936**

Note to the SOCI - Adjusted financial performance (control total basis):

The Trust's deficit for 2023/24 was £47.9m prior to adjustments made for the purposes of measuring NHS trusts financial performance. NHS England excludes the impact of certain transactions - impairments, revaluations, capital grants and the net impact of "push stock" received from DHSC bodies - for the purpose of measuring NHS Trust's financial performance. After adjusting for these transactions, the Trust's adjusted financial performance surplus for the year is £5.3m as shown in the table below. This table does not form part of the Statement of Comprehensive Income and represents a note to the accounts.

Surplus / (deficit) for the period	-47,834	-1,744
Remove net impairments not scoring to the Departmental expenditure limit	25,368	1,735
Remove I&E impact of capital grants and donations	381	273
Remove impact of IFRS 16 on IFRIC 12 schemes	27,244	0
Remove net impact of inventories received from DHSC group bodies for COVID response	99	-106
Adjusted financial performance surplus / (deficit)	**5,258**	**158**

Statement of Financial Position

	Note	31 March 2024 £000	31 March 2023 £000
Non-current assets			
Intangible assets	14	10,964	9,464
Property, plant and equipment	16	384,646	373,294
Right of use assets	19	65,985	59,993
Receivables	21	2,939	2,804
Total non-current assets		**464,534**	**445,555**
Current assets			
Inventories	20	9,283	9,249
Receivables	21	33,241	36,283
Non-current assets for sale and assets in disposal groups	22	0	179
Cash and cash equivalents	23	11,985	7,975
Total current assets		**54,509**	**53,686**
Current liabilities			
Trade and other payables	25	-58,011	-54,276
Borrowings	27	-16,596	-12,293
Provisions	29	-1,166	-1,675
Other liabilities	26	-965	-1,804
Total current liabilities		**-76,738**	**-70,048**
Total assets less current liabilities		**442,305**	**429,193**
Non-current liabilities			
Borrowings	27	-328,614	-225,265
Provisions	29	-2,474	-2,697
Total non-current liabilities		**-331,088**	**-227,962**
Total assets employed		**111,217**	**201,231**
Financed by			
Public dividend capital		326,904	288,365
Revaluation reserve		69,933	71,900
Income and expenditure reserve		-285,620	-159,034
Total taxpayers' equity		**111,217**	**201,231**

The notes on pages 6 to 52 and including the note on the Statement of Comprehensive Income form part of these accounts.

Name

Position Chief Executive Officer

Date 25 June 2024

Statement of Changes in Equity for the year ended 31 March 2024

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**288,365**	**71,900**	**-159,034**	**201,231**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	0	-78,802	**-78,802**
Surplus/(deficit) for the year	0	0	-47,834	**-47,834**
Impairments	0	-5,246	0	**-5,246**
Revaluations	0	3,329	0	**3,329**
Transfer to retained earnings on disposal of assets	0	-50	50	**0**
Public dividend capital received	38,630	0	0	**38,630**
Public dividend capital repaid	-91	0	0	**-91**
Other reserve movements	0	0	0	**0**
Taxpayers' and others' equity at 31 March 2024	**326,904**	**69,933**	**-285,620**	**111,217**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**274,005**	**46,246**	**-157,316**	**162,935**
Surplus/(deficit) for the year	0	0	-1,744	**-1,744**
Other transfers between reserves	0	-26	26	**0**
Impairments	0	5,755	0	**5,755**
Revaluations	0	19,925	0	**19,925**
Public dividend capital received	14,360	0	0	**14,360**
Taxpayers' and others' equity at 31 March 2023	**288,365**	**71,900**	**-159,034**	**201,231**

Information on reserves

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

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

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

Statement of Cash Flows

	Note	2023/24 £000	2022/23 £000
Cash flows from operating activities			
Operating surplus / (deficit)		4,447	18,924
Non-cash income and expense:			
Depreciation and amortisation	7.1	26,072	23,709
Net impairments	8	25,368	1,735
Income recognised in respect of capital donations	4	-211	-360
(Increase) / decrease in receivables and other assets		6,157	-6,901
(Increase) / decrease in inventories		-34	-91
Increase / (decrease) in payables and other liabilities		-505	10,567
Increase / (decrease) in provisions		-770	-4,242
Net cash flows from / (used in) operating activities		**60,524**	**43,341**
Cash flows from investing activities			
Interest received		1,419	738
Purchase of intangible assets	14.1	-1,763	-266
Purchase of PPE and investment property	16.1	-47,455	-28,181
Sales of PPE and investment property		1,215	23
Receipt of cash donations to purchase assets		211	360
Acquisition of a business	15.1	-9,975	0
Net cash flows from / (used in) investing activities		**-56,348**	**-27,326**
Cash flows from financing activities			
Public dividend capital received		38,630	14,360
Public dividend capital repaid		-91	0
Movement on loans from DHSC		-974	-974
Movement on other loans		-376	-461
Capital element of finance lease rental payments		-5,215	-4,427
Capital element of PFI, LIFT and other service concession payments		-9,963	-5,688
Interest on loans		-164	-200
Other interest		-3	-3
Interest paid on finance lease liabilities		-930	-530
Interest paid on PFI, LIFT and other service concession obligations		-14,876	-15,576
PDC dividend (paid) / refunded		-6,204	-6,379
Net cash flows from / (used in) financing activities		**-166**	**-19,878**
Increase / (decrease) in cash and cash equivalents		**4,010**	**-3,863**
Cash and cash equivalents at 1 April - brought forward		**7,975**	**11,838**
Cash and cash equivalents at 31 March	23	**11,985**	**7,975**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care 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 2023/24 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.

Trust Management have assessed the Trust's ability to continue for the foreseeable future in the light if the GAM guidance. The Trust is planning to compile the 2023/24 accounts on a "going concern" basis following consideration of the following: -

- There has been no expectation raised in the public arena that healthcare services will not continue to be provided from the two hospital sites. There are no plans to dissolve the Trust or to cease services without transfer to any other NHS body.

- National NHS Provider/Commissioner Planning guidance has been issued to Integrated Care Systems by NHSE that outlines the process and framework for funding arrangements within which NHS Commissioners and Providers will operate during 2024/25. Final planning returns were submitted by Systems to NHSE on the 12th June 2024.

- The Trust has submitted a final updated 5-year capital plan to the ICB on the 12th June 2024 which manages the overall resource level within the patch.

- The Trust is an active participant and fully engaged in financial planning within the ICS as well as locally within the West Kent Health and Care Partnership (HCP) locality.

- 2024/25 contracts with NHS England and the Kent and Medway ICB are expected to be signed by the 14th June 2024 in line with national NHSE expectations. Regardless of the finalisation of the contract sign off process, a contract is implied and services are being provided and payments are being made to the Trust on the basis that a contract will be in place and fully executed for the full year, this is supported by the joint K&M ICS plan submission for 2024/25 which has been signed off and submitted to NHS England showing the planned intention to have contracts in place between the Trust and Commissioners.

- The Trust does not consider that there are any material uncertainties to the going concern basis.

Note 1.3 Interests in other entities

The Trust does not have interests in Subsidiaries, Associates, Joint Ventures or Joint Operations and the Trust does not consolidate its charitable funds on the basis that the value is not material.

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.

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 NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts (API) form the main payment mechanism under the NHSPS. In 2023/24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts but was not transacted on a variable payment basis following national guidance.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT 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 and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023/24, trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners. In 2022/23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts but was not transacted on a variable payment basis following national guidance.

Revenue from research contracts

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

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms the performance obligations are i) that treatment has been given, ii) the trust receives notification from the Department of Work and Pension's Compensation Recovery Unit, iii) the completed NHS2 form is confirmed and checked that there are no discrepancies with the treatment, iv) the income is then received by the Trust. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Education Income

The Trust received income from Health Education England (HEE) for education and training of medical and non-medical trainees as well as other associated training support costs. Revenue is in respect of training provided and is recognised when performance obligations are satisfied this is when the training has been performed. All performance obligations are undertaken within the financial year.

Non-Patient care services to other bodies

The Trust supplies a range of services and goods to a range of customers, and also rents out facilities. For these services, revenue is recognised as and when performance obligations (the services and goods are delivered) are satisfied during the period covered by the recharge.

Note 1.5 Other forms of income

Grants and donations

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

Interest revenue is accrued on a time basis, by reference to the principle outstanding and interest rate applicable.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension Costs

NHS Pension Scheme

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

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

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phased employer contribution rate which was 3% for 2023/24, this rate remains at 3% from April 2024.

Note 1.7 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 1.8 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

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

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives. In respect of buildings, the Trust has determined that it is appropriate to depreciate the component blocks of the two hospital sites separately, as this takes into consideration the age and condition of the asset components and their differing depreciation profile and follows the external valuation schedules. The individual elements (e.g. walls, floors, lifts, heating etc) within these blocks are not deemed to be significant in relation to the block assets.

Subsequent expenditure

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

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are 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. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Land and buildings used for the Trust's services or for administration purposes are stated in the statement of financial position at their revalued amounts, being the current value at the date of revaluation less any impairment

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

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

For specialised assets, current value in existing use 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 at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the Trust.

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 when the assets are brought into use.

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.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income. Any residual balance in the revaluation reserve in respect to an individual asset is transferred to the retained earnings reserve on disposal of the asset.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated. Depreciation commences from the start of the quarter following the one in which the asset first becomes available for use.

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

Revaluation gains and losses

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

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

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

Impairments

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

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

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

The Trust undertakes impairment reviews on Land and Property assets using specialised advice from its independent valuer. The Trust also undertakes an impairment review of IT desktop equipment.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

The sale must be 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.

This includes assets donated to the trust by the Department of Health and Social Care or NHS England as part of the response to the coronavirus pandemic. As defined in the GAM, the trust applies the principle of donated asset accounting to assets that the trust controls and is obtaining economic benefits from at the year end.

Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's *FReM*, are accounted for as 'on-Statement of Financial Position' by the trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

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

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Initial application of IFRS 16 liability measurement principles to PFI and LIFT liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities in these financial statements from 1 April 2023. The change in measurement basis has been applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Comparatives for PFI, LIFT and other service concession arrangement liabilities have not been restated on an IFRS 16 basis, in line with the DHSC Group Accounting Manual. Under IAS 17 measurement principles which applied in 2022/23 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred.

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	2	60
Plant & machinery	2	15
Transport equipment	5	10
Information technology	3	10
Furniture & fittings	10	20

Note 1.9 Intangible assets

Recognition

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

Internally generated intangible assets

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

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

· 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 compete the development and sell or use the asset and

· The Trust can measure reliably the expense 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.

Purchased Goodwill

Goodwill arising from an acquisition of a business outside of the Whole of Government Accounts' boundary is accounted for in accordance with IFRS 3 and accounted for as an intangible asset.

Measurement

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

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

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

Amortisation

Intangible assets are amortised over their expected useful lives in a manner consistent with the consumption of economic or service delivery benefits. Goodwill is not amortised but is subject to impairment testing as required by IAS 36, Impairment of Assets.

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	2	7
Software licences	3	8

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

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

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 Financial assets and financial liabilities

Recognition

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

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

Classification and measurement

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

Financial assets and financial liabilities at amortised cost

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

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

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

The Trust does not have any embedded derivatives that have different risks and characteristics to the host contracts; therefore, the Trust does not have any financial assets/liabilities at fair value through profit and loss.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses. The Trust does not recognise credit losses for other NHS Bodies.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

In determining the level of expected credit loss the Trust reviews classes of debtors with common credit characteristics which are grouped together in calculation matrix. The expected credit loss is only applied to trade debtors. For 2023/24 the Trust has carried out its annual assessment and based on the results retained the same matrix as in 2022/23.

The assessment took a full years data relating to 2022/23 trade debtors using the total income of £12.449m and compare it with the total credits and write offs for the same year (representing realised credit risk) of £0.546m. The resulting proportion is 3.83% of realised credit risk.

Therefore the debtor categories excluding NHS, Direct Debit and overseas visitors that from 0-159 days, provide 3.83% of the value to reflect the potential credit note/write off; and for the debt of 160 days and over, the value is provided for in full (100%).

Overseas visitors will continue to be provided for in full as soon as the debt is recognised as viewed as an inherently riskier class of debtors. This is the largest class of trade debt.

Debtors who are repaying in accordance with a repayment plan through Direct Debits are not provided for and are treated as a zero-credit loss assessment unless they default on the payment plan.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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.

Injury Cost Recovery Unit (CRU) - the Trust is following the DHSC Group Accounting Manual (GAM) which advises that 23.07% of accrued CRU income should be included in the provision for irrecoverable debts to reflect the average value of claims withdrawn. Previously the Trust used its own estimation based on income received and write offs and then providing for debt in full for previous financial years and then the DHSC GAM rate for the current year. However as the levels of income still being received for debt from prior years have led the Trust to determine that it is appropriate to apply the DHSC GAM rate of 23.07% as the previous method that was adopted to respond to the enhanced risk due to the pandemic appears excessive against current data.

Derecognition

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

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

Note 1.13 Leases

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 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

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 head lease.

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 in 2022/23

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

The standard was 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 were only 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 were not 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 was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

No adjustments were 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 had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

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

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is

		Nominal rate	Prior year rate
Short-term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore

	Inflation rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: minus 1.70%).

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 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 29 where an inflow of economic benefits is probable."

Contingent liabilities are not recognised, but are disclosed in Note 29, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.16 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as 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 Department of Health and Social Care.

This policy is available at https://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 1.17 Value added tax

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

Note 1.18 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.19 Third party assets

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

Note 1.20 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 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.22 Acquisition of a business

On the 31st March 2024 Maidstone and Tunbridge Wells NHS Trust acquired the unincorporated business of The Fordcombe Hospital (Spire TW) for £9.975m satisfied in cash. The Fordcombe Hospital provides healthcare for both NHS and Private Patients.

The acquisition had the following effect on Maidstone and Tunbridge Wells Statement of Financial Position which are also detailed in notes 14.1, and 16.1 as below. Note 15.1 summarises the acquisition.

	2023/24 £000
Purchase Fixed Asset (PPE) note 16.1	7,849
Purchase Intangible Asset - Goodwill, note 14.1	2,125
Purchase Intangible Asset - licence, note 14.1	1
Total consideration	**9,975**

When the Trust first acquires control of an entity the Trust is required to measure goodwill at the acquisition date which is the extent to which the fair value of the consideration transferred exceeds the net recognised amount (at fair value) of all the identified assets acquired.

Goodwill is recognised as an intangible asset in the Statement of Financial Position. It includes non-identified intangible assets including business processes and workforce-related industry specific knowledge and technical skills. Goodwill has an indefinite expected useful life and is not amortised, but is tested annually for impairment.

Costs related to the acquisition, are expensed as incurred.

On closure or disposal of an acquired business, goodwill would be taken into account in determining the profit or loss on closure or disposal

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023/24.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applies in 2023/24. These Standards are still subject to HM Treasury FReM adoption:

The International Accounting Standards Board has issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 has not yet been UK endorsed or adopted by the FReM, but will apply for reporting periods beginning on or after 1 January 2027 and also applies to comparative information. The Trust is aware that this Standard has been issued, but at this stage does not yet know the impact on future financial statements.

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 April 2024.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. For 2023/24 the Trust has identified the following critical judgments that are required to be disclosed under IAS 1 paragraph 122. All other material judgements within this financial year relate to estimations and are disclosed in the relevant notes:

Assets relating to Land and Buildings are subject to a desktop valuation as at 31st March 2024, completed on an "modern equivalent asset" basis. An existing use value alternative is used which assumes the assets would be replaced with a modern equivalent, i.e. not a building of identical design – but with the same service provision as the existing assets which reflects the challenges healthcare providers face when utilising NHS Estate. Under the Trust's alternative modern equivalent asset valuation, the modern alternative hospitals are of the same service potential but on a smaller physical footprint to serve the catchment area of population.

The Trust's PFI contract at inception was assessed as meeting the IFRIC 12 principles as a service concession arrangement so that the Trust immediately recognised an infrastructure asset and a corresponding finance lease liability, under IAS 17. No change to the underlying contract has subsequently occurred to alter that judgement and the concession continues to be judged as and recognised as on-SOFP.

The Trust has assessed the purchase of the Fordcombe Hospital on the 31st March 2024 as being the acquisition of a business under IFRS 3 i.e. an integrated set of activities and assets that the Trust is able to conduct and manage to provide services to patients and to generate income from activities. The hospital was not a separate entity and therefore the Trust does not judge that it has purchased a subsidiary. The Trust has assessed the fair value of the assets upon acquisition. Goodwill has arisen upon purchase being the difference in cash consideration paid and the fair value of the fixed assets of the business.

The Trust has considered the treatment of the acquisition of the Fordcombe Hospital and business against the criteria set out in IFRS 3.

Inputs: The Trust has acquired the plant, equipment and property lease at first completion. The Trust has also contractually committed to take on the employees – we have immediate access to the employees at the hospital site through the transitional services agreement and we are incurring the costs of the employees whilst they are undergoing a TUPE process.

Processes: The Trust has acquired an operational hospital, with the employees who undertake the clinical and business processes, to provide healthcare services for which the Trust receives contractual income. The Trust has immediately brought the Fordcombe Hospital under its strategic management processes, its governance protocols, its operational procedures and its financial and budgetary arrangements. The Trust is able to move the assets to other Trust sites, or to introduce new assets; the Trust has control over the operating capacity and hours of the hospital and can reconfigure the clinical services and/or change the case mix or NHS/Private mix of procedures.

Outputs: the clinical outputs of the hospital activity are now reported as part of the Trust's activity and financial returns. The Trust has incorporated the performance reporting and management oversight from first completion. The Trust is earning income related to the clinical performance of the hospital.

In conclusion it is the Trust's judgement that the acquisition meets the criteria for a business.

The Trust acquired control of the Fordcombe hospital through purchase of its business and associated assets on the 31 March 2024.

Note 1.26 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Material areas including estimates within the 2023/24 accounts are as follows:

Property, Plant and Equipment valuation including PFI infrastructure assets; estimation of the valuation of Property and Land is based upon professional valuer methodologies for applying modern equivalent concepts to the estimation of depreciated replacement cost. This methodology assumes a modern asset equivalent (MEA) approach to valuation of Trust's specialised assets, with replacement buildings being of the same service potential. Inherent within the MEA valuation approach, using the depreciate replacement cost, is the Build Cost Information Service Indices (BCIS) input.

The carrying value of build assets valued under DRC approach was £293.4m (part of the £306.6m for land and buildings disclosed in note 16). The valuer uses the latest BCIS information closest to the date of valuation in valuing the Trust's specialised assets. Significant changes in the BCIS indices used in the valuations would result in a significantly lower of higher carrying value of building assets held by the Trust. For example, a 10% decrease in percentage change in the building assets would result in a decrease in asset values by £29.3m over the next financial year with an estimated decrease to PDC of £0.5m.

Note 2 Operating Segments

Maidstone and Tunbridge Wells NHS Trust reports under a single segment 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 Trust has considered the possibility of reporting two segments, relating to Healthcare and Non Healthcare Income, but this does not reflect current Trust Board reporting practice which reports on both the aggregate Trust position and by Directorate. Each of the significant directorates are deemed to have similar economic characteristics under the Healthcare banner and can therefore be aggregated in accordance with the requirements of IFRS 8.

The Trust's income is predominantly from contracts for the provision of healthcare with Integrated Care Boards and NHS England. Income from patient care services accounts for 93% of the Trust total income. Disclosure of all material transactions with related parties is included within note 34 to these financial statements. There are no other parties that account for more than 10% of total income.

Note 3 Operating income from patient care activities

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

Note 3.1 Income from patient care activities (by nature)	2023/24 £000	2022/23 £000
Acute services		
Income from commissioners under API contracts - variable element*	135,765	0
Income from commissioners under API contracts - fixed element*	434,390	492,489
High cost drugs income from commissioners	40,454	38,176
Other NHS clinical income	10,086	10,081
Community services		
Income from commissioners under API contracts*	41,193	29,040
All services		
Private patient income	1,271	971
Elective recovery fund	0	26,932
National pay award central funding***	284	12,526
Additional pension contribution central funding**	16,873	15,337
Other clinical income	8,477	8,110
Total income from activities	**688,793**	**633,662**

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023-25 NHS Payment Scheme documentation. API income is treated a variable, there is no 2022/23 comparative value due to the national rules in place which fixed all patient care income.

https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

Elective Recovery Fund (ERF) - all ERF income is now included in the API income - variable value in line with national payment and contract guidance

**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.

*** Additional funding was made available by NHS England in 2023/24 and 2022/23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022/23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022/23 was based on individuals in employment at 31 March 2023.

Included within Other Clinical Income are Sexual Health contracts with Local Authorities, Overseas Patients, Injury Cost Recovery scheme and bowel screening service.

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2023/24 £000	2022/23 £000
NHS England	129,151	129,292
Clinical commissioning groups	0	120,242
Integrated care boards	547,543	372,507
Other NHS providers	2,351	2,540
Local authorities	6,104	5,781
Non-NHS: private patients	1,271	971
Non-NHS: overseas patients (chargeable to patient)	647	542
Injury cost recovery scheme	745	852
Non NHS: other	981	935
Total income from activities	**688,793**	**633,662**
Of which:		
Related to continuing operations	688,793	633,662

Clinical Commissioning Groups ceased to exist from July 2022, they were replaced with Integrated Care Boards. During 2022/23 the income above shows three months of income received from Clinical Commissioning Groups and nine months from Integrated Care Boards. In 2023/24 the full year income is shown within Integrated Care Boards (ICB).

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2023/24	2022/23
	£000	£000
Income recognised this year	647	542
Cash payments received in-year	378	271
Amounts added to provision for impairment of receivables	378	370
Amounts written off in-year	223	124

Note 4 Other operating income

	2023/24			2022/23		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	1,804	0	**1,804**	1,753	0	**1,753**
Education and training	16,497	1,211	**17,708**	14,439	1,051	**15,490**
Non-patient care services to other bodies	26,089	0	**26,089**	20,491	0	**20,491**
Reimbursement and top up funding	0	0	**0**	2,743	0	**2,743**
Receipt of capital grants and donations and peppercorn leases	0	211	**211**	0	360	**360**
Charitable and other contributions to expenditure	0	190	**190**	0	1,234	**1,234**
Revenue from operating leases	0	164	**164**	0	126	**126**
Other income	5,606	0	**5,606**	4,442	0	**4,442**
Total other operating income	**49,996**	**1,776**	**51,772**	**43,868**	**2,771**	**46,639**
Of which:						
Related to continuing operations			**51,772**			**46,639**
Related to discontinued operations			**0**			**0**

Non patient care income has increased during the year as a result of: 1) The Trust has taken on the hosting the Kent & Medway Pathology Network - £1m; 2) the Trust has entered into an Innovations contract to provide services to Teletracking Technologies Inc, value £2.7m in 2023/24; 3) income from the Kent and Medway Cancer Alliance of £1.6m.

Within Charitable and other contributions to expenditure - 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 2023/24 the Trust received £191k of items purchased by DHSC (2022/23: £1,234k).

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2023/24	2022/23
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	1,799	1,810
Revenue recognised from performance obligations satisfied (or partially satisfied) included within contract liabilities arising within the reporting period	908	1,746

Note 5.2 Transaction price allocated to remaining performance obligations

The Trust has one contractual performance obligation with Teletracking Technologies Inc.

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2024	31 March 2023
	£000	£000
within one year	2,700	2,700
after one year, not later than five years	600	3,300
Total revenue allocated to remaining performance obligations	**3,300**	**6,000**

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 5.3 Fees and charges

The following disclosure is of income from charges to service users where the full cost of providing that service exceeds £1 million.

	2023/24	2022/23
	£000	£000
Income	4,176	1,653
Full cost	-5,127	-1,833
Surplus / (deficit)	**-951**	**-180**

Analysis of service charges and costs:

Car Parking:

	2023/24	2022/23
	£000	£000
Income	2,144	1,653
Full cost	-2,492	-1,833
Surplus/(deficit)	**-348**	**-180**

Accommodation:

	2023/24	2022/23
	£000	£000
Income	2,032	1,321
Full cost	-2,635	-2,290
Surplus/(deficit)	**-603**	**-969**

The financial objective and performance against the objective for the car parking met its target for the financial year. Our main objectives is to meet the running cost or the car parks and to fund the multi-storey car parks across both sites.

In order to meet the national guidance on car parking concessions, the Trust gives free and subsidised parking to a number of groups such as, cancer patients, blue badge holders and staff who work solely on night shifts.

The accommodation subsidy, we are subsidising International Educated Nurses as part of their relocation package. We aim to cover the cost by incrementally increasing the rent.

Note 6.1 Operating leases - Maidstone and Tunbridge Wells NHS Trust as lessor

This note discloses income generated in operating lease agreements where Maidstone and Tunbridge Wells NHS Trust is the lessor.

The Trust leases an element of land on the Maidstone Hospital site to a day nursery contractor and also receives income from an arrangement with retail franchise at Maidstone Hospital, and an arrangement providing warehouse space to Lloyds Pharmacy, also at Maidstone Hospital.

Note 6.2 Operating lease income

	2023/24	2022/23
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	164	126
Total in-year operating lease income	**164**	**126**

Note 6.3 Future lease receipts

	31 March 2024	31 March 2023
	£000	£000
Future minimum lease receipts due in:		
- not later than one year	181	126
- later than one year and not later than two years	181	126
- later than two years and not later than three years	143	126
- later than three years and not later than four years	143	126
- later than four years and not later than five years	143	126
- later than five years	483	531
Total	**1,274**	**1,161**

Note 7.1 Operating expenses

	2023/24	2022/23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	7,975	6,865
Purchase of healthcare from non-NHS and non-DHSC bodies	22,951	22,557
Staff and executive directors costs	456,598	424,466
Remuneration of non-executive directors	156	149
Supplies and services - clinical (excluding drugs costs)	49,502	42,788
Supplies and services - general	6,781	6,111
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	73,012	68,422
Inventories written down	10	4
Consultancy costs	279	271
Establishment	2,832	2,674
Premises	24,227	23,145
Transport (including patient travel)	4,120	3,889
Depreciation on property, plant and equipment	23,683	21,683
Amortisation on intangible assets	2,389	2,026
Net impairments	25,368	1,735
Movement in credit loss allowance: contract receivables / contract assets	-642	-127
Change in provisions discount rate(s)	-21	-104
Fees payable to the external auditor		
audit services- statutory audit	163	150
Internal audit costs	152	141
Clinical negligence	19,116	18,494
Legal fees	297	-1,201
Insurance	578	-575
Education and training	3,269	3,886
Expenditure on short term leases	0	353
Expenditure on low value leases	5	5
Redundancy	107	0
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	6,367	6,285
Car parking & security	2,697	2,310
Hospitality	25	-10
Losses, ex gratia & special payments	43	12
Other services, e.g. external payroll	886	457
Other	3,193	4,516
Total	**736,118**	**661,377**
Of which:		
Related to continuing operations	**736,118**	**661,377**

The movement relating to the Staff and executive directors' costs primarily relates to the pay award c.£19.1m, CDC and KMOC developments £4.6m, industrial action costs of £3.2m and an increase in Employer pension costs £1.5m.

Details of impairments are given in notes 8 and 16.1 within these accounts.

The reason for the negative values in 2022/23 legal fees and insurance are that these are adjustments to provisions relating for a specific legal case. During 2022/23 the Trust received further information revising the provisions held.

The audit fees included within note 7.1 above are reported as the gross position, the value excluding VAT for 2023/24 is £135.9k (2022/23 £125k).

The external auditors also audits the Trust's charity accounts. The fees are disclosed within the charity accounts; 2023/24 £6k including vat (2022/23 £6k incl vat), but are not included within Other Audit remuneration line as the Trust does not consolidate the charity accounts. The audit of the charity accounts takes place later in the year as the charity accounts are submitted by the end of January each year.

Note 7.2 Other auditor remuneration

The Trust has no other auditor remuneration

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2 million (2022/23: £2 million).

Note 8 Impairment of assets

	2023/24	2022/23
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	25,368	1,735
Total net impairments charged to operating surplus / deficit	**25,368**	**1,735**
Impairments charged to the revaluation reserve	5,246	-5,755
Total net impairments	**30,614**	**-4,020**

The Trust commissioned its independent professional valuers to undertake a desktop valuation of as at the 31st March 2024 to support its assessment of year end property valuations. The valuers also reviewed the carrying value of a material asset under construction and reviewed the carrying values of the significant IFRS 16 Right of Use property assets.

The analysis for £25.37m with changes in market value are shown below:

The result of the Trust Land and Building valuation has been a net decrease in property values leading to a impairment of (£10.02m) and reversal of previous impairments of £0.43m. The overall impact of this results in a net impairment of (£9.59m) credited to the Income and Expenditure account. The details of the values can be seen in note 16.1 and details of the basis and methodology used are included within note 18.

The valuation of the Kent & Medway Orthopaedic Centre Asset Under Construction reduced the carrying value by (£15.18m). This impairments can be seen in note 16.1 and the details of the valuation are included within note 18.

In addition an assessment of the current value in existing use has been undertaken for IT devices (PCs, Laptops and IPads) based on the valuation model used by the Trust in accordance with the Trust's policy 1.8. For 2023/24, the impairment totalled (£0.29m) (2022/23 £0.27m).

During 2023/24 the Trust received an NHSE National Patient Safety Advice requiring all Philips V60 ventilators be withdrawn from service by the end of September 2023. These ventilators were impaired by (£0.3m) and returned to the company with replacement purchased.

Following the review of IFRS 16 property leases the valuers confirmed that the property leases are being carried at market value so there was a nil impairment for 2023/24 (2022/23 £1.9m).

Note 9 Employee benefits

	2023/24 Total £000	2022/23 Total £000
Salaries and wages	345,206	312,398
Social security costs	37,566	32,853
Apprenticeship levy	1,591	1,642
Employer's contributions to NHS pensions	55,772	50,421
Pension cost - other	36	43
Temporary staff (including agency)	17,429	27,230
Total staff costs	**457,600**	**424,587**
Of which		
Costs capitalised as part of assets	883	121

Further information on staff benefits by category of staff, exit packages and staff sickness absence is reported in the remuneration and staff section of the Trust's annual report.

The increase in salaries and wages primarily relates to the pay awards for Agenda for Change that were paid out in 2023/24

The employer contribution rate for NHS pensions increased from 14.3% to 20.6% totalling £16.9m (2022/23 £15.3m excluding administration charge) from 1st April 2020. For 2023/24, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on provider's behalf. The full cost and related funding have been recognised in these accounts.

Note 9.1 Retirements due to ill-health

During 2023/24 there were 2 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £91k (£95k in 2022/23).

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 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 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 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Included within the employees benefits note are employer contributions to NHS Pension scheme £55.8m (2022/22 £50.5m) and other pension scheme which are NEST and 247 Time (Direct engagement provider) NEST totalling £83k (2022/23 £116k).

The Trust participates in the National Employees Saving Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phase employer contribution rate of 3% for 2023/24 and remains at 3% for 2024/25. Trust contributions under the NEST scheme for the 2023/24 financial year totalled £36k (2022/23 £43k).

Note 11 Finance income

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

	2023/24	2022/23
	£000	£000
Interest on bank accounts	1,419	738
Total finance income	**1,419**	**738**

The interest was received from the Trust's bank accounts. Since 2022/23 the banks have slowly increased their interest rates and these have improved further for 2023/24.

Note 12.1 Finance expenditure

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

	2023/24	2022/23
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	161	200
Interest on lease obligations	930	530
Interest on late payment of commercial debt	3	3
Finance costs on PFI, LIFT and other service concession arrangements:		
Main finance costs	14,876	9,251
Contingent finance costs*	0	6,325
Remeasurement of the liability resulting from change in index or rate*	34,572	0
Total interest expense	**50,542**	**16,309**
Unwinding of discount on provisions	6	-6
Total finance costs	**50,548**	**16,303**

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 34.

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

	2023/24	2022/23
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	3	3

Note 13 Other gains / (losses)

	2023/24	2022/23
	£000	£000
Gains on disposal of assets	3	16
Losses on disposal of assets	-76	-12
Total gains / (losses) on disposal of assets	**-73**	**4**
Total other gains / (losses)	**-73**	**4**

All gains and losses on disposals of assets relates to disposals of Property, Plant and Equipment, primarily on medical equipment and vehicles; and terminations of the leases creating the relevant Right of Use Assets.

Note 14.1 Intangible assets - 2023/24

	Software licences	Internally generated information technology	Goodwill	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**1,976**	**16,846**	**0**	**0**	**18,822**
Additions	482	1,281	0	0	**1,763**
Additions of business acquisition	1	0	2,125	0	**2,126**
Disposals / derecognition	-89	-1,280	0	0	**-1,369**
Valuation / gross cost at 31 March 2024	**2,370**	**16,847**	**2,125**	**0**	**21,342**
Amortisation at 1 April 2023 - brought forward	**1,028**	**8,330**	**0**	**0**	**9,358**
Provided during the year	262	2,127	0	0	**2,389**
Disposals / derecognition	-89	-1,280	0	0	**-1,369**
Amortisation at 31 March 2024	**1,201**	**9,177**	**0**	**0**	**10,378**
Net book value at 31 March 2024	**1,169**	**7,670**	**2,125**	**0**	**10,964**
Net book value at 1 April 2023	**948**	**8,516**	**0**	**0**	**9,464**

Goodwill has arisen as a result of the Trust's acquisition of the Fordcombe Hospital (formerly Spire TW) in March 2024, in accordance with IFRS 3.

Note 14.2 Intangible assets - 2022/23

	Software licences	Internally generated information technology	Goodwill	Intangible assets under construction	Total
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**1,976**	**14,029**	**0**	**2,659**	**18,664**
Additions	0	266	0	0	**266**
Reclassifications	0	2,551	0	-2,659	**-108**
Valuation / gross cost at 31 March 2023	**1,976**	**16,846**	**0**	**0**	**18,822**
Amortisation at 1 April 2022 - as previously stated	**755**	**6,577**	**0**	**0**	**7,332**
Provided during the year	273	1,753	0	0	**2,026**
Amortisation at 31 March 2023	**1,028**	**8,330**	**0**	**0**	**9,358**
Net book value at 31 March 2023	**948**	**8,516**	**0**	**0**	**9,464**
Net book value at 1 April 2022	**1,221**	**7,452**	**0**	**2,659**	**11,332**

Note 15.1 Business Acquisition

The Trust purchased the Fordcombe Hospital (formerly Spire TW) on 31st March 2024 for £9.975m. On this date the Trust acquired the trade and assets of the Spire hospital at Tunbridge Wells, primarily being the plant and equipment and the lease of the property. The Fordcombe Hospital was not a separable entity and is therefore not accounted as a purchase of a subsidiary.

The primary driver for the acquiring of the Fordcombe Hospital was to increase capacity in the short term to address elective surgical back log, and to enable sufficient capacity in the medium term to respond to forecast future demand for ENT, Ophthalmology and Endoscopy. It also meets the Trusts objective to reduce health inequalities' but providing effective and efficient treatment for patients living across Kent and Medway.

Within the purchase there are two stages of completion with the first stage being the purchase of trade and assets and taking over the lease of the property. During the transition period the facility will continue to function as it does currently accommodating private patient services and NHS patients that have been outsourced to the facility from acute NHS organisations

The acquisition had the following effect on the Trust's assets as at the end of 2023/24

Recognised values on acquisition	**2023/24**
	£000
Purchase price of acquisition	9,975
Purchase Fixed Asset (PPE) note 16.1	7,849
Purchase Intangible Asset - licence, note 14.1	1
Purchase Intangible Asset - Goodwill, note 14.1	2,125
	9,975

Goodwill has been recognised at the first completion, being the difference in cash consideration paid and the fair value of the fixed assets of the business.

The fixed assets have been taken on by the Trust at fair value, The Trust engaged with KMPG to carry out the fair value valuation of the fixed asset register.

The main Fordcombe hospital building is leased from Links Bidco Propco 12 Limited to Spire Healthcare LTD; The Trust has a underlease for the premises with Spire Healthcare which has been included within the 2023/24 accounts as an IFRS 16 lease liability of £5.39m and a corresponding right of use asset of the same value.

At first completion the Trust has committed to take on the relevant working capital and the existing staffing, subject to a due process under TUPE, at the end of an expected six month period. At that point there will be a truing-up process to determine any additional consideration payable to or from the Spire Group with the settlement of outstanding working capital positions. This will be transacted as part of the second completion.

During the six month period the Trust has entered into a Managed Service Arrangement with Spire who will operate the hospital on the Trust's behalf under the Trusts management and control. The Trust will incorporate the full financial performance of the hospital within its overall management accounts from the 1st April as part of the Trust's business as usual.

During the implementation phase the Trust will review working capital usage e.g. stock to agree what will finally transfer to the Trust at second completion.

The Trust incurred acquisition related costs of £0.3m related to legal advice, financial advice, project management and property surveys. These costs have been included within the 2023/24 in the Statement of Comprehensive Income and Expenditure.

Note 15.2 Impairment of Goodwill

Goodwill has been recognised at the first completion, being the difference in cash consideration paid and the fair value of the fixed assets of the business. No impairment has been assessed as arising immediately upon purchase.

Note 16.1 Property, plant and equipment - 2023/24

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 - brought forward	**12,936**	**304,826**	**8,967**	**92,637**	**587**	**23,139**	**2,506**	**445,598**
Additions	0	8,791	34,023	3,957	0	3,960	0	**50,731**
Additions - business acquisitions	0	6,239	0	1,474	0	52	84	**7,849**
Impairments charged to operating expenses	0	-10,022	-15,179	-303	0	-298	0	**-25,802**
Impairments charged to the revaluation reserve	-70	-5,568	0	0	0	0	0	**-5,638**
Reversal of impairments credited to operating expenses	0	434	0	0	0	0	0	**434**
Reversal of impairments credited to the revaluation reserve	0	392	0	0	0	0	0	**392**
Revaluations	0	-3,849	0	0	0	0	0	**-3,849**
Reclassifications	0	973	-2,339	972	0	394	0	**0**
Transfers to / from assets held for sale	0	0	0	-1,185	0	0	0	**-1,185**
Disposals / derecognition	0	-1,049	0	-9,313	0	-1,462	-2,438	**-14,262**
Valuation/gross cost at 31 March 2024	**12,866**	**301,167**	**25,472**	**88,239**	**587**	**25,785**	**152**	**454,268**
Accumulated depreciation at 1 April 2023 - brought forward	**0**	**190**	**0**	**58,756**	**186**	**10,715**	**2,457**	**72,304**
Provided during the year	0	8,308	0	6,588	49	3,877	13	**18,835**
Revaluations	0	-7,178	0	0	0	0	0	**-7,178**
Transfers to / from assets held for sale	0	0	0	-223	0	0	0	**-223**
Disposals / derecognition	0	-1,049	0	-9,167	0	-1,462	-2,438	**-14,116**
Accumulated depreciation at 31 March 2024	**0**	**271**	**0**	**55,954**	**235**	**13,130**	**32**	**69,622**
Net book value at 31 March 2024	**12,866**	**300,896**	**25,472**	**32,285**	**352**	**12,655**	**120**	**384,646**
Net book value at 1 April 2023	**12,936**	**304,636**	**8,967**	**33,881**	**401**	**12,424**	**49**	**373,294**

As a result of the Trust buying the Fordcombe Hospital (Spire TW) in March 2024 the Trust has acquired the fixed assets shown above as a separate line: £5.8m.

Following the review of the IT assets there were four assets that in 2022-23 that were incorrectly set up as IT but should be Intangibles, these have been reclassified in the 2023/24 accounts.

Note - further analysis on Assets Under Construction can be found in Note 16.3.

Note 16.2 Property, plant and equipment - 2022/23

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2022 - as previously stated	**13,504**	**271,801**	**12,781**	**89,141**	**576**	**18,599**	**2,506**	**408,908**
Additions	0	5,177	11,508	4,034	11	4,230	0	**24,960**
Impairments charged to operating expenses	0	-1,536	-5,400	0	0	-268	0	**-7,204**
Impairments charged to the revaluation reserve	-829	-1,008	0	0	0	0	0	**-1,837**
Reversal of impairments credited to operating expenses	0	7,169	0	0	0	0	0	**7,169**
Reversal of impairments credited to the revaluation reserve	0	7,592	0	0	0	0	0	**7,592**
Revaluations	261	12,434	0	0	0	0	0	**12,695**
Reclassifications	0	3,197	-9,922	6,255	0	578	0	**108**
Transfers to / from assets held for sale	0	0	0	-179	0	0	0	**-179**
Disposals / derecognition	0	0	0	-6,614	0	0	0	**-6,614**
Valuation/gross cost at 31 March 2023	**12,936**	**304,826**	**8,967**	**92,637**	**587**	**23,139**	**2,506**	**445,598**
Accumulated depreciation at 1 April 2022 - as previously stated	**0**	**184**	**0**	**59,130**	**139**	**7,224**	**2,437**	**69,114**
Provided during the year	0	7,236	0	6,222	47	3,491	20	**17,016**
Revaluations	0	-7,230	0	0	0	0	0	**-7,230**
Disposals / derecognition	0	0	0	-6,596	0	0	0	**-6,596**
Accumulated depreciation at 31 March 2023	**0**	**190**	**0**	**58,756**	**186**	**10,715**	**2,457**	**72,304**
Net book value at 31 March 2023	**12,936**	**304,636**	**8,967**	**33,881**	**401**	**12,424**	**49**	**373,294**
Net book value at 1 April 2022	**13,504**	**271,617**	**12,781**	**30,011**	**437**	**11,375**	**69**	**339,794**

Note 16.3 Property, plant and equipment financing - 31 March 2024

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	12,866	112,622	25,472	30,696	352	12,613	120	**194,741**
On-SoFP PFI contracts and other service concession arrangements	0	187,938	0	0	0	0	0	**187,938**
Owned - donated/granted	0	336	0	1,589	0	42	0	**1,967**
Total net book value at 31 March 2024	**12,866**	**300,896**	**25,472**	**32,285**	**352**	**12,655**	**120**	**384,646**

Assets Under Construction (AUC) in year additions of £34m (note 16.1) relate to: Build £29.8m, Plant & Machinery £3.7m and IT £0.6m. These are assets at 31st March 2024 which are classed as "work in progress" and were not available for use at the end of 2023/24.

The main AUC projects within 2023/24 are: 1) Kent and Medway Orthopaedic Centre building works £25.6m (less impairment -£15.179m); 2) CDC build works £3.5m; 3) Digital Pathology equipment £3.0m 4) IT Frontline Digitalisation equipment £0.6m.

Note 16.4 Property, plant and equipment financing - 31 March 2023

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Owned - purchased	12,936	109,607	8,967	31,895	401	12,370	49	**176,225**
On-SoFP PFI contracts and other service concession arrangements	0	194,660	0	0	0	0	0	**194,660**
Owned - donated/granted	0	369	0	1,986	0	54	0	**2,409**
Total net book value at 31 March 2023	**12,936**	**304,636**	**8,967**	**33,881**	**401**	**12,424**	**49**	**373,294**

Note 16.5 Property plant and equipment assets, including those subject to an operating lease (Trust as a lessor) - 31 March 2024

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	168	410	0	0	0	0	0	**578**
Not subject to an operating lease	12,698	300,486	25,472	32,285	352	12,655	120	**384,068**
Total net book value at 31 March 2024	**12,866**	**300,896**	**25,472**	**32,285**	**352**	**12,655**	**120**	**384,646**

Note 16.6 Property plant and equipment assets, including those subject to an operating lease (Trust as a lessor) - 31 March 2023

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	168	252	0	0	0	0	0	**420**
Not subject to an operating lease	12,768	304,384	8,967	33,881	401	12,424	49	**372,874**
Total net book value at 31 March 2023	**12,936**	**304,636**	**8,967**	**33,881**	**401**	**12,424**	**49**	**373,294**

Note 17 Donations of property, plant and equipment

In the financial year 2023/24 the Trust recognised donated assets of £0.21m. The most significant purchases was a Faxitron Machine £0.10m, 6 Bladder scanners £0.06m; the remaining balance of £0.05m related to a Morcellator and Cryostat machine.

Note 18 Revaluations of property, plant and equipment

The Trust's depreciation on tangible assets (including donated) in the year was £19.3m and amortisation for intangible assets £1.9m.

This is the Trust fourth year following its full valuation in accordance with the five year cyclical valuation period. In keeping with the Trust previous practice a desktop valuation was commissioned from independent professional valuers, Montagu Evans LLP. This was undertaken on the Trust's Land and Building assets as at 31st March 2024. The lead relationship partner from Montagu Evans LLP is qualified to BSc MRICS.

Specialist properties (main hospitals) have been valued on Depreciation Replacement Cost (DRC) using the Modern Equivalent Assets (MEA) valuation concept and taking into account the Trust's previous approach to the application of MEA e.g. the PFI property valued excluding recoverable VAT. Non specialised buildings and land have been valued on an Existing Use Value (EUV) basis in line with RICS guidelines.

The 31st March 2024 valuation resulted in an overall decrease in the carrying value of the Trust's Land and Property assets of (£11.5m). The analysis of the decrease is as follows:

i) An in-year I&E charge to impairments was (£10.02m) with £0.43m reversals of previous I&E impairments, the net I&E impairment was (£9,588) which is reflected in operating expenses.

ii) The in-year impairment charge to the revaluation reserve was (£5.64m) with £0.39m of reversal of previous impairments taken to the revaluation reserve. The net revaluation reserve impact was (£5.25m).

iiii) The downward valuations are driven by an overall decrease in the building costs (BCIS) indices reflecting the market and the geographical location area. This included some component assets driven by specific BCIS elements there was an increase of £3.33m with no previous reversal to the revaluation reserve.

The valuer considered the remaining useful economic lives of the assets taking into account backlog and capital work undertaken between valuations, and the age and condition of the properties.

The valuers also reviewed the carrying value of a material asset under construction - Kent & Medway Orthopaedic Centre Asset Under Construction reduced the carrying value by £15.18m, from £25.61m to £10.43m. The valuation is consistent with the 2022/23 valuation and is in line with the 2023/24 main land and building valuation. The Kent & Medway Orthopaedic Centre is classified as a specialised asset. The principal driver for the impairment is the difference between the actual complexities of the build solution and the approach in the valuation methodology. The basis of value is 'Fair Value' in accordance with International Financial Reporting Standards (IFRS). Using the DRC method the Modern Equivalent Asset (MEA) is to be assumed. The principle of the MEA is a cleared site, ready for development on an 'instant build' basis with no allowance for site clearance, preparation, finance costs or contingency allowance. BCIS Indices form the basis of the calculations with professional fees at 12.5% and VAT at 20%. The site required considerable ground works to level and prepare. A remaining useful life of 60 years has been applied to the new build development. This development is due to complete in 2024.

The valuer has reported that at the valuation date property markets are functioning sufficiently to provide an adequate quantum of market evidence on which to base the opinions of value. The valuer has continued to exercise professional judgement in providing the valuation; the Trust has reviewed and challenged the valuation in detail and is satisfied that this remains the best information to the Trust.

Fixtures and Fittings are carried at depreciated historic cost as this is not considered to be materially different from fair value. The Trust has reviewed its Plant and Machinery assets to ensure that both the value and the remaining lives are held at the correct values. An assessment of current value in existing use of IT devices (PCs, Laptops and IPads) assets has been carried out based on a valuation model as advised by Trust's experts, this is in accordance with he Trust's policy 1.8.

The Trust engaged KMPG to undertake the Fair Value assessment on the Fordcombe fixed asset register. The fair value assessment includes intangible assets, tangible assets and goodwill. KPMG have considered a combination of cost approach and market approach to carrying out the fair value assessment of the non current assets.
KPMG have also assessed the useful economic lives (UEL) of the assets and have applied a single discrete UEL to all of the assets in each of the different classes. The UELs have been estimated based on discussions with the Trust, and benchmarking for similar assets using American Society of Appraisers and Marshal Valuation guidelines.

Note 19 Leases - Maidstone and Tunbridge Wells NHS Trust as a lessee

The Trust leases property and equipment assets for various purposes from both NHS and external partners. The purposes include the provision of staff accommodation, clinical facilities, clinical and non-clinical equipment, office space and facility related property e.g. car parking.

The Trust applied IFRS 16 to account for lease arrangements since 1 April 2022 without restatement of comparatives.

The Trust purchased the Fordcombe Hospital (Spire TW) in March 2024. The main hospital building is leased from Links Bidco Propco 12 Limited to Spire Healthcare LTD; The Trust has a underlease for the premises with Spire Healthcare which have been included within the 2023/24 accounts as an IFRS 16 lease liability of £5.39m.

For further analysis of major leases see note 19.3

Note 19.1 Right of use assets - 2023/24

	Property (land and buildings) £000	Plant & machinery £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2023 - brought forward	**64,710**	**1,650**	**66,360**	**4,846**
Additions	742	23	**765**	116
Additions - Business acquisitions*	5,391	0	**5,391**	0
Remeasurements of the lease liability	4,129	556	**4,685**	235
Movements in provisions for restoration / removal costs	32	0	**32**	0
Disposals / derecognition	-33	0	**-33**	-33
Valuation/gross cost at 31 March 2024	**74,971**	**2,229**	**77,200**	**5,164**
Accumulated depreciation at 1 April 2023 - brought forward	**5,600**	**767**	**6,367**	**733**
Provided during the year	4,350	498	**4,848**	781
Accumulated depreciation at 31 March 2024	**9,950**	**1,265**	**11,215**	**1,514**
Net book value at 31 March 2024	**65,021**	**964**	**65,985**	**3,650**
Net book value at 1 April 2023	**59,110**	**883**	**59,993**	**4,113**

Net book value of right of use assets leased from other NHS providers	1,054
Net book value of right of use assets leased from other DHSC group bodies	2,596

* The Trust purchased the lease of the Fordcombe Hospital as a sublease from Spire on the 31st March 2024 (see notes 15.1 and 19)

Note 19.2 Right of use assets - 2022/23

	Property (land and buildings) £000	Plant & machinery £000	Total £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward	**0**	**0**	**0**	**0**
IFRS 16 implementation - adjustments for existing operating leases / subleases	53,463	1,638	**55,101**	4,739
Additions	7,248	0	**7,248**	33
Remeasurements of the lease liability	3,509	12	**3,521**	80
Movements in provisions for restoration / removal costs	496	0	**496**	0
Disposals / derecognition	-6	0	**-6**	-6
Valuation/gross cost at 31 March 2023	**64,710**	**1,650**	**66,360**	**4,846**
Accumulated depreciation at 1 April 2022 - brought forward	0	0	**0**	0
Provided during the year	3,900	767	**4,667**	733
Impairments	1,700	0	**1,700**	0
Accumulated depreciation at 31 March 2023	**5,600**	**767**	**6,367**	**733**
Net book value at 31 March 2023	**59,110**	**883**	**59,993**	**4,113**
Net book value at 1 April 2022	**0**	**0**	**0**	**0**

Net book value of right of use assets leased from other NHS providers	1,267
Net book value of right of use assets leased from other DHSC group bodies	2,846

Note 19.3 Analysis of right of use assets

The Trust has closing Right of Use Asset value is £65.99m for all of the leases recognised under IFRS 16. Of this the majority of the value relates to leases for staff accommodation on both sites and in the localities (£47.46m). These leases range in term from 2 years to 40 years.

The three largest leases for staff accommodation are:

The Trust has a lease of Springwood Road Block B (Kirkland and Barming Houses) staff accommodation from Jedi Developments Ltd. The closing carrying value of the Right of Use Asset is £36.38m. The Trust entered into the arrangement on the 29th March 2019 for a 43 year primary term lease on the new accommodation, with an ultimate option for the Trust to acquire the property for fair value at the end of the arrangement. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The Trust manages the short term tenancies with staff and receives staff accommodation income.

The Trust has a lease of Springwood Road Block A (Rowan, Birch, Hawthorn and Chestnut Houses) staff accommodation from Jedi Developments Ltd. The closing carrying value of the Right to Use Asset is £5.25m. The Trust entered into the arrangement on the 31st March 2023 for a 20 year lease term. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The Trust manages the short term tenancies with staff and receives staff accommodation income.

WGIF - lease of 32 High Street, Pembury for staff residences. The closing carrying value of the Right of Use Asset is £5.77m. The lease is subject to 5 yearly RPI reviews (Feb 2024). The Trust entered into a 25 year arrangement on the 21st February 2019 expiring in February 2044, with a landlord only break clause in February 2033. The Trust manages the short term tenancies with staff and receives staff accommodation income.

Leases of clinical facilities account for £13.46m of the Right of Use closing carrying value . This includes £5.39m lease for the Fordcombe Hospital (Spire TW); £2.59m relating to arrangements with NHS Property Services; £2.41m for Community Diagnostic Centre facilities at an off-site location close to Maidstone Hospital; £0.84m for renting the radiotherapy bunkers at Kent and Canterbury Hospital.

The Trust has two seven year leases for single storey modular car parks (total £1.69m), one at each main hospital site. These commenced on the 31st March 2020.

Trust equipment leases have a value of £0.97m; leases for office space account for £1.67m; other facilities have a value of £0.73m.

Note 19.4 Revaluations of right of use assets

The Trust has engaged with our valuers to review the carrying value of the property elements of the lease register. They reviewed the valuation for the 6 largest Right of Use assets and considered if any impairment or upward valuation was required.

In 2023/24 the valuers considered the carrying values as held within the accounts are held as appropriate values against market comparisons. The only property that was identified as being carried at a higher value than a market rent was the Acute Medical Unit at Maidstone Hospital. This was assessed similarly in 2022/23 and impaired accordingly.

Note 19.5 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 27.1.

	2023/24	2022/23
	£000	£000
Carrying value at 31 March 2023	**61,437**	**0**
IFRS 16 implementation - adjustments for existing operating leases	0	55,101
Lease additions	765	7,248
Lease additions - business acquisitions	5,391	0
Lease liability remeasurements	4,685	3,521
Interest charge arising in year	930	530
Early terminations	-33	-6
Lease payments (cash outflows)	-6,145	-4,957
Carrying value at 31 March 2024	**67,030**	**61,437**

* The Trust purchased the lease of the Fordcombe Hospital as a sublease from Spire on the 31st March 2024 (see notes 15.1 and 19)

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 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Income generated from subleasing right of use assets in £0k and is included within revenue from operating leases in note 4.

Note 19.6 Maturity analysis of future lease payments

	Total 31 March 2024 £000	Of which leased from DHSC group bodies: 31 March 2024 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Discounted future lease payments payable in:				
- not later than one year;	5,024	740	4,942	728
- later than one year and not later than five years;	14,978	2,154	15,085	2,294
- later than five years.	47,028	787	41,410	1,109
Total gross future lease payments	**67,030**	**3,681**	**61,437**	**4,131**
Net lease liabilities at 31 March 2024	**67,030**	**3,681**	**61,437**	**4,131**
Of which:				
Leased from other NHS providers		1,067		1,274
Leased from other DHSC group bodies		2,614		2,857

Note 19.7 Leases - other information

The Trust entered into a contract for the provision of medical student and education accommodation with 144 rooms on the Tunbridge Wells Hospital site on the 23rd May 2022. The facility is owned and leased to the Trust by Just Retirement Ltd for a term of 50 years. The building is still in construction and is expected to reach practical completion by September 2024. The Trust will recognise the lease under IFRS 16 at the point of which the facility is made available for use. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The lease value commenced at an annual value of £669.7k per annum and is recorded as prepayments within the Trust accounts.

The main hospital building is leased from Links Bidco Propco 12 Limited to Spire Healthcare LTD; The Trust has a underlease for the premises with Spire Healthcare which have been included within the 2023/24 accounts of £5.39m.

The staff accommodation property leases with the most significant carrying values have variable inflation/rent review arrangements linked to RPI. The lease liability will be remeasured at each point that the relevant variable change is due. The arrangements are detailed in Note 19.3.

The leases for the Acute Medical Unit at Maidstone and the multi storey car parks on each hospital site are fixed rent arrangements not subject to review during the term. These are reviewed by the Trust's independent valuer on an annual basis.

The leases with NHS Property Services are reviewed annually and are agreed on a case by case basis.

Note 20 Inventories

	31 March 2024 £000	31 March 2023 £000
Drugs	4,445	3,964
Ward drugs	433	476
Consumables	1,439	1,141
Consumables donated from DHSC group bodies	111	210
Energy	141	148
Cardiology	0	1,007
Theatres	2,421	1,824
Other	293	479
Total inventories	**9,283**	**9,249**
of which:		
Held at fair value less costs to sell	0	0

The closing 2022/23 inventories value was £9,249k, within 2023/24 inventories recognised in expenses for the year were £84,121k (2022/23: £83,655k). Write-down of inventories recognised as expenses for the year were £10k (2022/23: £4k). Additions within 2023/24 were £84,165k (2022/23 £83,750k) resulting in a closing inventories balance of £9,283k

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 2023/24 the Trust received £190k of items purchased by DHSC (2022/23: £1,234k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above with the closing value of £111k.

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

Cardiology inventories closing balance has reduced to nil at the end of the financial year as during 2023/24 the Trust entered into a fully managed service with Medtronic who now provide consumables and stock management services. The existing stock was purchased by the service provider.

Note 21.1 Receivables

	31 March 2024 £000	31 March 2023 £000
Current		
Contract receivables	18,227	24,095
Allowance for impaired contract receivables / assets	-399	-1,127
Prepayments (non-PFI)	7,971	8,120
PDC dividend receivable	3,784	659
VAT receivable	2,559	3,407
Other receivables	1,099	1,129
Total current receivables	**33,241**	**36,283**
Non-current		
Contract receivables	1,371	1,296
Allowance for impaired contract receivables / assets	-1,126	-1,296
PFI lifecycle prepayments	1,668	1,522
Other receivables	1,026	1,282
Total non-current receivables	**2,939**	**2,804**
Of which receivable from NHS and DHSC group bodies:		
Current	14,195	20,448
Non-current	1,026	1,282

The majority of trade is with Integrated Care Boards (ICB) as commissioners for NHS patient care services. As ICBs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. The calculation for the allowance of other impaired receivables is described in policy note 1.12.

The most significant elements within current contract receivables are 1) £6.4m invoiced NHS debt of which £3m is with Kent and Medway ICB 2) £4.3m NHS accrual ledger postings and 3) £6.4m invoiced Trade debt of which £2.7m is with Teletracking Technologies Inc.

Note 21.2 Allowances for credit losses

	2023/24 receivables £000	2022/23 receivables £000
Allowances as at 1 April - brought forward	**2,423**	**2,716**
New allowances arising	1,208	2,042
Reversals of allowances	-1,850	-2,169
Utilisation of allowances (write offs)	-256	-166
Allowances as at 31 Mar 2024	**1,525**	**2,423**

For details of the credit loss process see policy 1.12 impairment of Financial Assets

Injury Cost recovery – the Trust has reviewed the data on receipt of income and write off levels for existing debt from 2018/19 onwards. It has also benchmarked with local acute trusts and reviewed the national guidance. The levels of income still being received for debt from 2018/19 onwards have led the Trust to determine that it is appropriate to apply the national rate of 23.07% (2022/23 24.86%) to all the existing injury cost recovery debt.

Please refer to the accounting policy number 1.12 for the process of these values

Note 21.3 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 22 Non-current assets held for sale and assets in disposal groups

	2023/24	2022/23
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**179**	**0**
Assets classified as available for sale in the year	962	179
Assets sold in year	-1,141	0
NBV of non-current assets for sale and assets in disposal groups at 31 March	**0**	**179**

The £179k opening balance brought forward from 2022/23 relates to the Trust outsourcing its laundry services and therefore the Trust's laundry equipment was surplus to operational requirements. The equipment was sold by an auction at a specialist trade forum and was sold during 2023/24.

During 2023/24 the Trust entered in to a managed service arrangement with Inhealth and at that point the Trust transferred £962k from Property Plant and Equipment an MRI scanner which was sold to Inhealth during 2023/24.

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.

	2023/24	2022/23
	£000	£000
At 1 April	**7,975**	**11,838**
Net change in year	4,010	-3,863
At 31 March	**11,985**	**7,975**
Broken down into:		
Cash at commercial banks and in hand	11	25
Cash with the Government Banking Service	11,974	7,950
Total cash and cash equivalents as in SoFP	**11,985**	**7,975**
Total cash and cash equivalents as in SoCF	**11,985**	**7,975**

Note 24 Third party assets held by the trust

Maidstone and Tunbridge Wells NHS Trust did not hold any cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest.

Note 25 Trade and other payables

	31 March 2024	31 March 2023
	£000	£000
Current		
Trade payables	15,626	6,847
Capital payables and accruals	5,959	2,558
Accruals	26,028	36,159
Social security costs	4,943	4,414
Other taxes payable	5,272	4,174
Pension contributions payable	1	8
Other payables	182	116
Total current trade and other payables	**58,011**	**54,276**
Of which payables from NHS and DHSC group bodies:		
Current	4,117	3,439

Trade payables also includes NHS organisations as well as trade suppliers. The variance within trade payables primarily relates to the Trust returning to paying suppliers to payment terms of 30 days. During covid period the Trust was paying invoices as soon as they were received and authorised, now the Trust is adhering to paying suppliers to 30 days.

The variance in the accrual values relates to an estimate for the pay offer for Agenda for Change staff of £12.9m that was accrued as an expenses within the 2022/23 accounts, per IAS 19 Employee Benefits. The payments were made in 2023/24.

Included with the accruals values is an estimate for annual leave untaken of £0.15m (2022/23 £0.18m).

Note 26 Other liabilities

	31 March 2024 £000	31 March 2023 £000
Current		
Deferred income: contract liabilities	965	1,804
Total other current liabilities	**965**	**1,804**

Note 27.1 Borrowings

	31 March 2024 £000	31 March 2023 £000
Current		
Loans from DHSC	970	983
Other loans	107	376
Lease liabilities	5,024	4,942
Obligations under PFI, LIFT or other service concession contracts	10,495	5,992
Total current borrowings	**16,596**	**12,293**
Non-current		
Loans from DHSC	2,520	3,484
Other loans	88	195
Lease liabilities	62,006	56,495
Obligations under PFI, LIFT or other service concession contracts	264,000	165,091
Total non-current borrowings	**328,614**	**225,265**

The Trust has remeasured its PFI obligations with the national application of IFRS 16 principles to finance lease measurement from the 1st April 2023. This has significantly increased the value of the lease liability compared with the prior IAS 17 approach.

The Trust has two remaining capital investment loans totalling £3.5m with the Department of Health and Social Care. The £11m (current remaining balance £0.7m) loan received on the 15th March 2010 has a final repayment date of 15th March 2025, with a fixed interest rate of 3.91% and the loan of £6m (current remaining balance £2.8m) taken out on the 15th December 2010 has a final repayment date of 15th September 2035 at a fixed rate of 4.73%.

The Trust also has Salix loans total value of £0.2m which appears in "other loans" in both current and non current borrowings, this relates to improving the energy efficiency of the Trust. These loans are repayable over 5 years and is interest free. Salix Finance Ltd provides interest-free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills.

Under IFRS 9 the loan values also include their associated interest charges.

Note 27.2 Reconciliation of liabilities arising from financing activities

	Loans from DHSC	Other loans	Lease Liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2023	**4,467**	**571**	**61,437**	**171,083**	**237,558**
Cash movements:					
Financing cash flows - payments and receipts of principal	-974	-376	-5,215	-9,963	**-16,528**
Financing cash flows - payments of interest	-164	0	-930	-14,875	**-15,969**
Non-cash movements:					
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	0	0	78,802	**78,802**
Additions	0	0	6,156	0	**6,156**
Lease liability remeasurements	0	0	4,685	0	**4,685**
Remeasurement of PFI / other service concession liability resulting from change in index or rate	0	0	0	34,572	**34,572**
Application of effective interest rate	161	0	930	14,876	**15,967**
Early terminations	0	0	-33	0	**-33**
Carrying value at 31 March 2024	**3,490**	**195**	**67,030**	**274,495**	**345,210**

With effect from the 1st April 2023 the NHS Group Accounting Manual mandated the application of IFRS 16 to the measurement of PFI finance lease obligations. The approach taken was one of cumulative catch-up with a one off adjustment between the PFI liability and the retained earnings reserve. The Impact for the Trust is £80.6m shown in the table above.

Under the IFRS 16 principles applied to the PFI the lease liability is remeasured each year with any change in the indexation applied to the unitary payment. The impact for 2023/24 was £34.6m upward movement to the liability in line with the RPI movement of 13.84% discounted at the real terms finance rate inherent in the PFI contract.

	Loans from DHSC	Other loans	Lease Liabilities	PFI and LIFT schemes	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**5,441**	**1,032**	**0**	**176,770**	**183,243**
Cash movements:					
Financing cash flows - payments and receipts of principal	-974	-461	-4,427	-5,688	**-11,550**
Financing cash flows - payments of interest	-200	0	-530	-9,250	**-9,980**
Non-cash movements:					
Impact of implementing IFRS 16 on 1 April 2022	0	0	55,101	0	**55,101**
Additions	0	0	7,248	0	**7,248**
Lease liability remeasurements	0	0	3,521	0	**3,521**
Application of effective interest rate	200	0	530	9,251	**9,981**
Early terminations	0	0	-6	0	**-6**
Carrying value at 31 March 2023	**4,467**	**571**	**61,437**	**171,083**	**237,558**

Note 28 Other financial liabilities

The Trust has no other financial liabilities

Note 29.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Capitalised Lease dilapidations under IFRS 16	2019/20 Clinicians' pension reimbursements	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	**355**	**684**	**496**	**1,342**	**1,495**	**4,372**
Change in the discount rate	-21	0	0	0	0	**-21**
Arising during the year	40	439	32	0	0	**511**
Utilised during the year	-28	-45	0	-252	-521	**-846**
Reversed unused	0	-382	0	0	0	**-382**
Unwinding of discount	6	0	0	0	0	**6**
At 31 March 2024	**352**	**696**	**528**	**1,090**	**974**	**3,640**
Expected timing of cash flows:						
- not later than one year;	28	696	0	64	378	**1,166**
- later than one year and not later than five years;	112	0	496	104	596	**1,308**
- later than five years.	212	0	32	922	0	**1,166**
Total	**352**	**696**	**528**	**1,090**	**974**	**3,640**

Pension Injury Benefit costs relates to two ill health injury benefits calculated by current payment made by NHS Pensions Agency adjusted for average life expectancy using tables published by the National Statistics Office. Legal Claims include estimates notified by NHS Resolution.

Legal claims are notified at year end to the Trust from NHS Resolution and legal firms that the Trust uses.

Included within "Other" is an element of previous operating leases under IAS 17 - dilapidations totalling £0.9m and other provisions of £0.08m. Within the year the Trust utilised £0.5m of which £0.25m utilised in the year relates to the Trust restoring the Laundry property back to its original condition and £0.25m was to provide a green wall in the car park at Maidstone Hospital.

Capitalised lease dilapidations relates to IFRS 16 leases that commenced from 1st April 2022 and contain within the lease a clause to return the property back to its original state During 2023/24 the Trust took out a new lease with Gallagher's at Hermitage Court, the £32k arising in year relates to this new property lease.

The Clinicians' Pension Scheme relates to clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in the previous tax year (2019-20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme. The NHSE have used the information provided by Government Actuary's Department (GAD) and Business Services Authority (BSA) and calculated a national 'average discounted value per nomination'. The Trust has followed the guidance and based its provision on this estimated value and applied it to the Trusts data as reported in the NHS Digital's NHS workforce Statistics - November 2019' consultant headcount data which is the same basis that NHSE have used for the National provision within its accounts.

Note 29.2 Clinical negligence liabilities

At 31 March 2024, £273,028k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Maidstone and Tunbridge Wells NHS Trust (31 March 2023: £321,267k).

Note 30 Contingent assets and liabilities

	31 March 2024	31 March 2023
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	-49	-62
Gross value of contingent liabilities	**-49**	**-62**
Net value of contingent liabilities	**-49**	**-62**

The contingent liability for 2023/24 relates to legal claims notified by NHS Resolution of £49k.

Note 31 Contractual capital commitments

	31 March 2024	31 March 2023
	£000	£000
Property, plant and equipment	3,883	5,108
Total	**3,883**	**5,108**

Note 32 Other financial commitments

The Trust does not have any other financial commitments.

Note 33.1 On-SoFP PFI, LIFT or other service concession arrangements

The Trust signed a PFI project agreement on 26th March 2008 for the new Tunbridge Wells Hospital at Pembury. The main building was handed over by the contractor in phases in December 2010 and May 2011 and recognised in the Trust's accounts accordingly. By joint agreement with the Trust's PFI partner the final phase of car parking & landscaping were completed and handed over early in January 2012, although contractual phasing and unitary payments were kept in line with the project agreement completion date of September 2012. The arrangement covers the provision of buildings, hard facilities management services and lifecycle replacement (building & engineering asset renewals). Under the project agreement the Trust has agreed expectations for the provision of these services and has termination options on default. The land remains the Trust's asset throughout the concession. The concession runs for 30 years until 2042 when the building will revert to the Trust. The annual unitary payment was contracted at £16.9m at 2005/06 prices, and is subject to an annual uplift by Retail Price Index (measured on the preceding February index) which for 2023/24 was 13.84%.

Note 33.2 On-SoFP PFI, LIFT or other service concession arrangement obligations

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2024 £000	31 March 2023 £000
Gross PFI, LIFT or other service concession liabilities	**434,283**	**276,133**
Of which liabilities are due		
- not later than one year;	24,838	14,939
- later than one year and not later than five years;	93,643	57,620
- later than five years.	315,802	203,574
Finance charges allocated to future periods	-159,788	-105,050
Net PFI, LIFT or other service concession arrangement obligation	**274,495**	**171,083**
- not later than one year;	10,495	5,992
- later than one year and not later than five years;	41,780	25,097
- later than five years.	222,220	139,994

Note 33.3 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2024 £000	* Restated 31 March 2023 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**777,439**	**729,017** *
Of which payments are due:		
- not later than one year;	33,637	29,512 *
- later than one year and not later than five years;	143,069	125,603 *
- later than five years.	600,733	573,902 *

The prior year 2022/23 comparators have been restated in line with the clarification to the Group Accounting Manual in 2023.24 that future year commitments should be measured at values at the current reporting date, and not include estimates of future indexation. The impact of removing the indexation from the 2022/23 values is set out below:

Restatement of 2022/23 analysis	31 March 2023 reported £000	Change in value £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	**823,362**	**-94,345**
Of which payments are due:		
- not later than one year;	32,787	-3,275
- later than one year and not later than five years;	141,629	-16,026
- later than five years.	648,946	-75,044

Note 33.4 Analysis of amounts payable to service concession operator

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

	2023/24 £000	2022/23 £000
Unitary payment payable to service concession operator	**32,442**	**28,499**
Consisting of:		
- Interest charge	14,876	9,251
- Repayment of balance sheet obligation	9,963	5,688
- Service element and other charges to operating expenditure	6,095	5,910
- Capital lifecycle maintenance	1,384	1,325
- Contingent rent	0	6,325
- Addition to lifecycle prepayment	124	0
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	272	375
Total amount paid to service concession operator	**32,714**	**28,874**

The application of the IFRS 16 measurement principles to the PFI obligations has changed the allocation of the Unitary Payment compared with 2022/23, with contingent rental no longer incurred. The finance lease repayment is now larger as the underlying liability has increased with the change in accounting policy.

The prior year 2022.23 comparators are not required by the Group Accounting Manual to be restated from the previous IAS 17 approach. The 2023/24 values are on the new approach based on IFRS 16 approach.

Note 34 Impact of change in accounting policy for on-SoFP PFI, LIFT and other service concession liabilities

IFRS 16 liability measurement principles have been applied to PFI, LIFT and other service concession arrangement liabilities from 1 April 2023. When payments for the asset are uplifted for inflation, the imputed lease liability recognised on the SoFP is remeasured to reflect the increase in future payments. Such increases were previously recognised as contingent rent as incurred.

The change in measurement basis has been applied retrospectively without restatement of comparatives and with the cumulative impact on 1 April 2023 recognised in the income and expenditure reserve. The incremental impact of applying the new accounting policy on (a) the allocation of the unitary charge in 2023/24 and (b) the primary statements in 2023/24 is set out in the disclosures below.

Note 34.1 Impact of change in accounting policy on the allocation of unitary payment

	IFRS 16 basis (new basis) 2023/24	IAS 17 basis (old basis) 2023/24	Impact of change 2023/24
	£000	£000	£000
Unitary payment payable to service concession operator	**32,442**	**32,442**	**0**
Consisting of:			
- Interest charge	14,876	8,947	**5,929**
- Repayment of balance sheet obligation	9,963	5,992	**3,971**
- Service element	6,095	6,095	**0**
- Lifecycle maintenance	1,384	1,384	**0**
- Contingent rent	0	9,900	**-9,900**
- Addition to lifecycle prepayment	124	124	**0**

The overall Unitary payment remains the same in cash terms from the change in accounting policy: it is the allocation of the unitary charge that alters. The impact is to increase the repayment of the balance sheet obligation (in line with the underlying increase to the finance lease liability, which requires to be amortised to zero by the end of the concession); the contingent rental is now replaced by the single finance interest charge. The service element and lifecycle costs are updated by annual indexation, and therefore are unchanged by the new policy.

The 2023.24 comparators under IAS 17 have been adjusted for the identified previous misallocation on the Trust's IAS 17 PFI model of inflation adjustments between the service charge and contingent rentals. The impact is immaterial, and both costs were charged to the SOCIE, but for comparative purposes the figures have been restated.

Note 34.2 Impact of change in accounting policy on primary statements

Impact of change in PFI accounting policy on 31 March 2024 Statement of Financial Position:	**£000**
Increase in PFI / LIFT and other service concession liabilities	-109,403
Decrease in PDC dividend payable / increase in PDC dividend receivable	3,357
Impact on net assets as at 31 March 2024	**-106,046**

Impact of change in PFI accounting policy on 2023/24 Statement of Comprehensive Income:	**£000**
PFI liability remeasurement charged to finance costs	-34,572
Increase in interest arising on PFI liability	-5,929
Reduction in contingent rent	9,900
Reduction in PDC dividend charge	3,357
Net impact on surplus / (deficit)	**-27,244**

Impact of change in PFI accounting policy on 2023/24 Statement of Changes in Equity:	**£000**
Adjustment to reserves for the cumulative retrospective impact on 1 April 2023	-78,802
Net impact on 2023/24 surplus / deficit	-27,244
Impact on equity as at 31 March 2024	**-106,046**

Impact of change in PFI accounting policy on 2023/24 Statement of Cash Flows:	**£000**
Increase in cash outflows for capital element of PFI / LIFT	-3,971
Decrease in cash outflows for financing element of PFI / LIFT	3,971
Net impact on cash flows from financing activities	**0**

With effect from the 1st April 2023 the NHS Group Accounting Manual mandated the application of IFRS 16 to the measurement of PFI finance lease obligations. The approach taken was one of cumulative catch-up with a one off adjustment between the PFI liability and the retained earnings reserve. The Impact for the Trust is £78.8m shown in the table above.

Under the IFRS 16 principles applied to the PFI the lease liability is remeasured each year with any change in the indexation applied to the unitary payment. The impact for 2023/24 was £34.6m upward movement to the liability in line with the RPI movement of 13.84% discounted at the real terms finance rate inherent in the PFI contract.

The impact on PDC related to the finance liability element of the PFI from the application of the policy change is an in year credit, or reduction of PDC charge, arising from the initial cumulative adjustment to the liability, together with the increase in year of the remeasurement of the liability from the movement in the RPI index.

The impact of the application of the policy change to the PFI accounting is technically adjusted in the Statement of Changes in Equity (SOCIE) statement in order to measure performance. It is replaced by the prior equivalent IAS 17 accounting impacts for the financial year 2023/24. This is in part related to the fact that the final guidance and approach to the change was not available until the second half of the financial year, and was not therefore including in the financial plans.

Note 35 Financial instruments

Note 35.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS 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 NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

The majority of the Trust's revenue comes from contracts with other public sector bodies within the NHS. This debt considered to have a low exposure to credit risk as NHS bodies are able to access revenue support from NHS England in order to meet their debts. The Trust's maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Integrated Care Boards, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its capital resourcing limit as approved by Kent and Medway ICB and DHSC. The Trust is not, therefore, exposed to significant liquidity risks.

Note 35.2 Carrying values of financial assets

Carrying values of financial assets as at 31 March 2024	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	20,198	0	**20,198**
Cash and cash equivalents	11,985	0	**11,985**
Total at 31 March 2024	**32,183**	**0**	**32,183**

Carrying values of financial assets as at 31 March 2023	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Trade and other receivables excluding non financial assets	24,026	0	**24,026**
Cash and cash equivalents	7,975	0	**7,975**
Total at 31 March 2023	**32,001**	**0**	**32,001**

Note 35.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2024	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	3,490	**3,490**
Obligations under leases	67,030	**67,030**
Obligations under PFI, LIFT and other service concession contracts	274,495	**274,495**
Other borrowings	195	**195**
Trade and other payables excluding non financial liabilities	47,647	**47,647**
Total at 31 March 2024	**392,857**	**392,857**

Carrying values of financial liabilities as at 31 March 2023	Held at amortised cost	Total book value
	£000	£000
Loans from the Department of Health and Social Care	4,467	**4,467**
Obligations under leases	61,437	**61,437**
Obligations under PFI, LIFT and other service concession contracts	171,083	**171,083**
Other borrowings	571	**571**
Trade and other payables excluding non financial liabilities	44,871	**44,871**
Total at 31 March 2023	**282,429**	**282,429**

Note 35.4 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 2024	31 March 2023
	£000	£000
In one year or less	78,587	65,951
In more than one year but not more than five years	109,669	74,765
In more than five years	364,391	246,785
Total	**552,647**	**387,501**

Note 35.5 Fair values of financial assets and liabilities

The Trust uses the book value (carrying value) as a reasonable approximation of fair value

Note 36 Losses and special payments

	2023/24		2022/23	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	72	50	29	42
Bad debts and claims abandoned	80	223	96	125
Total losses	**152**	**273**	**125**	**167**
Special payments				
Ex-gratia payments	42	29	37	11
Special severance payments	1	12	0	0
Total special payments	**43**	**41**	**37**	**11**
Total losses and special payments	**195**	**314**	**162**	**178**
Compensation payments received				

The Trust has no individual cases that exceed £300k.

In keeping with policy 1.22 this note includes losses and compensations paid and accrued but excludes provisions which are reported under Note 29.

Note 37 Gifts

There were no gifts made by the Trust in 2023/24

Note 38 Related parties

During the year none of the Department of Health and Social Care Ministers, Trust Board members or members of the key management staff, or parties related to any of them, have undertaken any material transactions with Maidstone and Tunbridge Wells NHS Trust.

The Department of Health and Social Care (DHSC) is regarded as a related party and parent department. During the year 2023/24 the Trust has received £38.54m capital funding in the form of PDC. The Trust also has loans with DHSC, interest paid within the year £0.16m, principal repayment of £1m. The Trust has also had a significant number of material transactions with other entities for which the Department is regarded as the parent department e.g.: NHSE. Other public sector bodies are recognised as relevant who are not part of the DHSC group e.g. HMRC. A disclosure is required if a transaction (or a series of transactions) is material on either side (apples to related parties outside of the public sector but not within) i.e. if a transaction is immaterial from the entity's perspective but material from a related party viewpoint then the entity must disclose it.

NHS Kent and Medway ICB
NHS Sussex ICB
NHS England
Dartford and Gravesham NHS Trust
East Kent University Hospital FT
Kent Community Health NHS FT
Medway NHS FT
NHS South East London ICB
Royal Surrey County Hospital
HMRC
NHS Pension Authority
NHS Resolution
NHS Blood and Transplant
Kent County Council

	Income 2023-24 £000's	Creditor 2023-24 £000's	Expenditure 2023-24 £000's	Income 2022-23 £000's	Creditor 2022-23 £000's	Expenditure 2022-23 £000's
Teletracking Technology	2700.00	0.00	2,619.3	0.00	12	929.3

The Trust has also received revenue and capital payments from the Charitable Funds that it controls, the Trustees for which are also members of the Trust Board. The Trust has not consolidated the Charitable Funds on the funds of materiality to the Trust (see policy note 1.3). The transactions between the Trust and the Charity (Maidstone and Tunbridge Wells NHS Charitable Fund - charity registration number 1055215) are however material to the charity and therefore are disclosed below. Please note that this disclosure is based on the draft unaudited position of the charity. The audited accounts of the charity will be available later this year.

	2023-24 £000's	2022-23 £000's
Total charitable resources expended with the Trust	479	330
closing creditor (monies owed to the Trust by the Charity)	163	210
Total income received by the Charity in the reporting period	536	104
Total Charitable Funds at end of the reporting period	**931**	**889**

Note 39 Prior period adjustments

The Trust has not made any prior period adjustments.

Note 40 Events after the reporting date

The Trust has no events after the reporting date

Note 42 Better Payment Practice code

Non-NHS Payables	2023/24 Number	2023/24 £000	2022/23 Number	2022/23 £000
Total non-NHS trade invoices paid in the year	113,750	306,128	128,108	283,598
Total non-NHS trade invoices paid within target	109,583	293,388	123,262	270,775
Percentage of non-NHS trade invoices paid within target	96.3%	95.8%	96.2%	95.5%
NHS Payables				
Total NHS trade invoices paid in the year	2,550	39,447	2,426	35,040
Total NHS trade invoices paid within target	2,278	36,413	2,040	34,616
Percentage of NHS trade invoices paid within target	89.3%	92.3%	84.1%	98.8%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

The compliance is at least 95% of invoices paid (by the bank automated credit system or date and issue of a cheque) within thirty days or within agree contract terms.

Note 43 External financing limit

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

	2023/24 £000	2022/23 £000
Cash flow financing	18,001	6,673
Leases taken out in year	0	0
Other capital receipts	0	0
External financing requirement	**18,001**	**6,673**
External financing limit (EFL)	18,001	7,259
Under / (over) spend against EFL	**0**	**586**

Note 44 Capital Resource Limit

	2023/24 £000	2022/23 £000
Gross capital expenditure *	73,310	35,995
Less: Disposals	-1,320	-24
Less: Donated and granted capital additions	-211	-360
Charge against Capital Resource Limit	**71,779**	**35,611**
Capital Resource Limit	71,779	36,809
Under / (over) spend against CRL	**0**	**1,198**

* Gross capital expenditure includes the in year capitalised Right of Use assets and remeasurements under IFRS 16, including the lease for the Fordcombe Hospital (Spire TW) £5.4m; and includes non-current assets of £9.975m relating to the acquisition of the Fordcombe Hospital, and £1.0m of Trust purchased ICT capital related to Fordcombe. The overall impact of £16.4m on the national capital limit (CDEL) was financed by an increase to the K&M ICB system limits approved by NHSE.

Note 45 Breakeven duty financial performance

	2023/24 £000	2022/23 £000
Adjusted financial performance surplus / (deficit) (control total basis)	5,258	158
Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24	-27,244	0
IFRIC 12 breakeven adjustment	30,318	520
Breakeven duty financial performance surplus / (deficit)	**8,332**	**678**

Note 46 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		189	1,710	300	129	-12,374	157	-23,413
Breakeven duty cumulative position	-3,260	-3,071	-1,361	-1,061	-932	-13,306	-13,149	-36,562
Operating income		311,889	322,176	345,101	367,391	375,714	403,310	400,930
Cumulative breakeven position as a percentage of operating income		-1.0%	-0.4%	-0.3%	-0.3%	-3.5%	-3.3%	-9.1%

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	-10,918	-10,790	20,324	7,587	330	231	678	8,332
Breakeven duty cumulative position	-47,480	-58,270	-37,946	-30,359	-30,029	-29,798	-29,120	-20,788
Operating income	430,502	440,269	473,169	513,056	564,196	623,891	680,301	740,565
Cumulative breakeven position as a percentage of operating income	-11.0%	-13.2%	-8.0%	-5.9%	-5.3%	-4.8%	-4.3%	-2.8%

The Trust's last formal 3 year break-even cycle commenced in 2013/14 and was not met by the period 2015/16. The Trust has achieved in year break even duty surpluses and met it NHSE control totals in each of the last six financial years. The Trust is not in any formal recovery regime relating to recovering its historic accumulated deficit but is required to achieve the in year breakeven position agreed as part of the overall Kent & Medway Integrated Care System (ICS) control total. The Trust reported a surplus of £5.3m in 2023/24 against its system control total requirement on the "adjusted financial performance" line; the IFRC 12 (PFI) technical adjustment is further removed for statutory breakeven purposes. Against breakeven duty the trust reported a surplus of £8.3m for 2023/24.

Appendix 1 - Trust compliance with the code of governance for NHS provider Trusts (last updated 23rd February 2023)

Section A: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.1	The board of directors should assess the basis on which the trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The board of directors should ensure the trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Annual Report: A message from the Chair of the Trust Board and Chief Executive Sustainability Integrated Performance Report Risk Management Strategy Financial Performance The Trust is an active member of the Kent and Medway Integrated Care Board, West Kent Health Care Partnership and Provider Collaboratives which involves multiple stakeholders including district and local authorities and the voluntary sector alongside NHS provider colleagues. MTW are fully involved in delivering system wide plans including the operating plan (activity, finance and workforce). We are fully involved in system strategy development such as the ICP strategy and the NHS strategy. We are a partner on the Integrated Care Board and work closely with our district and borough councils as well as Kent County Council. We work collectively on shared agendas such as system flow and health inequalities.	Complied
2.2	The board of directors should develop, embody and articulate a clear vision and values for the trust, with reference to the ICP's integrated care strategy and the trust's role within system and place-based partnerships, and provider collaboratives. This should be a formally agreed statement of the organisation's purpose and intended outcomes and the behaviours used to achieve them. It can be used as a basis for the organisation's overall strategy, planning, collaboration with system partners, and other decisions.	As a Trust we have a clear vision, values and set of strategic themes, including one focused on systems and partnerships. NHS Kent and Medway published its Integrated Care Strategy in April 2024 which sets out 6 outcomes. MTW's priorities are in line with those outcomes, and we will consider how we further support the agreed strategy. The ICB are currently developing a separate but linked NHS Strategy which MTW is a key partner in and has been considered within Executive meetings for MTW to collectively take forward.	Complied

Section A: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.3	The board of directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the board's activities and any action taken, and the trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	Annual Report - Employee Benefits	 Complied
2.4	The board of directors should ensure that adequate systems and processes are maintained to measure and monitor the trust's effectiveness, efficiency and economy, the quality of its healthcare delivery, the success of its contribution to the delivery of the five-year joint plan for health services and annual capital plan agreed by the ICB and its partners, and to ensure that risk is managed effectively. The board should regularly review the trust's performance in these areas against regulatory and contractual obligations, and approved plans and objectives, including those agreed through place-based partnerships and provider collaboratives.	The board of directors ensures that adequate systems and processes are in place through the work of its committees. The Finance and Performance Committee reviews the Trust's effectiveness, efficiency and economy, and includes patient access within the integrated performance reporting, and performance against constitutional targets. The Finance report comments on the financial plan and the capital plan agreed with the ICB and system partners, along with the healthcare contracts and obligations; and specific updates on planning areas and provider collaborative initiatives are provided. The Quality committee reviews the quality of the Trust's health care delivery. The Audit and Governance committee considers overall Trust risks on a regular basis, and also receives the Value for Money report undertaken by the External Auditors at year end, reviewing the Trust's use of resources. Summaries of reports from Committees are presented to the Trust Board, as well as direct reports as required.	 Complied
2.5	The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and performance. Where appropriate and particularly in high risk or complex areas, the board of directors should commission independent advice, e.g. from the internal audit function, to provide an adequate and reliable level of assurance.	Annual Report - Performance Report	 Complied

Section A: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.6	The board of directors should report on its approach to clinical governance and its plan for the improvement of clinical quality in the context of guidance set out by the Department of Health and Social Care (DHSC), NHS England and the Care Quality Commission (CQC). The board should record where in the structure of the organisation clinical governance matters are considered.	Clinical Quality Governance matters are considered via the Quality Committee. In addition, the Trust has Clinical Governance half-days held by each of the Trust's Clinical Divisions.	 Complied
2.7	The chair should regularly engage with stakeholders including patients, staff, the community and system partners, in a culturally competent way, to understand their views on governance and performance against the trust's vision. Committee chairs should engage with stakeholders on significant matters related to their areas of responsibility. The chair should ensure that the board of directors as a whole has a clear understanding of the views of the stakeholders including system partners.	The Chair has had strong evidence of engagement with stakeholders, including patients, staff and the community as evidenced in the appraisal process. Committee Chairs are actively engaged with stakeholders on significant matters relating to their areas of responsibility. The Chair in their monthly report, opening to Board and closing of Board considers and shares the views of stakeholders – including system partners.	 Complied
2.8	The board of directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The board of directors should keep engagement mechanisms under review so that they remain effective. The board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	Annual Report - Involvement of Stakeholders	 Complied
2.9	The workforce should have a means to raise concerns in confidence and – if they wish – anonymously. The board of directors should routinely review this and the reports arising from its operation. It should ensure that arrangements are in place for the proportionate and independent investigation of such matters and for follow-up action.	Annual Report - Freedom to Speak Up	 Complied
2.10	The board of directors should take action to identify and manage conflicts of interest and ensure that the influence of third parties does not compromise or override independent judgement.	Annual Report - Register of Interests	 Complied

Section A: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.11	Where directors have concerns about the operation of the board or the management of the trust that cannot be resolved, these should be recorded in the board minutes. If on resignation a non-executive director has any such concerns, they should provide a written statement to the chair, for circulation to the board.	N/A for 2023/24	Complied

Section B: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.1	The chair is responsible for leading on setting the agenda for the board of directors and, for foundation trusts, the council of governors, and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues.	The Chair meets with the Chief Executive and the Trust Secretary to set the agenda for the Board.	Complied
2.3	The chair should promote a culture of honesty, openness, trust and debate by facilitating the effective contribution of non-executive directors in particular and ensuring a constructive relationship between executive and non-executive directors.	The Chair has promoted a culture of honesty, openness, trust and debate etc. as evidence by their appraisal and the well lead review outcome in 2023.	Complied
25	The chair should be independent on appointment when assessed against the criteria set out in Section B, provision 2.6. The roles of chair and chief executive must not be exercised by the same individual. A chief executive should not become chair of the same trust. The board should identify a deputy or vice chair who could be the senior independent director. The chair should not sit on the audit committee. The chair of the audit committee, ideally, should not be the deputy or vice chair or senior independent director.	The Chair is appointed by NHSE which took place in relation to the new Chair appointment in April 2024.	Complied

Section B: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.6	The board of directors should identify in the annual report each non-executive director it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a non-executive director's independence include, but are not limited to, whether a director: ● has been an employee of the trust within the last two years ● has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the trust ● has received or receives remuneration from the trust apart from a director's fee, participates in the trust's performance-related pay scheme or is a member of the trust's pension scheme ● has close family ties with any of the trust's advisers, directors or senior employees ● holds cross-directorships or has significant links with other directors through involvement with other companies or bodies ● has served on the trust board for more than six years from the date of their first appointment ● is an appointed representative of the trust's university medical or dental school. Where any of these or other relevant circumstances apply, and the board of directors nonetheless considers that the non-executive director is independent, it needs to be clearly explained why.	Annual Report – Board Committee Structure For Non-Executive Directors, the Trust can confirm the following: ● None have been an employee of the Trust within the last two years ● One Non-Executive Director is also a Director and Shareholder in TeleTracking Company which the Trust has a contract with. The Non-Executive Director is excluded from any decision making of this company in Committee or Board meetings. The Trust has adopted a ring fenced approach to ensure there is no conflicts of interest. The Non-Executive Director has openly declared this interest in the declaration of interest requirements ● No Non-Executive Director receives personal renumeration in the form of performance related pay or a member of the pension scheme ● No Non-Executive Director has close family ties with any of the Trust advisors, directors or senior employees as evidenced in the declaration of interest register ● One Non-Executive Director has a cross-directorship as stated above, which is formally managed ● Two Non-Executive Directors have served on the Board for more than six years, which has been approved by NHS England ● One Associate Non-Executive Director is an appointed representative of the University of Kent, which provides the Kent and Medway Medical School. The appointment was approved by NHS England and all associated conflict of interests have been declared	 Complied
2.7	At least half the board of directors, excluding the chair, should be non-executive directors whom the board considers to be independent.	At the time of this evaluation, the Board has six Non-Executive Directors; four Associate Non-Executive Directors; five Executive Directors with voting rights; and two other Directors (non-voting) who sit on the Board.	 Complied

Section B: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.8	No individual should hold the positions of director and governor of any NHS foundation trust at the same time.	None of the Directors within the Trust as listed above, hold the position of Director or Governor in any other Foundation Trust.	Complied
2.9	The value of ensuring that committee membership is refreshed and that no undue reliance is placed on particular individuals should be taken into account in deciding chairship and membership of committees. For foundation trusts, the council of governors should take into account the value of appointing a non-executive director with a clinical background to the board of directors, as well as the importance of appointing diverse non-executive directors with a range of skill sets, backgrounds and lived experience.	Committee membership is considered with the Chair on an on-going basis which forms part of the appraisal process.	Complied
2.10	Only the committee chair and members are entitled to be present at nominations, audit or remuneration committee meetings, but others may attend by invitation of the particular committee.	The Trust has been compliant with this requirement as evidenced by the attendance log for Committee meetings in 2023/24.	Complied
2.12	Non-executive directors have a prime role in appointing and removing executive directors. They should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present.	management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present. No Executive Directors have been removed within 2023/24.	Complied
2.13a	The annual report should give the number of times the board and its committees met, and individual director attendance.	Annual Report - Director Meeting Attendance Summary	Complied
2.13b	The responsibilities of the chair, chief executive, senior independent director if applicable, board and committees should be clear, set out in writing, agreed by the board of directors and publicly available.	Website – Trust Board	Complied

Section B: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.14	When appointing a director, the board of directors should take into account other demands on their time. Prior to appointment, the individual should disclose their significant commitments with an indication of the time involved. They should not take on additional external appointments without prior approval of the board of directors, with the reasons for permitting significant appointments explained in the annual report. Full-time executive directors should not take on more than one non-executive directorship of another trust or organisation of comparable size and complexity, and not the chairship of such an organisation.	There has been one appointment of a director in 2023-24 (Medical Director) and the Trust was aware of their other commitments. This is also included in Corporate Governance Report within this report. The Board of directors approves all additional external appointments for directors. No additional appointments were approved in 2023-24. Executive Directors do not have more than one non-executive directorship at another Trust or organisation of comparable size and complexity and not the chairship of such an organisation as evidenced in the Corporate Governance Report.	 Complied
2.15	All directors should have access to the advice of the company secretary, who is responsible for advising the board of directors on all governance matters. Both the appointment and removal of the company secretary should be a matter for the whole board.	The Trust currently has an interim Trust Secretary in place who frequently meets and is available to all the board of directors, attending the ETM as required, deep dives, committees and regularly has one to meeting with directors to advise on all governance matters. There was no removal, and the appointment was approved by the ICB.	 Complied
2.16a	The board of directors as a whole is responsible for ensuring the quality and safety of the healthcare services, education, training and research delivered by the trust and applying the principles and standards of clinical governance set out by DHSC, NHS England, the CQC and other relevant NHS bodies.	Compliance with quality and safety is evidenced in the Quality Account for 2023-24. Education check report Training check report Research link to report and is in accordance with DHSC, NHS England, the CQC and other relevant bodies.	 Complied
2.16b	All directors, executive and non-executive, have a responsibility to constructively challenge during board discussions and help develop proposals on priorities, risk mitigation, values, standards and strategy. In particular, non-executive directors should scrutinise the performance of the executive management in meeting agreed goals and objectives, receive adequate information and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information, and make sure that financial and clinical quality controls, and systems of risk management and governance, are robust and implemented.	Compliance with quality and safety is evidenced in the Quality Account for 2023-24. Education check report Training check report Research link to report and is in accordance with DHSC, NHS England, the CQC and other relevant bodies.	 Complied

Section B: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.17a	All members of the board of directors have joint responsibility for every board decision regardless of their individual skills or status. This does not impact on the particular responsibilities of the chief executive as the accounting officer.	The Board is unitary and has joint decision making as evidenced in the record of decisions made.	Complied
2.17b	The board of directors should meet sufficiently regularly to discharge its duties effectively. A schedule of matters should be reserved specifically for its decisions.	The board meets frequently as evidenced within the board, committee, deep dive and board development schedules in addition to informal meets for 2023-24.	Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
3.1	NHS England is responsible for appointing chairs and other non-executive directors of NHS trusts. A committee consisting of the chair and non-executive directors is responsible for appointing the chief officer of the trust. A committee consisting of the chair, non-executive directors and the chief officer is responsible for appointing the other executive directors. NHS England has a key advisory role in ensuring the integrity, rigour and fairness of executive appointments at NHS trusts. The selection panel for the posts should include at least one external assessor from NHS England.	The Board is unitary and has joint decision making as evidenced in the record of decisions made.	Complied
4.1	Directors on the board of directors and, for foundation trusts, governors on the council of governors should meet the 'fit and proper' persons test described in the provider licence. For the purpose of the licence and application criteria, 'fit and proper' persons are defined as those having the qualifications, competence, skills, experience and ability to properly perform the functions of a director. They must also have no issues of serious misconduct or mismanagement, no disbarment in relation to safeguarding vulnerable groups and disqualification from office, be without certain recent criminal convictions and director disqualifications, and not bankrupt (undischarged). Trusts should also have a policy for ensuring compliance with the CQC's guidance Regulation 5: Fit and proper persons: directors.	The Trust has undergone a full revision of its Fit & Proper Framework in line with the NHS England » NHS England fit and proper person test framework for board members as evidenced by the reports to Board in September 2023 and scheduled for May 2024. All board of directors are compliant with the fit and proper requirements.	Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
4.2a	The board of directors should include in the annual report a description of each director's skills, expertise, and experience.	Annual Report - Corporate Governance Report	Complied
4.2b	Alongside this, the board should make a clear statement about its own balance, completeness, and appropriateness to the requirements of the trust. Both statements should also be available on the trust's website.	Annual Report - A statement about the balance, completeness and appropriateness of the Board of Directors Website – Trust Board	Complied
4.3	The chair should not remain in post beyond nine years from the date of their first appointment to the board of directors and any decision to extend a term beyond six years should be subject to rigorous review. To facilitate effective succession planning and the development of a diverse board, this period of nine years can be extended for a limited time, particularly where on appointment the chair was an existing non-executive director. The need for extension should be clearly explained and should have been agreed with NHS England.	The outgoing Chair's term of office was not longer than nine years. A new Chair for MTW was appointed in April 2024.	Complied
4.3	There should be a formal and rigorous annual evaluation of the performance of the board of directors, its committees, the chair and individual directors. For NHS foundation trusts, the council of governors should take the lead on agreeing a process for the evaluation of the chair and non-executive directors. The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chair. NHS England leads the evaluation of the chair and non-executive directors of NHS trusts. NHS foundation trusts and NHS trusts should make use of NHS Leadership Competency Framework for board level leaders.	formal and rigorous evaluation of the performance of the committees, the chair and individual directors is in place. The outgoing Chair appraisal took place in April 2024 and was led by the Senior Independent Director and are shared with NHSE. Ned appraisals took place with the Chair in April 2024 and are shared with NHSE. Executive appraisals take place in August with the Chief Executive. Committees are evaluated at the end of each meeting and as part of the year end annual evaluation process. Committees were also evaluated in 2023 within the Well-led review by Deloittes	Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
4.6	The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board of directors. Each director should engage with the process and take appropriate action where development needs are identified.	Development needs are identified on an ongoing basis with the Chair and feedback is considered as part of this process. The Chair and the Chief Executive consider the board of directors strength and weaknesses when scheduling the Board development agendas etc. The Chair also considers the strengths when mentoring new NEDs etc. The Chief Executive takes on board feedback from the Chair when managing the Executive Directors to ensure it is actioned upon.	 Complied
4.7	All trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.	The Trust commissioned a Well Led review in 2023 by Deloitte. The Trust and directors have no connection with Deloitte.	 Complied
4.11	The board of directors should ensure it retains the necessary skills across its directors and works with the council of governors to ensure there is appropriate succession planning.	The board has a wide range of skills and experience. Succession planning is in place considering terms of office, experience against Trust requirements etc. It is currently being enhanced in line with feedback within the Deloitte Well-Led Review.	 Complied
4.12	The remuneration committee should not agree to an executive member of the board leaving the employment of the trust except in accordance with the terms of their contract of employment, including but not limited to serving their full notice period and/or material reductions in their time commitment to the role, without the board first completing and approving a full risk assessment.	One executive member left the Trust in 2023-24 in accordance with the terms of their employment.	 Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
4.13	The annual report should describe the work of the nominations committee(s), including: ● the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline ● how the board has been evaluated, the nature and extent of an external evaluator's contact with the board of directors and individual directors, the outcomes and actions taken, and how these have or will influence board composition ● the policy on diversity and inclusion including in relation to disability, its objectives and linkage to trust vision, how it has been implemented and progress on achieving the objectives ● the ethnic diversity of the board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the board reflects the ethnic diversity of the trust's workforce and communities served ● the gender balance of senior management and their direct reports.	The nominations committee is known as the Renumeration and appointment Committee within the Trust.	 Complied
5.1	All directors and, for foundation trusts, governors should receive appropriate induction on joining the board of directors or the council of governors and should regularly update and refresh their skills and knowledge. Both directors and, for foundation trusts, governors should make every effort to participate in training that is offered.	All directors receive a full induction which is personalised where relevant for their individual role.	 Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
5.2	The chair should ensure that directors and, for foundation trusts, governors continually update their skills, knowledge and familiarity with the trust and its obligations for them to fulfil their role on the board, the council of governors and committees. The trust should provide the necessary resources for its directors and, for foundation trusts, governors to develop and update their skills, knowledge and capabilities. Where directors or, for foundation trusts, governors are involved in recruitment, they should receive appropriate training including on equality diversity and inclusion, including unconscious bias.	MTW is not a foundation trust. The Chair ensures that the directors continually update their skills, knowledge and familiarity with the trust etc. to fulfil their role on the board examples of which include; engaging with staff, informal and formal such as the staff awards, tea rounds on wards, deep dives in committees, FTSU, meetings with execs etc. The trust has a board development programme in place and the directors attend courses as appropriate to their needs. There was a Trust Board Seminar entitled "The integration of Equality, Diversity and Inclusion (EDI) into all aspects of the Trust's culture" in September 2023, which included unconscious bias.	 Complied
5.3	To function effectively, all directors need appropriate knowledge of the trust and access to its operations and staff. Directors and governors also need to be appropriately briefed on values and all policies and procedures adopted by the trust.	Directors are continually communicated with about relevant information in relation to the Trust. Examples of which are: ● Team Brief virtual meeting – CEOs monthly update to all senior leaders. ● Daily updates via Pulse – digital newsletter with key need to know messaging, sent to all staff. ● All senior leader e mails. ● Regular intranet updates. ● CEO all staff update – fortnightly ● Talking Heads videos – monthly – detailing key updates in different workstreams ● senior leader's forum meetings etc. The Trust values, policies and procedures are the golden thread throughout the Trust available on the intranet, form part of meetings, reporting etc. as evidenced in the annual report. This is part of a continual programme of enhancement. They form part of the induction process, committee considerations and ongoing operations. Directors have full access to operations and staff. MTW is not a foundation trust so does not have governors.	 Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
5.4	The chair should ensure that new directors and, for foundation trusts, governors receive a full and tailored induction on joining the board or the council of governors. As part of this, directors should seek opportunities to engage with stakeholders, including patients, clinicians and other staff, and system partners. Directors should also have access at the trust's expense to training courses and/or materials that are consistent with their individual and collective development programme.	In line with 5.1 above new directors have an induction engagement programme which includes a wide range of stakeholder's patients, clinicians and other system partners. Development needs are identified at the time of appointment and a tailored programme is put in place at induction.	 Complied
5.5	The chair should regularly review and agree with each director their training and development needs as they relate to their role on the board.	The Chair has recently reviewed the training and development needs of non-executive directors as evidenced by appraisals. Executives training and development needs are managed on an ongoing basis and covered in their appraisal with the Chief Executive.	 Complied
5.8	The chair is responsible for ensuring that directors and governors receive accurate, timely and clear information. Management has an obligation to provide such information but directors and, for foundation trusts, governors should seek clarification or detail where necessary.	The Chair works with the Trust to ensure that directors receive accurate, timely and clear information. This can be via communication forums, committees, board etc. External reports as appropriate are shared with directors in a timely manner. The Chair receives regular feedback via their one-to-one meetings and actions accordingly.	 Complied
5.9	The chair's responsibilities include ensuring good information flows across the board and, for foundation trusts, across the council of governors and their committees; between directors and governors; and for all trusts, between senior management and non-executive directors; as well as facilitating appropriate induction and assisting with professional development as required.	The Chair ensures this on an ongoing basis as evidenced throughout this code of governance response and the wider annual report.	 Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
5.10	The board of directors and, for foundation trusts, the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make. The board of directors and, for foundation trusts, the council of governors should agree their respective information needs with the executive directors through the chair. The information for boards should be concise, objective, accurate and timely, and complex issues should be clearly explained. The board of directors should have complete access to any information about the trust that it deems necessary to discharge its duties, as well as access to senior management and other employees.	The Trust has complied with this requirement as evidenced by board and committee agendas. This is an ongoing programme of enhancement, and the Trust has taken on board the outcome of the Well led review by Deloitte ensuring that information to the board is concise, objective, accurate and timely and complex issues are clearly explained. The Trust is also undergoing an exercise of benchmarking against other Trusts to ensure that best practice is adopted. The board of directors have complete access to any information about the trust that it deems necessary to discharge its duties as well as access to senior management and other employees.	 Complied
5.11	The board of directors and in particular non-executive directors may reasonably wish to challenge assurances received from the executive management. They do not need to appoint a relevant adviser for each and every subject area that comes before the board of directors but should ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis. When complex or high-risk issues arise, the first course of action should normally be to encourage further and deeper analysis within the trust in a timely manner. On occasion, non-executives may reasonably decide that external assurance is appropriate.	The board of directors operate a healthy curiosity and challenge and as evidenced within the minutes and deep dive sessions, further information is routinely requested as appropriate and on occasion external expertise is requested. Feedback is also captured at the end of meetings and the annual evaluation process.	 Complied
5.12	The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the trust's expense, where they judge it necessary to discharge their responsibilities as directors. The decision to appoint an external adviser should be the collective decision of the majority of non-executive directors. The availability of independent external sources of advice should be made clear at the time of appointment.	N/A 2023-24	 Complied
5.13	Committees should be provided with sufficient resources to undertake their duties.	Committee resourcing is reviewed on an ongoing basis. In line with the change in Committee structure following the Well-led review additional resource has been allocated to evidence this. The Chief Executive considers this with the Trust Secretary in addition to other reporting forums.	 Complied

Section C: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
5.14	Non-executive directors should consider whether they are receiving the necessary information in a timely manner and feel able to appropriately challenge board recommendations, in particular by making full use of their skills and experience gained both as a director of the trust and in other leadership roles. They should expect and apply similar standards of care and quality in their role as a non-executive director of a trust as they would in other similar roles.	Non-Executive Directors have achieved this in 2023-24 as evidenced by their appraisals and Committee and Board papers, minutes, feedback. Well-led review Deloitte 2023.	 Complied
5.14	The trust should arrange appropriate insurance to cover the risk of legal action against its directors.	Appropriate insurance is in place through NHS Resolution Liabilities to Third Parties Scheme (LTPS).	 Complied

Section D: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.2	The main roles and responsibilities of the audit committee should include: ● monitoring the integrity of the financial statements of the trust and any formal announcements relating to the trust's financial performance, and reviewing significant financial reporting judgements contained in them ● providing advice (where requested by the board of directors) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's position and performance, business model and strategy ● reviewing the trust's internal financial controls and internal control and risk management systems, unless expressly addressed by a separate board risk committee composed of independent non-executive directors or by the board itself ● monitoring and reviewing the effectiveness of the trust's internal audit function or, where there is not one, considering annually whether there is a need for one and making a recommendation to the board of directors ● reviewing and monitoring the external auditor's independence and objectivity ● reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements ● reporting to the board of directors on how it has discharged its responsibilities.	The main roles and responsibilities are contained within the terms of reference for the Audit and Governance Committee.	 Complied
2.3	A trust should change its external audit firm at least every 20 years. Legislation requires an NHS trust to newly appoint its external auditor at least every five years. An NHS foundation trust should re-tender its external audit at least every 10 years and in most cases more frequently than this.	The Trust appointed Grant Thornton in 2022 for two financial years, and then last year extended that appointment by one further year to cover 2024/25.	 Complied

Section D: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.4	The annual report should include: ● the significant issues relating to the financial statements that the audit committee considered, and how these issues were addressed ● an explanation of how the audit committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans ● where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services	The AGC reviews the effectiveness of the audit process with feedback questionnaires to each member each year. A separate Auditor Panel, comprising the AGC members, reviews the approach to External Audit contracts, including retenders and appointments. There is a contracted Internal Audit and Counter Fraud service.	 Complied
2.5	Legislation requires an NHS trust to have a policy on its purchase of non-audit services from its external auditor. An NHS foundation trust's audit committee should develop and implement a policy on the engagement of the external auditor to supply non-audit services.	SFIs set out that prior approval must be sought from the Audit and Governance Committee for each discrete piece of additional work awarded to the external auditors.	 Complied
2.6	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	The directors have explained their responsibility for preparing the accounts etc. in the Statement of Directors' responsibilities in respect of the accounts.	 Complied
2.7	The board of directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	The Board has a robust assessment for the Trust's emerging and principal risks which is outlined in the Risk Management Policy.	 Complied

Section D: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.8	The board of directors should monitor the trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The board should report on internal control through the annual governance statement in the annual report.	The Trust's risk management and internal control system is reported in the Annual Governance Statement which covers material controls, financial, operational and compliance.	 Complied
2.9	In the annual accounts, the board of directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS foundation trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	The Trust directors have confirmed the adoption of a going concern in the Annual Accounts.	 Complied

Section E: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.1	Any performance-related elements of executive directors' remuneration should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should consider the following provisions. ● Whether the directors should be eligible for annual bonuses in line with local procedures. If so, performance conditions should be relevant, stretching and designed to match the long-term interests of the public and patients. ● Pay-outs or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the trust. Consideration should be given to criteria which reflect the performance of the trust against some key indicators and relative to a group of comparator trusts, and the taking of independent and expert advice where appropriate. ● Performance criteria and any upper limits for annual bonuses and incentive schemes should be set and disclosed and must be limited to the lower of £17,500 or 10% of basic salary. ● The remuneration committee should consider the pension consequences and associated costs to the trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.	The remuneration committee has considered the provisions listed as evidenced by the minutes of the meetings and relevant reports considered. The Trust has no performance related pay, incentivised pay or bonuses for Directors – none considered or approved at the Rem Co. in 2023/24.	Complied
2.2	Levels of remuneration for the chair and other non-executive directors should reflect the Chair and non-executive director remuneration structure.	Remuneration of the Chair and non-executive directors are agreed with NHSE and reflect the director remuneration structure.	Complied
2.3	Where a trust releases an executive director, e.g. to serve as a non-executive director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the director will retain such earnings.	None of the executive directors are non-executive directors elsewhere.	Complied

Section E: Disclosure of corporate governance arrangements		Evidence of compliance	Self-certification
2.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination. The aim should be to avoid rewarding poor performance. Contracts should allow for compensation to be reduced to reflect a departing director's obligation to mitigate loss. Appropriate claw-back provisions should be considered in case of a director returning to the NHS within the period of any putative notice.	The remuneration committee has applied all recommendations of the VSM framework and has not approved compensation outside of this framework. The remuneration committee also reviews and pay increases in line with annual appraisal and performance review.	 Complied
2.5	Trusts should discuss any director-level severance payment, whether contractual or non-contractual, with their NHS England regional director at the earliest opportunity.	Not applicable for 2023-24.	 Complied
2.6	The board of directors should establish a remuneration committee of independent non-executive directors, with a minimum membership of three. The remuneration committee should make its terms of reference available, explaining its role and the authority delegated to it by the board of directors. The board member with responsibility for HR should sit as an advisor on the remuneration committee. Where remuneration consultants are appointed, a statement should be made available as to whether they have any other connection with the trust.	The Trust has a remuneration committee.	 Complied
2.7	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The board should define senior management for this purpose and this should normally include the first layer of management below board level.	The remuneration committee has the appropriate delegated responsibility for the relevant payments and reviews the structure periodically. The board has defined senior management which is set out in the Terms of Reference for the committee.	 Complied

Appendix 2: Independent auditor's report to the directors of Maidstone and Tunbridge Wells NHS Trust

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Maidstone and Tunbridge Wells NHS Trust (the 'Trust') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 15 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 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 2023-24; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2023-24 that the Trust's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Trust. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust's disclosures over the going concern period.

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023-24; and
- based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect to the above matters except on 10 May 2024 we referred a matter to the Secretary of State under sections 30(b) and 30(a) of the Local Audit and Accountability Act 2014 in relation to Maidstone and Tunbridge Wells NHS Trust's breach of its three-year break-even duty for the three year period ending 31 March 2023 and its planned ongoing breach in 2023/24.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts in the annual report, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the

Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023-24).
- We enquired of management and the Audit and Risk Committee, concerning the Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, fraudulent revenue recognition and fraudulent expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment;
  - revenue recognition for material streams of non- block contract and elective recovery funding income and other operating revenue, due to the scale of financial pressures experienced by the Trust; and
  - expenditure recognition given the continued financial challenges of the sector and requirement to meet financial targets.
- 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 unusual journal entries using criteria based on our knowledge of the entity and the risk factors identified;
  - 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.

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition and related to management override of controls through processing journal entries. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- 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;
    - 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 2024.

We have nothing to report in respect of the above matter. Except the below which were identified and reported to those charged with governance on 25 June 2024:

- A significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services (financial sustainability). This is in relation to the fact that the Trust's 2024/25 financial plans include high levels of unidentified and high-risk efficiency saving plans, in addition to high levels of undelivered savings in 2023/24. We recommend that:
  - Where there are still unidentified elements in the budgeted efficiencies for 2024/25, granular plans should be developed at pace. Assigned ownership and monitoring arrangements will then also be needed.
  - The Trust should consider its approach towards identifying and delivering recurring efficiencies and lasting transformation rather than non-recurring one-year schemes.
  - As part of this consideration, the Trust also should build-up its pipeline of future and potential savings schemes.

Responsibilities of the Accountable Officer

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

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

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

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

- Financial sustainability: how the Trust plans and manages its resources to ensure it 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 Maidstone and Tunbridge Wells NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Use of our report

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

John Paul Cuttle

John Paul Cuttle, Key Audit Partner

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

London

25 June 2024

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Maidstone
Kent, ME16 9QQ

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