

**Medway NHS Foundation Trust**

**Annual Report and Accounts**

**April 2024 to March 2025**

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

© 2024/25 Medway NHS Foundation Trust

**Contents**

* Foreword from the Chief Executive and Chair 6
* Performance Report 10
* Sustainability Report 13
* Community Engagement, Human Rights and Anti Bribery 16
* Overview of Financial Performance 19
* Accountability Report 23
* Directors’ Report 24
* Trust Board Meetings 32
* Medway NHS Foundation Trust Volunteer Services 39
* Governors’ Report 41
* Remuneration Report 52
* Staff Report 57
* Code of Governance for NHS Provider Trusts 65
* NHS System Oversight Framework 80
* Statement of the Chief Executive's responsibilities as the

Accounting Officer of Medway NHS Foundation Trust 81

* Annual Governance Statement 2024-2025 82
* Independent auditor's report to the Council of Governors

of Medway NHS Foundation Trust 91

* Annual Accounts 96

**Foreword from the Chief Executive and Chair**

**Chief Executive’s Overview**

It is with great pride and fondness that I look back over the year 2024/25, my last year as Chief Executive at Medway before handing over to Jon Wade on 01 April 2025.

It was a year of great reward and achievement and also of progress in so many areas as we continued to strengthen our improvement programme, Patient First. But like so many other Trusts and NHS organisations across the country, it was also a year of challenges, and I remain proud of the way in which we tackled the lows that came along with the highs.

**Patient First**

Our improvement is shaped and guided by the Patient First improvement system which we have been using in the Trust for the past three years. Every day, more than 60 improvement huddles take place across the hospital, where everyone involved in patient care meets to focus on actions needed to drive improvement in their area. I was pleased to have seen many of them in action over the course of the year. This number continues to grow as we see the real value that this dedicated time brings in driving change.

**Emergency Care**

Patient First placed great focus for improvement on our urgent and emergency care services. The Care Quality Commission published a report in March 2025 following an inspection of these services in February 2024, which did not recognise the significant improvements that had been carried out in the intervening 13 months.

While we acknowledged that care fell below the required standards at the time of the inspection, staff throughout the hospital continued to work tirelessly, together with our ambulance, community and social care partners, to reduce delays and improve care for patients attending our Emergency Department.

And our efforts were fruitful. We exceeded the national target to see, treat, discharge or admit patients within four hours of attending the Emergency Department (78%) throughout most of last year (another key objective under our Patient First programme), and we were consistently among the highest performing trusts against this important care standard in the south of England.

Ambulance handovers also improved to become consistently among the best in the country and well below the national average. Patient feedback received through the Friends and Family Test also improved, with patients having a positive experience of care – up from 65% in January 2024 to 74% in March 2025.

This was possible only because of the determined work by our Emergency Department colleagues and those who supported them to bring about real change. I know that urgent and emergency care remains a priority for 2025 to 2026 and I am confident that further improvements will be delivered.

**Patient Feedback**

Patient feedback improved throughout the year; we know this as we paid close attention to responses from the Friends and Family Test. Around 90% of patients now report that they have had a good experience of care with us and we reached a high of just over 93% in August 2024.

Our target for 2025/26 is 95% which sets a high bar but which can be achieved by continuing to review feedback to put the patient first in everything we do.

**Improved services, reduced waiting times**

We worked hard to improve services and reduce the time patients wait for their treatment. A new multimillion-pound ward with more than 30 beds for patients with serious breathing or heart conditions opened in April 2024, providing a greatly improved environment for patients and staff and supporting the flow of patients through the hospital.

We also opened an additional Endoscopy unit in September so that we could provide this vital diagnostic test to more patients more quickly.

I am particularly proud that our Community Diagnostic Centres staffed by Trust colleagues significantly enhanced diagnostic capabilities closer to home for patients in Rochester and Sheppey. Since opening, the centres have delivered thousands of diagnostic tests, including CT scans, ultrasound scans, as well respiratory and cardiology services.

Work continues to develop the centres over the next year, with the aim of providing services up to seven days a week, and 12 hours a day, according to demand. I am confident they will have a big impact in months and years to come.

**Our People**

The Trust’s greatest asset is the people who come to work here every day, who are resolute and committed to providing the best of care to all patients every time, sometimes in very difficult circumstances.

It is this dedicated and diverse workforce who have delivered the improvements we are so proud of, and who I know continue to work hard to keep up the steady progress in our journey of ongoing improvement.

During 2024 to 2025, we were successful in significantly reducing the number of staff leaving the Trust within two years of starting for work for us, which impacts on patient care.

Following this, we launched a programme of cultural transformation, to focus on equality, diversity and inclusion, and address violence and aggression against staff. This work is essential if we are to make Medway a more compassionate and inclusive place to work. I am confident this will gain further momentum in the coming year under the Patient First banner.

I was reassured further by our Staff Survey results for 2024 which showed we had improved in six of the seven ‘People Promise’ themes, with the biggest improvement being that that 56.2% (up 2.6%) of staff would recommend the Trust as a place to work.

Of course, there is always more we can do, but this was an encouraging sign that we are heading in the right direction to become an employer of choice.

**Financial Position**

Over the past 12 months the Trust has faced considerable financial challenges, and during this period we have remained in segment four of NHS England’s Single Oversight Framework, meaning we are part of the national Recovery Support Programme. Through our Financial Recovery Plan, we have actions in place to reduce our deficit while maintaining the quality of care for our patients. We know that 2025/26 will be even more challenging, and are working with colleagues across the wider healthcare system in Kent and Medway to meet the targets set.

**Thank You**

There were also many personal successes, award wins and accolades – too many to mention individually – but all testament to the hard work and pride that is Medway. I would like to give a final thanks to all valued colleagues, volunteers, governors, charity partners, health and care partners and the local community for making 2024 to 2025 a memorable year for so many reasons. I am confident that the next year will be a good year for Medway under Jon’s leadership and I will be watching progress with interest. I wish you all the best for 2025/26.

[*Jonathan Wade took over as Chief Executive of Medway NHS Foundation Trust on 01 April 2025*]

This is an image of Jayne Black's signature.  Jayne Black is Chief Executive of the Trust 

………………………………..

**Jayne Black**

**Chief Executive**

I joined the Trust as Chief Executive Officer (Interim) on 01 April 2025, alongside my role as Chief Executive of Dartford and Gravesham NHS Trust. The shared Chief Executive appointment represents a step towards closer collaboration between the two trusts, and recognises the pathways followed by patients from across north Kent, and the close working of the two organisations.

It follows similar models across the country where trusts are increasingly sharing Chief Executives and other senior roles – we already share a Chair, John Goulston, with Kent Community Health NHS Foundation Trust.

There is a real opportunity for both organisations to learn from each other and make the best use of our collective expertise. By working together more effectively, we can improve resilience, drive innovation and deliver even better care for our communities.



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Foreword from the Chair**

On behalf of the Board and as Chair of the Council of Governors, I would like to sincerely thank our staff for their outstanding efforts this year and their ongoing commitment to improve services for our patients.

While it has undoubtedly been another very challenging year for the NHS, it is testament to colleagues’ hard work that we have seen the momentum of improvement continue, guided by our Patient First improvement programme. Patient First empowers staff to identify the changes that benefit patients most and helps us focus on the steps that will deliver the most impact.

As a result, I am proud to say that more patients are having a positive experience of care, more staff are staying with us beyond two years, patients are being seen and treated more quickly in our Emergency Department, and we have seen a sustained reduction in avoidable cardiac arrest calls.

There is more to do to improve care for our patients by further developing and improving our services, so that we can treat patients sooner, with the consistently high standard of care that we aspire to provide everyone in our care.

With more patients than ever in need NHS care, as people live longer with more complex conditions, we are committed to continuing to innovate and work with local health and care partners so that patients have the right care, in the right place, at the right time.

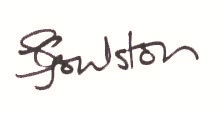
I would like to thank members of the Board for their commitment. Some Non-Executive colleagues came to the end of term this year – my thanks to Chris Burton and Annyes Laheurte. We also welcomed Jane Perry, who joined us during the year.

I would like to thank the Council of Governors. who represent the communities of Medway and Swale, staff, and partner organisations, for their valuable oversight of our efforts to provide the best possible care for the communities we serve. Particular thanks to Councillor David Brake, Lead Governor, who will complete his term of office this year.

Our wonderful volunteers are integral to how we care for our patients and visitors, so too are The Medway Hospital Charity and Medway League of Friends, who raise much-needed funds that benefit patients and staff.

Finally, I would like to take this opportunity to thank Jayne Black who left in April to take up the Chief Executive role at her local trust in east Sussex. As Chief Executive her compassionate leadership has been invaluable over the past three years, during which time we have worked hard to recover from the effects of the Covid pandemic, such as long waits for treatment.

Jayne has driven improvements through Patient First, and we will continue to implement and develop the strategy that she has championed under Jonathan Wade’s leadership.

****

…………………….

**John Goulston**

**Chair**



**Overview**

**Purpose and Activities**

Medway NHS Foundation Trust is a hospital Trust based in Gillingham, Kent serving more than 427,000 people across Medway and Swale. It provides clinical services to half a million patients a year, including approximately 185,000 attendances to the Emergency Department, 85,000 admissions, 445,000 outpatients’ appointments and 4,400 babies born last year.

As an NHS Foundation Trust, there are 26 seats on the Council of Governors and more than 6,000 public members. It employs more than 5,200 staff, making it one of Medway’s largest employers. In addition, over 300 volunteers provide invaluable support across the Medway League of Friends, Hospital Radio and the Voluntary Services Department.

The Trust has five divisions – Cancer and Core Clinical Services, Central Operations, Medicine and Emergency Care, Surgery and Anaesthetics, and Women, Children and Young People.

The Board of Directors, led by Trust Chair, John Goulston, comprises seven Executive Directors including Jayne Black, Chief Executive, and seven Non-Executive Directors including the Chair.

**Brief History**

Medway Maritime Hospital was originally a Royal Naval Hospital, opened by King Edward VII in 1905. In 1961, the NHS acquired the hospital from the Royal Navy.  Buildings and facilities were updated as part of a £1.5million modernisation scheme and the hospital reopened again as Medway Hospital in 1965. The hospital changed its name in 1999 to mark the start of a new era.  The new name 'Medway Maritime Hospital' reflects the hospital's proud naval origins.

**Key Issues and Risks**

The principal risks in delivering the Trust’s Strategic Objectives are recorded in detail in the Board Assurance Framework and the key operational risks are described in the Corporate Risk Register, which are monitored by directorates, the Executive Group, Committees and the Board. A summary of significant risks within the Board Assurance Framework is included within the Annual Governance Statement.

**Going Concern**

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

The accounts have been prepared on a going concern basis as the Trust does not intend, nor consider that it will be necessary, to apply to the Secretary of State for the dissolution of the Trust with the transfer of the services to another entity in the foreseeable future.

The Trust considers the future financial performance and traditional going concern risks in the ‘Overview of Financial Performance’ section of this report.

**Summary of Performance**

The Trust overperformed against the national standard for the four-hour performance target in 2024/25, finishing the year on 77.4% (submitted all types) against the target of 77%, improved and reduced patients waiting >12hrs LOS in ED by 2% in March 2025 compared to March 2024 and significantly improved diagnostics waiting times hitting 91% for the first time in over five years.

**Key Performance Measures**

The Trust formally agreed trajectories for the constitutional targets: Emergency Department, Referral to Treatment (RTT), Cancer and Diagnostic (known as DM01). These trajectories were based on demand and capacity work completed for all of the services using the NHS Improvement Tool. However, the Trust was asked by the NHSE Regional Team to revise trajectory for RTT to 60% and this was mandated.

The performance of these areas is monitored at all times and reported on a monthly basis in various different meetings internally and externally to the Trust.

**Referral to Treatment (RTT)**

The Trust did not meet the Referral to Treatment standard of 92%. It reported a year end position of 53% which was a 3% improvement on 2023/24. The total waiting list size has steadily reduced over the reporting period ending on 39,949 patients compared to 44,129 at the start of the year, however this remains above levels seen pre-2023/24. The number of patients waiting more than 52 weeks for treatment has reduced by 650 from the start of the year and ended at 1,695 this is the first year in over three years to see a reducing backlog. The National standard was to achieve no patients waiting over 65 weeks, which was achieved in most areas however due to specific staffing issues this was not wholly achieved with 79 remaining at the end of March down from 629.

The Trust has identified a number of actions to address this underperformance, including:

* Addressing staffing issues in clinical areas with the largest waiting times and running additional clinics.
* Collaborating with system delivery partners to increase capacity.
* Launching the patient-initiated follow-up approach.

**DM01**

The Trusts performance against the Diagnostic Waiting Times and Activity standard (DM01) improved significantly and ended the year at 91.1% this is a 30% improvement from the M1 position. Although factors such as poor capacity within Endoscopy and overall capacity versus demand has impacted negatively on the DMO1. The principal reason is a significant increase in demand for diagnostic modalities including Echocardiography, Endoscopy and MRI. The Trust continues to utilise support from the independent sector and mutual aid from other NHS Trusts to support the improvement plans for DM01.

**Cancer**

2024/25 Cancer Waiting Times Performance

The Trusts performance against the 28-day standard ended the year below the standard for 75% ending the year at 68.5% which is a slight improvement against the March 2023/24 position. The top contributing factor was low capacity within Endoscopy which resulted in lower performance within both upper and lower gastrointestinal (GI) tumour sites and capacity within Breast services. The Trust continues to develop and increase cancer nursing support for the initial 28 days of the pathway to decrease waiting times for initial appointment and diagnostic requests.

The Trust has consistently met the 96% operational standard for 31-day for the full 12 months. Patients with a confirmed diagnosis of cancer are treated with the urgency required to ensure the Trust remains compliant against this Key Performance Indicator (KPI).

The Trust was non-compliant in one of the twelve months with the 94% operational standard for 31-day subsequent treatment (surgery) and ended the year at 100% compared to only being compliant 5/12 in 2023/24. This was achieved by continuing to work closely with the theatre and surgery teams to ensure that there was adequate capacity to prioritise treatments for patients with cancer.

The Trust was compliant with the 98% operational standard 31-day waits for subsequent treatment (drug treatment) in nine out of 12 months. This represents a huge improvement in performance from the previous year.

The Trust ended the year with a performance of 68.4% against a target of 85% for 62 day waits from urgent GP referrals. This performance was largely driven by the challenges faced within the Breast, Upper GI and Lower GI tumour sites to achieve the 28-day performance which lead to delays in the pathway.

**Emergency Care Standard**

The year 2024/25 saw levels of attendance remain high, with a difficult and challenging winter season, of high attendances. The Emergency Department (ED) team has continued to drive forward with improvements to patient care, safety and delivering gold standard. There have been fantastic achievements within ED, these include:

* Increased utilisation of Same Day Emergency Care (SDEC) and launch of the Acute Assessment Model, which has reduced length of stay within ED and decreased admissions into the Trust.
* Increase in the number of patients who access the right pathways from ED, for example; Surgical and Maternity.
* Achieving the national performance in March 2025
* Maintained ambulance handover performance as a leading Trust in the country.
* Reduction of length of stay in many specialties to support Emergency Care patient flow.
* Reduced the time an inpatient bed is empty between patients by half, improving access to beds for patients in the ED.
* Reduced ED presentations by people awaiting elective care
* Reduced the percentage of patients waiting >12hrs LOS in ED 13.2% to 11.2% in March 2025

The Trusts dedicated, clinically-led Patient First programme gives the tools and the confidence that the Trust will deliver the required improvements in quality, performance and patient and staff experience.

**Sustainability Report**

**The Trust’s Carbon Footprint**

At Medway NHS Foundation Trust, we continue to recognise that we are not only part of the NHS but also play an integral role in the local community. Sustainability means spending public money intelligently and responsibly, making efficient use of natural resources, and playing our part in 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 rising costs of natural resources.

**Task Force on Climate-Related Financial Disclosures (TCFD)**

NHS England’s NHS Foundation Trust Annual Reporting Manual has adopted a phased approach to incorporating the recommended TCFD disclosures as part of the sustainability annual reporting requirements for NHS bodies, from HM Treasury's TCFD-aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures, as interpreted and adapted for the public sector by the HM Treasury TCFD-aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2, and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHS England.

The phased approach incorporates the disclosure requirements of the governance, risk management, and metrics and target pillars for 2024/25. These disclosures are provided below with appropriate cross-referencing to relevant information elsewhere in the annual report and accounts and in other external publications.

The Trust embeds sustainability into its operations through the implementation of its Green Plan. Introduced during 2020/21 and under revision in 2025 for publication in July 2025, this will be endorsed by the Trust Board. The Green Plan provides an organisation-wide strategy that outlines the Trust’s plan of action necessary to achieve the targets within the Greener NHS Net Zero Programme. Progress on the delivery of the Green Plan is provided to the Trust Board through an annual summary report. Throughout this year, significant progress has been made in progressing our sustainability objectives through the establishment of a robust governance and assurance framework to facilitate the delivery of our Green Plan. Through the continued dedication of the Green Working Groups along with the appointment of individuals in specific sustainability roles, this leadership plays a pivotal role in supporting the Trust's sustainability agenda and driving our performance in sustainability initiatives.

Nick Sinclair, Chief Operating Officer, will oversee the resourcing and delivery of this Green Plan and has been appointed as the Trust’s Net Zero Lead. As the Senior Responsible Officer (SRO) for our Green Plan. Neil McElduff, the Director of Estates and Facilities, is accountable for leading the Green Plan and reports to the NHS Kent and Medway Integrated Care Board Environmental Sustainability Steering Group. In collaboration with the NHS Kent and Medway Integrated Care Board, we undertook an exercise to assess and improve our carbon footprint methodology. The Trust now calculates this data on a quarterly basis, facilitating ongoing monitoring and evaluation of our environmental impact. Any risks or issues identified are escalated to the Trust Risk Register.

The Green Sustainability Operational Steering Group convenes bi-monthly with the participation of 10 senior staff members, including Directors and Associate Directors of the Trust. Together, they are tasked with the implementation of the various workstreams and actions outlined in the Green Plan.

The Green Sustainability Strategic Group, comprising the Trust’s Executive Directors and chaired by the Chief Executive, assumes the responsibility of overseeing the activities of the Operational Group. This ensures alignment with the Trust’s strategic objectives. The group meets quarterly and receive performance updates on the workstreams and action plan of the Green Sustainability Operational Steering Group. The Trust works from an action log to record/track progress on key climate issues; these are reported into the governance groups above. Some highlights from 2024/25 are below.

1. The Green Champion Network is an informal group of 40 Champions actively involved in championing sustainability initiatives. The Green Champions will identify initiatives at a grassroots level within the Trust and lead on the implementation of the projects that we are running.
2. The Trust is using its Heat Decarbonisation Plan (HDP) to provide a net zero framework, outlining several stages to guide our transition from fossil fuel-reliant heating systems to low carbon alternatives. The initial stage of the HDP, projected to result in 3,500 tonnes of annual carbon savings, is currently underway, thanks to the £25.9 million secured through the Public Sector Decarbonisation Scheme (PSDS), which is run by the Department for Energy Security and Net Zero and delivered by Salix. The proposed initiatives for this stage of the HDP include:

* De-steaming part of the hospital and replacing with electric heat pump systems using zero carbon electricity, work due to start June 2025.
* Installation of roof-mounted solar PV arrays across multiple buildings to provide around 0.8MW of electrical power, work due to start May 2025.
* Replacing single-glazed windows with double-glazed units, work due to start May 2025.

The programme of work is a complex undertaking and is due to finish in 2026.

The Trust has applied for further Public Sector Decarbonisation Scheme funding (PSDS4) to de-steam the remaining parts of the site to keep a consistent flow of activity on site. Funding has been secured to remove piped Nitrous Oxide from the Trust and move to canister gas to mitigate seepage of gas into the air; this will produce a carbon saving as well as a cost saving. Finally, the Trust secured £206,000 in January 2025 through the National Energy Efficiency Fund (NEEF). This funding supports the ongoing implementation of LED lighting throughout the Trust. LED lighting offers significant benefits over traditional lighting options, such as reduced energy consumption and carbon emissions.

During 2024/25, the Trust spent a total of around £4,252,707 on electricity and gas. There was a decrease in spending for 2024/25 due to energy costs going down in a volatile market.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Energy Usage and Costs 2022 to 2025** | | | | | | |
|  | **Consumption** | | | **Costs** | | |
| **22-23** | **23-24** | **24-25** | **22-23** | **23-24** | **24-25** |
| **KWH** | **KWH** | **KWH** | **£** | **£** | **£** |
| Gas | 46,214,831 | 40,064,445 | 47,774,886.52 | 3,300,348 | 4,016,482 | 2,172,447 |
| Electricity | 8,565,071 | 10,473,540 | 8,199,484 | 2,344,706 | 4,174,831 | 2,080,260 |
| **Total** | **54,779,902** | **50,537,985** | **55,974,370.52** | **5,645,054** | **8,191,313** | **4,252,707** |

*\*KWH - A kilowatt-hour is a non-SI unit of energy equal to 3.6 megajoules in SI units which is the energy delivered by one kilowatt of power for one hour.*

The Combined Heat and Power (CHP) plant provides cost savings as gas yields a degree of unit price efficiency over electricity. Money supermarket (2025). The CHP generates power and heat simultaneously. A CHP system can reduce carbon emissions by up to 30% compared to separate generation from a boiler and power station (Gov 2020). However, with improvements in power stations and a shift away from coal and oil, the Trust’s emissions directly associated with electricity are now sourced from a zero carbon for business 100% tariff, allowing us to report a zero emissions factor for electricity.

As part of the HDP and our move towards decarbonisation, replacing the CHP is necessary in the long term. It is part of Phase Two and included in the application for funding for PSDS 4.

GOV (2020) accessed on 21.03.25 - [Combined heat and power - GOV.UK](https://www.gov.uk/guidance/combined-heat-and-power)

Money supermarket (2025) accessed of 21.03.25 - [What is the energy price cap? | MoneySuperMarket](https://www.moneysupermarket.com/gas-and-electricity/energy-price-cap/)

**Community Engagement, Human Rights and Anti Bribery**

The Trust continues its varied and vibrant work to undertake meaningful community engagement. We are committed to actively informing and involving members in our activities and inviting feedback from stakeholders and the public about our services, particularly when changes are being considered or new services planned.

Involvement from the local community is essential in helping shape and influence decision making to improve services and patient experience. The Trust encourages people to get involved and share their views to help give us a better understanding of the diverse health needs and what matters most to patients, carers, members, stakeholders and the wider community.

We share updates and opportunities for involvement through various channels including virtual and face-to-face meetings, public events, our website, social media channels and our regular Community Engagement newsletter which is sent out by email to Trust members and community contacts.

In the last year, we have continued our programme of member events. In response to feedback from our annual members survey, we have designed more opportunities for members to see ‘behind the scenes’ at the hospital. In May 2024, we celebrated the launch of our new Clinical Strategy (2024-2027) with tours of the hospital pharmacy, so visitors could see how a new robot is improving performance and efficiency in this area. This was very popular with members and all available spaces on the tour were taken.

In November 2024, we opened our doors again, this time to the Macmillan Cancer Care Unit, where members were able to see the welcome and friendly space provided for patients in the Galton Day Unit, Lawrence Ward, shared areas and the Macmillan Information Centre. Feedback from this was also very positive.

In August 2024, the Trust held its third Summer Fun Day, which has become a standing event on the calendar thanks to its popularity. The day is aimed at local people and families, who are invited into the hospital grounds for a fun experience while learning about our services and opportunities for involvement, and raising funds for our charities, at the same time.

In other activity, the Engagement Team supported recruitment for Governor elections held during the year, visiting venues such as shopping centres, supermarkets and Healthy Living Centres to promote awareness of the elections and encourage local people to become a member of the Trust and consider standing as a candidate. Thanks to these efforts, we had more nominees than seats available, leading to a vote being required in all constituencies.

We also engaged with the public and staff in February 2024 on a proposal to extend visiting hours in the hospital to 8am to 8pm. Through digital and face to face interaction, achieved through surveys, engagement stands and ward visits, we received a record number of responses to our questions about the proposals, which have been analysed and considered before an expected change comes into force in May 2025.

We attended community events during the year, including Medway Pride in August 2024, Dementia Awareness Day at Rochester Cathedral in April 2024, and Fresher’s Fairs at local universities in September 2024. As part of our efforts to increase engagement with the younger generation, we renewed links with the Medway Youth Council and attended their Young Persons’ Conference for the first time in February 2025.

The Trust held its Annual Members’ Meeting in September 2024; we invite the community, alongside Governors, members and staff. This year, alongside the standard agenda, attendees had the opportunity to visit a ‘market place’ providing information about services provided by the hospital and our partners, such as the new patient portal Patient Knows Best, our improvement programme Patient First and mental health Safe Havens across Kent and Medway.

In October 2024, the Engagement Team invited patients and local people to help us test our new automated telephone service to improve the experience when trying to contact us by phone. Members were recruited to test the new technology and report back on their experience. This meaningful feedback direct from patients helped shape the new service before it went live.

We also facilitated direct patient involvement in the design of the new Frailty Same Day Emergency Care service, with a patient representative giving valuable input into the project team, and we supported the recruitment of Patient Safety Partners for Medway and Swale.

Throughout the year, we have held engagement stands twice a month in the hospital main entrance, focusing on different topics to inform patients and visitors and engage them in our work. For example, in November 2024, we raised awareness of our Veteran Aware accreditation to let people know how we support the Armed Forces community and veterans, both as a healthcare provider and an employer. In March 2024, we asked for feedback on our new website as we look to further develop it.

On occasions we have been joined by partners, including NHS Kent and Medway, to engage on their Stop Think Choose campaign, and Kent and Medway Talking Therapies, to raise awareness of their service among patients and staff. We welcome partner working and invite anyone who would like to join us during 2025-2026 to get in touch.

Throughout 2025/2026, we will build on this programme of events and engagement to provide opportunities to engage with all, including those groups which are harder to reach. This will ensure the Trust continues to learn and that all community voices are heard.

**Anti-Bribery and Fraud**

During the reporting period, the Trust’s local counter fraud services have been provided by RSM UK. The Audit and Risk Committee approved the annual counter fraud work plan. It receives a progress report at each meeting detailing cases of possible fraud and the outcome of any investigations. Progress in respect of proactive work and themed reviews is also reported. The Audit and Risk Committee monitors the implementation of any recommendations made by RSM UK by way of a Management Audit Action Tracker.

The Local Counter Fraud Services Team works closely with the internal audit team (KPMG) to consider how identified fraud risks can be addressed within the scope of their reviews and additional assurance can be provided through this route.

The team also provide a report to the Audit and Risk Committee regarding the Trust’s scoring for the Counter Fraud Functional Standard Return, which is continuously monitored throughout the year against the Government Functional Standard 013: Counter Fraud. Throughout the year RSM UK conducted the following investigations, with reporting to the Audit and Risk Committee:

**Brought forward from 2023/24 4** Cases received 11

Information reports received 4 Information reports converted to Case 1

Investigations recorded on NHS Case Management System so far (from cases and information reports) 11

Cases Closed 10 Information reports Closed 2

Cases on-going 6 Intelligence reports on-going 1

**Equality, Diversity and Human Rights**

Control measures are in place to ensure that the organisation’s obligations under equality and human rights legislation are complied with. The Trust employs a Head of Equality and Inclusion to provide strategic and practical professional guidance and advice to the Trust.

The Trust’s strategic approach to equality and diversity is managed through the Equality Delivery Scheme (EDS) and through The People Strategy. Additionally, the Trust publishes the results and action plans on mandatory equality metrics, such as the Gender Pay Gap and Workforce Race and Disability Equality Standards. These metrics enable the Trust to benchmark with other NHS organisations and partners, to produce and maintain action plans, and review and improve its performance for people with characteristics protected by the Equality Act 2010.

This strategic focus on equality and diversity is also reflected in the Trust’s Patient First methodology and People Breakthrough Objective, which is focussed on identifying and addressing all incidents of staff-on-staff incivility. This objective is supported by the work of the Anti-bullying and Harassment Group, which provides assurance to the People Committee.

Training on equality and human rights is mandatory for all staff, and management programmes have been developed to improve the Trust’s leadership skills around equality, diversity and human rights. The Trust is committed to going beyond that which is mandated and makes equality and inclusion an integral part of everything it does for staff, patients and the local community. In 2024 the Trust introduced and piloted a leadership and management development learning module, Inclusion by Design, following positive feedback, the module has been incorporated into the Trust’s mandatory training on Management Essentials. The Trust developed and adopted an Anti-Discrimination Statement in 2023, setting out five key commitments to going beyond being non-discriminatory to being anti-discriminatory. The Statement sets a tone for staff, patients and community alike to be able to receive and give respect.  The Anti-Discrimination Statement and Trust policies relating to bullying, harassment and discrimination have been updated to consider the Sexual Safety in Healthcare Charter and the Worker Protection (amendment to Equality Act 2010) Act 2023 to take reasonable steps to prevent sexual harassment and assault. The Trust’s Disciplinary Policy was also updated with a Zero Tolerance Statement and this commitment means that all allegations of bullying, harassment or discrimination are consistently referred to the pre-disciplinary panel for consideration.

The Trust has also continued to develop its policies and procedures to promote equality of opportunity and outcomes. In this past year this has included further revisions and extensions to the Reasonable Adjustment and Modified Duties Policy to include a point of escalation for reasonable adjustment decisions, and a minimum requirement for an annual review of adjustments. Anti-bullying, Harassment, Discrimination and Conflict Resolution Policy continues to be supported by a team of Dignity at Work Advisors, drawn from a wide range of job roles and diverse backgrounds, trained to support and advise staff who raise concerns about issues of dignity and discrimination at work.

**Gender Pay Gap**

In January 2025, the Trust published its gender pay gap and supporting statement for 2023/24, as required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The Trust’s mean gender pay gap is 27.9% and the median gender pay gap of 17.2%. The key area of concern is the medical and dental pay gap, which has a significant impact on the overall pay gap.

This is a continued improvement from the position in all previous years. The gender pay gap relates to gender differentials in the progression to senior roles, particularly in medical roles. There is some evidence that this pattern is repeated in many other Trusts across the NHS and relates to professional career paths.

There is reasonable confidence that, owing to Agenda for Change and medical pay reviews, the NHS is providing equal pay (men and women paid equally to carry out the same jobs, similar jobs or work of equal value). However, it is evident that in medical roles there have been, traditionally, significantly more men progressing to the most senior levels, resulting in a gender pay gap.

While there is little that the Trust can do in the short term to address the gender pay gap, because the issue affects professions that have long term career pathways, action can be taken to encourage the retention and career progression of women into senior roles, particularly in medicine. Therefore, a key focus for 2024 and 2025 is implementing a review of the medical gender pay gap, in the light of the Mend the Gap report on medical pay, and ensuring that opportunities are created for women to develop into leadership within the medical workforce. This approach has been supported by the Trust’s Women’s Staff Network and Chief Medical Officer and will be progressed with the involvement of women in the medical workforce.

The Women’s Staff Network is also a key stakeholder and advisor on general to improvements to reduce the gender pay gap.

The Agenda for Change gender pay gap for 2023 was 1.0%, down from 1.9% in 2023. The data for the 2024/25 reporting period is due by 31 March 2026, but will be published on the Trust’s website in the summer of 2025.

**Overview of Financial Performance**

Although on occasion the quality of the service the Trust offers has not achieved the levels it strives for, this has not been as a result of the removal of resource nor a lack of willingness to ensure managers and clinicians have the manpower and equipment they need to provide those services. Choices have been made and will continue to be made as to how services might develop and change within the funding envelope and the Trust will maintain its close relationships with local commissioners and the Integrated Care System/Board to ensure patients receive the best care for the best value.

The accounts presented in this 2024/25 annual report shows a reported deficit of £17.1 million and a deficit control total of £22.4 million, as per the table below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Plan**  **£m** | **Actual**  **£m** | **Variance**  **£m** |
| Income from patient care activities | 480.4 | 472.4 | (8.0) |
| Other income | 30.7 | 46.8 | 16.1 |
| Pay | (330.0) | (348.4) | (18.4) |
| Non-pay | (169.1) | (179.5) | (10.4) |
| **Operating surplus** | **12.0** | **(8.7)** | **(20.7)** |
| Non-operating expenses | (9.3) | (8.4) | 0.9 |
| **Reported surplus/(deficit)** | **2.7** | **(17.1)** | **(19.8)** |
| Net impairments/reversals | - | 0.2 | 0.2 |
| Donated asset cost/income net | (5.1) | (5.5) | (0.4) |
| **Control total** | **(2.4)** | **(22.4)** | **(20.0)** |

During the course of the financial year the Trust began to report an adverse performance. This principally arose from:

* Ensuring our emergency department was staffed safely to treat the patients arriving
* Experiencing increased levels of activity for which the income was part of the fixed block (see below) but against which additional costs had to be incurred
* Patient acuity increases, requiring levels of enhanced care on the wards
* A shortfall in the funding to cover the costs of national pay awards
* A series of income and funding plans that did not materialise

**Income**

The majority of the Trust’s income is directly related to patient care from commissioning organisations such as Integrated Care Boards and NHS England. The contract in 2024/25 set a fixed income sum based on historically contracted levels, whilst elective activity was paid on a ‘cost and volume’ basis using the national tariff. The Trust delivered over 15% more elective activity than the NHSE target, equating to a value of £11.4 million; however, this was marginally below (£1.7million) our own ambitious plans.

Other operating income included: education and training funding; non-patient care or ‘hosted’ services to other organisations; car parking income; research and development funding, and; charitable contributions to expenditure.

**Expenditure**

In 2024/25 the Trust is reporting increased pay expenditure that was £34.3 million higher than 2023/24; these costs arose from: £18.6 million on pay awards; £7.1 million in respect of that part of the pension costs funded by NHSE (reflecting a rate increase from 6.3% to 9.4%); £4.7 million of Trust incurred pension and social security costs; £1.1 million in respect of pay arrears related to Clinical Support Worker re-banding; the balance reflects the overall increase in permanent staffing to fill vacancies and manage activity demands. These have been offset by a reduction in agency expenditure of £3.0 million compared to the prior year. The indicators are that the Trust is minimising its use of agency staffing, which typically comes at a higher cost than substantive staffing, and has this well controlled.

Non-pay has increased by £6.5 million when compared to 2023/24; this is generally as a result of activity driven costs pressures on drugs and clinical supplies, an uplift to the Clinical Negligence Scheme for Trusts premium and higher depreciation charges following the scale of recent investment, offset by reductions in services purchased from third parties and a reduction in utility supplies.

**Capital Expenditure Plan**

During the year, the Trust has invested £25.9 million in capital schemes in the areas shown in the table below:

|  |  |
| --- | --- |
|  | **Total in**  **£m** |
| Estates and Site infrastructure | 14.1 |
| Fire Safety | 2.8 |
| IT | 5.1 |
| Equipment | 3.9 |
| **Total** | **25.9** |

Some of the notable projects in the year have included:

* Decarbonisation works on the Trust estate to work towards net zero
* Development of community diagnostics hubs in Sheppey and Rochester, due to complete in 2025/26
* Continuing implementation of an electronic patient records system
* Ward refurbishments
* Replacement of aged imaging equipment and other medical devices
* Fire safety works

**Cash Flow and Balance Sheet**

The balance sheet shows £282.3 million of net assets at the end of the year, up from £275.6 million of net assets at previous year end. This arises principally from the capital investment noted above.

The Trust ended the year with £13.3 million cash in the bank; this is lower than originally planned due to the £20.0 million adverse performance to plan. The Trust received deficit cash support funding of £16.4 million during the year in order to meet its obligations. There is a risk that the Trust will require further cash support in 2025/26 as a result of the planned deficit and significant efficiency programme - see below for further information.

**Financial Outlook**

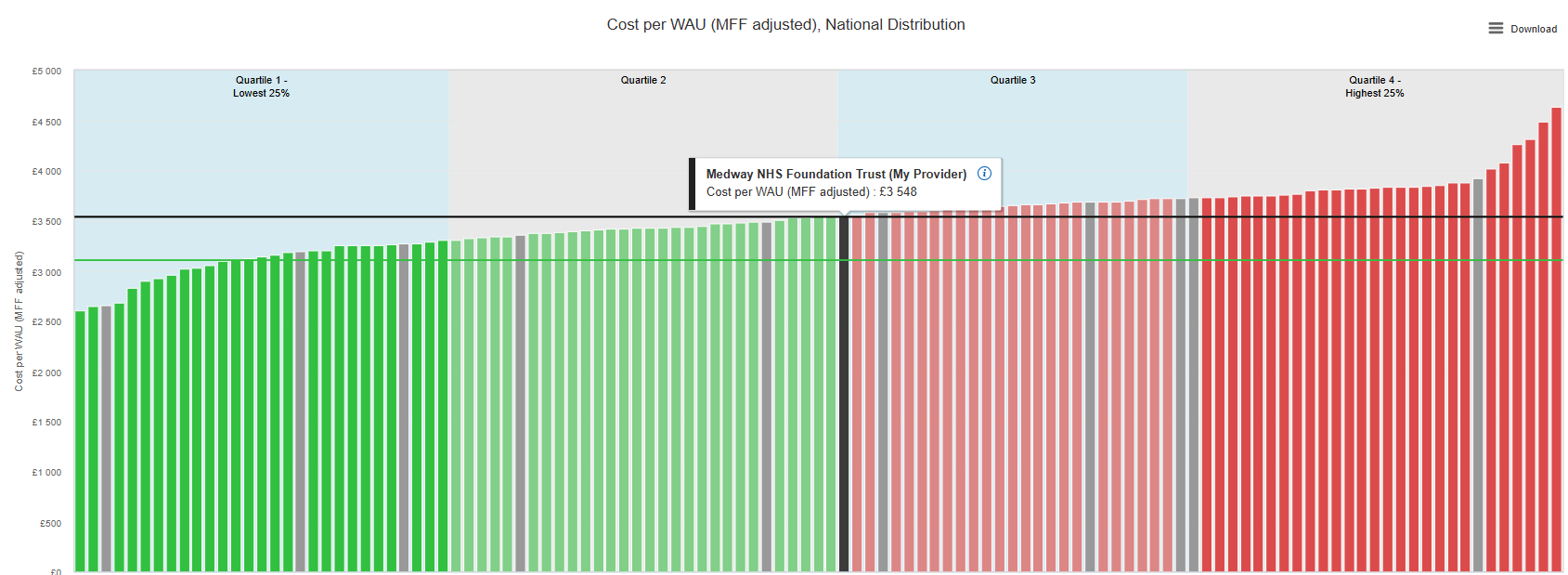
2025/26 will be another challenging year for the Trust and the wider NHS in general. The Trust has submitted a deficit control total plan for the year of £15.5 million; this arises as a consequence of the continuation of those 2024/25 cost pressures, together with emerging pressures for 2025/26 such as a £6.7m / 36% increase to our Clinical Negligence Scheme for Trust insurance premium.

There are a number of key risks to the overall 2025/26 plan, each of which are high on the agenda of the Board. Specifically:

* Delivery of activity in a capacity constrained hospital
* Mitigation of cost pressures, including inflationary costs over and above tariff
* Delivery of a £27.2m / 5.0% internal efficiency programme together with a £14.8m system efficiency plan - £42.0m / 7.4% in total - ensuring no compromise on quality
* Managing investments to a tight capital programme

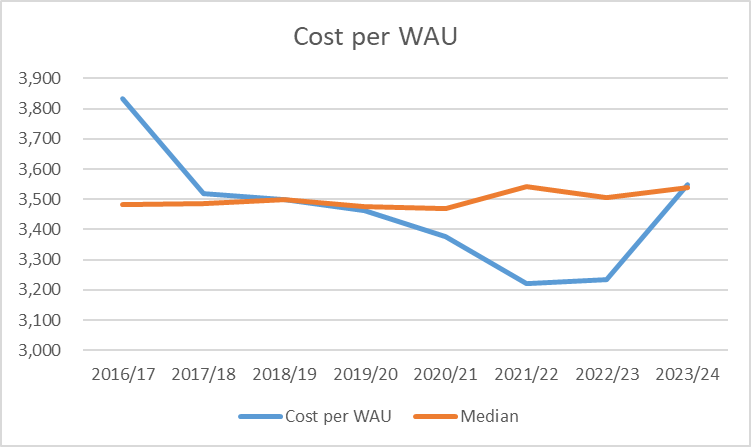
Based on cash flow projections, and subject to sufficient mitigations of the risks above, the Trust anticipates it may need cash support during 2025/26. Without sufficient cash reserves the Trust would not be able to pay its staff, its suppliers or meet other liability obligations; this could ultimately affect the availability of human and consumable resources and equipment, with potential impacts thereafter on patient care. We are liaising with our system partners and NHSE to mitigate these risks.

Nationally collected data has shown that in recent years the Trust had improved its efficiency position relative to other Trusts across the country. The most recent data available (for 2023/24) indicates that Trust cost per unit of activity has increased but that this is now at the national median. This is represented by the charts below.



Despite the recent evidence indicating that the Trust provides its services economically, efficiently and effectively, it continues to report a significant deficit.

During the last quarter of 2024/25 the Trust began a full refresh of its Financial Recovery Plan (FRP). This document will set out the historical financial performance of the Trust, the drivers of its deficit, the financial modelling demonstrating the likely position if no interventions are taken, those strategic interventions that are expected to be taken and their impact on performance. Overall, the FRP is intended to identify the causes of adverse financial performance and those actions that are required to bring it back into a sustainable position. This work will continue into 2025/26 and will require broader health economy support to drive effective change.



**WAU = Waited Activity Unit**

**Overseas Operations**

The Trust does not have any overseas operations.

As Accounting Officer, I am satisfied that this performance report provides a true and accurate summary of the performance of the Trust during the year 2024/25.

Signed



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Date: Friday, 20 June 2025**



**Directors’ Report**

**Board of Directors**

The following disclosures relate to the Trust’s governance arrangements and illustrate the application of the main and supporting principles of the NHS Foundation Trust Code of Governance (the Code). It is the responsibility of the Board of Directors to ensure that the Trust complies with the provisions of the code or, where it does not, to provide an explanation which justifies departure from the code in the particular circumstances.

The Directors’ Report has been prepared under direction issued by NHS England, the regulator for foundation trusts, and in accordance with the NHS Foundation Trust Annual Reporting Manual 2024/25.

**The Trust Board**

Medway NHS Foundation Trust is run by the Board of Directors. The Board is responsible for overseeing the overall strategic and corporate direction of the Trust and ensures the delivery of the Trust’s goals and targets. It is also responsible for ensuring its obligations to regulators and stakeholders are met. Strategic priorities are set by the Trust Board annually. The risks to achieving these priorities are monitored through the Board Assurance Framework, which provides the Board with a systematic process of obtaining assurance to support the mitigation of risks. The Trust Board leads the Trust and provides a framework of governance within which high quality, safe services are delivered to the residents of Medway and Swale.

**Trust Board Governance**

The Board comprises a Non-Executive Chair, five other Non-Executive Directors (NED) and one Academic NED (non-voting), five voting Executive Directors, including; the Chief Executive, Chief Finance Officer, Chief Nursing Officer, Chief Medical Officer, Chief Operating Officer and Chief People Officer (both sharing a vote) and one non-voting Chief Delivery Officer.

The Chair is responsible for leadership of the Board of Directors and the Council of Governors and responsible for ensuring that the Board and Council work together effectively. The Senior Independent Director, who is also a Non-Executive Director, provides a sounding-board for the Chair and serves as an intermediary for the other Directors when necessary. They should be available to Governors if they have concerns that contact through the normal channels has failed to resolve, or for which such contact is inappropriate.

The Non-Executive Directors scrutinise the performance of the Executive team in meeting agreed goals and objectives and monitor performance. The Executive Directors are responsible for managing the day-to-day operational and financial performance of the Trust. The Chief Executive leads the Executive team and is accountable to the Board for the operational delivery of the Trust.

Voting Board directors (Executive and Non-Executive) have joint responsibility for Board decisions, the same legal responsibilities and collective responsibility for the performance of the Trust.

Together the Non-Executive Directors and Executive Directors bring a wide range of skills and experience to the Trust, such that the Board achieves balance and completeness. The Board meets monthly formally on alternate months and bi-monthly Board Development and Strategy Deployment Review sessions.

All Non-Executive Directors are eligible for appointment for two three-year terms of office, and in exceptional circumstances a further term of 12 months. The Chair and Non-Executive Directors are appointed by the Council of Governors in accordance with the Trust’s Constitution.

The Board has an approved Scheme of Delegation. The Board delegates some of its powers to its committees, all of which have a Non-Executive Chair. The arrangements for delegation are set out in the Trust’s Standing Orders and Scheme of Delegation. The Trust’s Constitution and Terms of Reference of these committees and their specific powers are approved by the Board of Directors. The Board committees are all assurance committees with the exception of the Nomination and Remuneration Committee.

**Board Appointments and Leavers**

Non-Executive Directors are appointed through a formal and transparent procedure, managed through the Council of Governors Nomination and Remuneration Committee, a sub-committee of the Council of Governors. This committee also advises the Council on the remuneration and terms and conditions of the Non-Executive Directors.

The Council of Governors, advised by the Council of Governors Nomination and Remuneration Committee, were informed that Annyes Laheurte, Non-Executive Director, tendered her resignation and her last working day would be 31 March 2025. This would mean a need for a vacancy to be filled as Chair of Audit and Risk Committee and Chair of Corporate Trustee and Charitable Funds Committee.

[*The Council of Governors, advised by the Council of Governors Nominations Committee, appointed Helen Wiseman and Peter Conway as Non-Executive Director for three years from 01 May 2025. The roles were advertised externally through Alumni Global recruitment agency*].

**Decisions Delegated to the Executive Group**

The Executive Directors meet weekly and the meeting is chaired by the Chief Executive. Its purpose is to ensure that the objectives agreed by the Board are delivered and to analyse the activity and performance of the Trust against the business plan to ensure that duties are appropriately delegated to the senior management team and actions monitored. It also ensures that the key information from external bodies is discussed, actions identified and messages disseminated appropriately across the organisation.

**Statement about the Balance, Completeness and Appropriateness of the Board**

The members of the Trust Board possess a wide range of skills and bring experience gained from NHS organisations, other public bodies and the private sector. The skills portfolio of the directors, both Executive and Non-Executive are balanced to ensure it meets the requirements of an NHS Foundation Trust.

The Non-Executive Directors are considered to be independent in character and judgement and the Board believes it has the correct balance in its composition to meet the requirements of an NHS Foundation Trust. The Trust’s Constitution permits each non-executive term of office to be up to three years, to a maximum of seven years’ service. Appointments and removals of Non-Executive Directors are determined by the Council of Governors on the advice of the Council of Governors Nomination and Remuneration Committee.

The Constitution was refreshed at the end of April 2023 to ensure it was fully compatible with the amendments to the Health and Care Act 2022 and the revised Code of Governance.

[*The Constitution is due to be refreshed by the Company Secretary May 2025*].

**Directors of Medway NHS Foundation Trust 2024/25**

**Non-Executive Directors**

**John Goulston**

**Appointed: Chair of the Trust 01 July 2024**

*Term: First*

Experience and Qualifications

John is the Chair of Medway NHS Foundation Trust (the Trust) and Kent Community Health NHS Foundation Trust (KCHFT). He is a father-of-three, who has a wealth of experience working in non-executive and executive roles. He is also currently Chair of NHS London Procurement Partnership. He was interim Chair of Kent and Medway, Integrated Care System (ICS) from April 2020 to November 2021. Formerly, he was Chief Executive of both acute and community health providers in London. He has been an executive director of NHS London, the Strategic Health Authority for London, plus director of finance at two London teaching hospitals during his career.

As part of his current role as chair of the Trust and KCHFT, he also chairs both the Medway and Swale and West Kent Health and Care Partnership Boards and the Kent and Medway Provider Collaboration Board. He is also a member of the Kent and Medway Integrated Care Partnership Joint Committee. Much of his early career was in Kent, working in Maidstone during the 1980s. John’s daughter is a consultant geriatrician and his wife is a community physiotherapist.

Membership of Committees

* Council of Governors (Chair)
* Nomination and Remuneration Committee (Chair)
* Corporate Trustee

**Jenny Chong – Senior Independent Director**

**Appointed: Non-Executive Director 01 April 2024**

Senior Independent Director 01 October 2024

Associate Non-Executive Director 01 February 2020

*Term: Second*

****

Experience and Qualifications

Jenny joined the Trust in 2020, she also sits on boards and committees of Orthopaedic Research UK, The Design Museum, Imperial College London's Venture Mentoring Service, the Egypt Exploration Society, and the National Institute of Health and Care Research (NIHR). She is a champion of female digital talent in the NHS through her work with The Shuri Network and NHS Innovation Accelerator. She also acts as an advisor to various start-ups in the FinTech, MedTech and social impact space. Originally from Singapore, after graduating from the London School of Economics, Jenny embarked on a 20-year career in Investment Banking Technology, starting on the Equities trade floor. She has worked across hardware infrastructure, software engineering, program management, big data and AI. Her last corporate role was as Credit Suisse’s Global Head of Electronic Communications Surveillance, building a global regulatory compliance platform that detects potential malicious behaviour; leveraging natural language processing and deep learning to cognitively learn human context; identify patterns to create behavioural models; and detect anomalous signals. She actively promotes education in STEM, gender equality, diversity and inclusion. She is also a recipient of the Tech Star award at the “Women in Banking and Finance Annual Awards for Achievement”.

*Jenny Chong cont.*

Membership of Committees

* People Committee (Chair)
* Quality Assurance Committee
* Finance, Planning and Performance Committee
* Nominations and Remunerations Committee (Deputy Chair)
* Corporate Trustee

**Annyes Laheurte**

**Appointed: Non-Executive Director 01 April 2021**

Senior Independent Director 01 April 2024 to 30 September 2024

*Term: Second, leaves the Trust 31 March 2025 (resigned)*



Experience and Qualifications

Annyes joined the Trust in 2021 and has more than 25 years’ experience in financial reporting together with financial planning and analysis for international organisations. While working at Lloyd’s of London, focused on financial controls, process enhancements and safeguarding the Society’s assets by mitigating operational risks. She is a Chartered Global Management Accountant (1991) and member of the Institute of Risk Management (2007) and was awarded Specialist status (2009).

Membership of Committees

* Finance Planning and Performance Committee
* Audit and Risk Committee (Chair from 01 September 2023 to 31 March 2025)
* Nomination and Remuneration Committee
* Corporate Trustee (Chair until 31 March 2025)
* Charitable Funds Committee (Chair until 31 March 2025)

**Paulette Lewis**

**Appointed: Non-Executive Director 01 November 2022**

*Term: First*

Experience and Qualifications

Worked more than 35 years in a variety of healthcare settings, gaining wide experience across acute and community services. Held several senior/executive posts, including Director of Midwifery and Children’s’ Services, Executive Director Nursing and Director of the Pan London Maternity Service Review. A leadership and management consultant and has spent a great deal of time mentoring and coaching individuals to help them reach their full potential. Received a Silver Award for excellence in healthcare. In 2002, her charitable and leadership work was recognised by her receiving the European Social and Humanitarian award. In October 2022, she received the Zenith Global Healthcare Award as special recognition for global healthcare work. Nominee for Nurse of the Year by the Jamaican Times UK Community Award in 2014. Awarded an MBE in the Queen’s Birthday Honours List in June 2014 for work and contribution to nursing and charity work.

Membership of Committees

* Quality Assurance Committee (Chair)
* People Committee

*Paulette Lewis cont.*

* Nomination and Remuneration Committee
* Corporate Trustee

**Gary Lupton**

**Appointed: Non-Executive Director 01 September 2023**

*Term:* *First*

Experience and Qualifications

Gary has a significant level of experience across both the private and public sectors with a clear understanding of the links between financial resources and how this drives quality outcomes and ultimately achieves the objectives of the organisation. Commercial and Board level experience within the NHS constructively challenging and helping colleagues to develop strategies to obtain best practice examples to shape the vision to achieve. Knowledge and understanding of what good governance looks like, understanding detail and how this links to overall performance. Understanding the requirement to meet standards, targets and compliance with legal regulations, for example meeting environmental and fire standards. He was awarded the Chairman’s award for work to improve the patient environment and has completed the Institute of Directors training. He undertook the procurement of one of the first private hospitals to support the delivery of NHS workloads.

Membership of Committees

* Finance, Planning and Performance Committee (Chair)
* Audit and Risk Committee
* Nomination and Renumeration Committee
* Corporate Trustee

**Mojgan Sani**

**Appointed: Non-Executive Director 01 September 2023**

*Term: First*

Experience and Qualifications

Mojgan is an accomplished and innovative NHS senior leader with professional background as Corporate Director of Clinical Outcomes and Effectiveness, Chief Pharmacist and Controlled Drugs Accountable Officer. She served the NHS as the lead director for Health Inequalities within an NHS Foundation Trust. She has significant experience of working across acute hospitals, primary care, academia, and specialist regional responsibilities feeding into the Integrated Care System (ICS). Her achievements are in operational, quality and safety transformation initiatives, financial efficiencies, people engagement, service transformation, system wide engagement and bringing the NHS and academia together as a visiting professor for Medicines Optimisation for improved patient care. Other roles include; CQC Specialist Advisor, NHS Non-Executive director roles for the subsidiary companies owned by the NHS, Trustees at Charitable organisations, Public Governor for a large mental health Foundation Trust, and Non-Executive Director at acute provider level and Integrated Care Board. Her NHS achievements for quality improvement and transformation have led to nominations for Parliamentary award, NICE Fellowship, and appointments as a visiting professor with a number of universities.

*Mojgan Sani cont.*

Membership of Committees

* Quality Assurance Committee
* Audit and Risk Committee
* Nomination and Renumeration Committee
* Corporate Trustee

**Non-voting Associate Non-Executives:**

**Jane Perry**

**Appointed: Academic Non-Executive Director - from 01 November 2024**

*Term: First*

Experience and Qualifications

Professor Jane Perry, is Pro-Vice Chancellor and Dean of the Faculty of Medicine Health and Social Care at Canterbury Christ Church University. She is a registered nurse, specialist practitioner, independent prescriber and teacher and has over 40 years’ experience in healthcare. She was an advanced nurse practitioner in general practice and early adopter of prescribing rights for nursing, leading the development of the role through becoming a practice educator, National Prescribing Centre trainer (now part of NICE) and a Senior Lecturer at the University of Worcester, which was the beginning of a 20-year career in Education. She has undertaken a number of Senior Leadership roles in Education and led numerous teams across nursing, allied health and medicine. She has held Dean roles for many years and has undertaken strategic, influential and project roles working with NHSE and the Council of Deans for Health, where she was the England Convenor for four years. She has worked in Nurse Education for many years and has worked closely with the NMC in supporting high quality education. In her most recent role, she has worked in partnership across the Kent and Medway Integrated Care Pathway to support a brand-new nursing and midwifery curriculum that meets the needs of employers, students and patients.

**Recruitment for 2025/26**

The Council of Governors, advised by the Council of Governors Nominations Committee, appointed Helen Wiseman and Peter Conway as Non-Executive Director for three years from 01 May 2025. The roles were advertised externally through ‘Alumni Global’ recruitment agency.

**Non-Executive Leavers**

**Adrian Ward**

Appointed 01 August 2017, Non-Executive Director to 31 July 2024 (term ended)

Non-Executive Director for Freedom to Speak Up

**Chris Burton**

Academic Non-Executive Director (from 01 February 2024 to 31 October 2024)

**Mark Spragg**

Acting Chair from 01 November 2023 to 30 June 2024 (resigned)

Appointed 01 April 2017, Non-Executive Director

Deputy Chair and Senior Independent Director

**Sue Mackenzie**

Appointed 01 April 2020, Non-Executive Director to 31 March 2024 (resigned)

Acting Senior Independent Director from 01 November 2023

**Executive Directors**

**Jayne Black, Chief Executive**

Experience and Qualifications

Jayne became the Trust’s Chief Executive in August 2022. She originally joined the Trust in November 2021 as Chief Operating Officer before becoming Interim Chief Executive in June 2022.

She has considerable NHS leadership experience and is a trained nurse by background. She has worked across acute, community and the wider system throughout her career, in a variety of roles.

**Simon Wombwell, Chief Finance Officer – Interim** (from 01 January 2025)

Experience and Qualifications

Simon joined the Trust in January 2025 and is a member of the Chartered Institute of Management Accountants, with over 30 years’ experience in NHS Finance. He has previously been a Chief Finance Officer in three NHS Trusts.

Prior to joining the Trust, Simon has spent the last ten years working mostly with NHS trusts and systems working to address their financial and operational challenges.

**Leon Hinton, Chief People Officer**

Experience and Qualifications

Leon joined the Trust in 2017 and brings a wealth of experience, having worked in a number of hospitals in the NHS over the past 23 years. He holds Chartered Fellow status with the Chartered Institute of Personnel and Development; a Master of Chemistry degree from the University of Warwick and postgraduate degrees in Human Resources Management (University of Wolverhampton) and Strategic Workforce Planning (University of West London). Leon was an integral part of the leadership team at Great Ormond Street Hospital which won the national HPMA award in 2015 for improved HR capability.

**Sarah Vaux, Chief Nursing Officer - Interim** (from 01 January 2024)



Experience and Qualifications

Sarah joined the Trust in January 2024 and has worked in the NHS for more than 35 years, starting her career by training as a nurse here at Medway Maritime Hospital. She has worked as a nurse, midwife, health visitor and safeguarding specialist nurse locally and across the south east, before going on to hold a number of nursing executive and leadership positions.

Before joining the Trust, her most recent role was as Director of Nursing for NHS England South East Region.

*Sarah Vaux cont.*

**Role Adjustments to note:**

Chief Nursing Officer (Interim)

05 January 2025 Sarah Vaux retires (under ‘Retire and Return’).

06 January 2025 Steph Gorman to act as Chief Nursing Officer (Interim)

13 January 2025 Sarah Vaux returned from Retire and Return in accordance with NHSE rules.  Steph to return to Acting Deputy Chief Nursing Officer from 13 January 2025

**Alison Davis, Chief Medical Officer** (and Caldicott Guardian)

Experience and Qualifications

Alison joined the Trust in January 2022, but started her clinical career as a paediatric ophthalmologist and has worked as a consultant at Moorfields Eye Hospital, St George’s Hospital Tooting, Croydon University Hospital and as an honorary consultant at Great Ormond Street Hospital.

Recent clinical leadership experience includes Deputy Medical Director at Moorfields and hospital Medical Director at Kent and Canterbury Hospital.

**Nick Sinclair, Chief Operating Officer**

Experience and Qualifications

Nick joined the Trust in April 2023. He is trained as a Paramedic in Kent in 1994 and specialised in trauma management and urgent care. He held several operational and educational management roles within the ambulance service. He then moved to the acute sector leading significant improvement in Emergency Care standards and RTT performance and has held various senior leadership roles in operations.

He is a graduate from the Elizabeth Garrett Anderson, Masters in Healthcare Leadership programme and has qualified as a Service Improvement Practitioner.

**Gavin MacDonald, Chief Delivery Officer and Senior Independent Risk Owner Officer**

Experience and Qualifications

Gavin joined the Trust in April 2023. He trained as a registered nurse in Scotland and specialised in critical care. He has held several senior management positions in England and Wales in acute hospitals, integrated care organisations and with an NHS regulator. He is a graduate from the National Chief Operating Officer Programme and has held several Board roles across England and Wales. He holds a Master’s degree in Leadership and Management, has a diploma in Health Emergency Planning and is a quality improvement and service redesign practitioner.

**Alan Davies, Chief Finance Officer** (Retired - left the Trust 31 December 2024)

Experience and Qualifications

Alan joined the Trust in November 2020 and brings with him extensive Finance experience within the NHS, in acute, Clinical Commissioning Group and strategic settings. His last NHS role was as Chief Finance Officer for Luton CCG and before that Deputy Finance Director at Barking Havering and Redbridge Hospitals.

He has a strong track record in improving financial performance and strengthening governance in NHS organisations in support of improving care for patients. He is a Fellow of the Chartered Association of Certified Accountants.

**Evonne Hunt, Chief Nursing Officer** (on secondment)

Experience and Qualifications

Evonne joined the Trust October 2021 as Chief Nursing Officer. She has been a nurse for 24 years and has held director and senior leadership level positions in nursing, quality governance, patient safety, and risk management in acute, mental health and commissioning organisations in the NHS. She has also worked in the Department of Health and the independent/private healthcare sectors. She has Board level responsibility for professional nursing, midwifery and allied health professionals to support the delivery of high-quality compassionate care. She is on external secondment from 04 December 2023.

**Trust Board Meetings**

The Trust Board held a total of six public meetings between 01 April 2024 and 31 March 2025, and eight development sessions including Patient First and Strategic Development Review. Trust Board meetings are held in public unless there is confidential or sensitive information to be discussed. This is detailed on the Board agenda which is published, together with the meeting papers on the Trust’s website.

Director attendance at formal committee and public Board meetings is detailed under: *Attendance at Board of Directors and Committee meetings in 2024/25.*

**Development of Working Relationships with the Council of Governors**

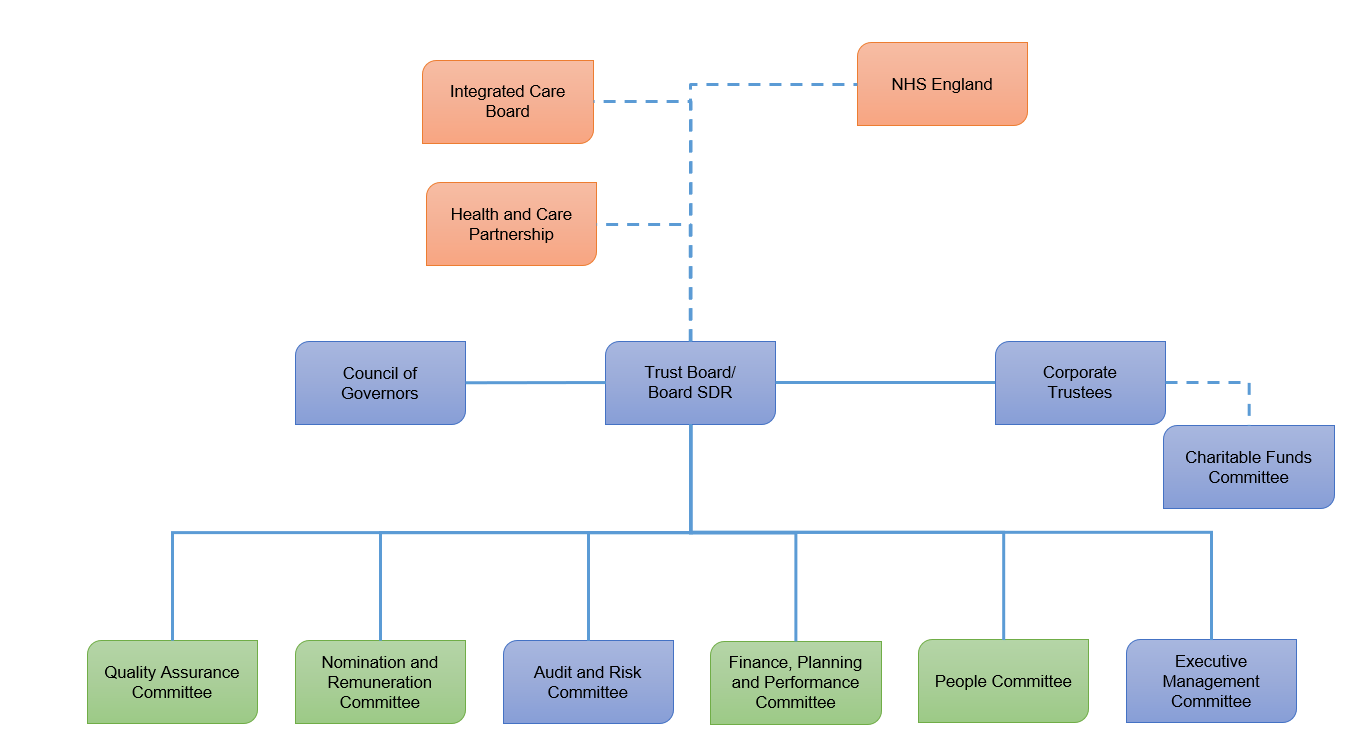
The Board of Directors and the Council of Governors have development/discussion sessions to examine particular areas of interest and concern. With the challenges facing the Trust, these sessions enable the views of both the Board of Directors and Council of Governors to be shared and are considered invaluable to all concerned.

**Committees of the Trust Board**

The Board delegates certain functions to committees that meet regularly. The Board receives any amendments to Board committee terms of reference. Non-Executive Directors chair the Board committees. Each committee reviews its own effectiveness annually; an up-to-date work programme, action log and terms of reference is maintained for each one.

As part of the organisation’s implementation of the Patient First improvement methodology the Trust has undertaken a review of its governance and has been aligning the committees’ Terms of Reference and work programmes to the new approach.

**Governance Framework – Organisational Structure**



**Audit and Risk Committee**

The report of the Audit and Risk Committee is detailed separately as required by section C.3.9 of the NHS Foundation Trust Code of Governance.

**Quality Assurance Committee**

The Quality Assurance Committee is chaired by a Non-Executive Director and has delegated authority from the Board to be assured that the appropriate structures, systems and processes are in place to manage quality and safety related matters, and that these are monitored appropriately. The Committee ensures an integrated and coordinated approach to the development and monitoring of the quality metrics (patient safety, patient experience and clinical effectiveness) at a corporate level; it leads on the monitoring of quality systems within the Trust to ensure that quality is a key component of all activities within the Trust, and ensures compliance with regulatory requirements and best practice with patient safety, patient experience and clinical effectiveness.

The Committee regularly receives assurance (where necessary seeks further guidance or actions) on serious incidents, safeguarding, infection prevention and control, complaints and other matters relating to the experience of patients. The Committee also receives assurance from the Integrated Quality and Performance Report.

Outcomes from clinical audits are discussed at Committee meetings. The Committee provides an Assurance Report to the Board of directors after every meeting on its activities.

The Committee met twelve times during 2024/25. Attendance record is detailed under Attendance at Board of Directors and Committee meetings in 2024/25.

**Finance, Planning and Performance Committee**

The Committee is chaired by a Non-Executive Director and provides assurance that the Trust’s strategy, financial forecasts, business plans and operational performance are being considered in detail, and provides independent and objective assurance to the Board regarding investments and significant contracts before their approval by the Board. The Committee provides an Assurance Report to the Board of directors after every meeting on its activities.

The Committee met twelve times during 2024/25. Attendance record is detailed under Attendance at Board of Directors and Committee meetings in 2024/25.

**People Committee**

Chaired by a Non-Executive Director, this Committee has strengthened the Board’s focus on key areas such as workforce, equality diversity and inclusion, training, Freedom to Speak Up, staff well-being and recruitment. The Committee provides an Assurance Report to the Board of directors after every meeting on its activities.

The Committee met six times during 2024/25. Attendance record is detailed under Attendance at Board of Directors and Committee meetings in 2024/25.

**Nominations and Remuneration Committee**

The Nominations and Remuneration Committee is chaired by the Senior Independent Director. Its membership consists of the Trust’s Chair and Non-Executive directors. The Committee is responsible for reviewing and making recommendations to the Board on the composition, balance, skill mix and succession planning of the Board, for determining the appointment of the Executive directors, and monitoring the level and structure of other senior managers reporting directly to the Chief Executive.

It is responsible for reviewing the size, structure and composition of the Board on an annual basis and makes recommendations to the Board. Directors have individual appraisals and professional development reviews.

The Committee met two times during the year. Attendance record is detailed under Attendance at Board of Directors and Committee meetings in 2024/25.

**Attendance at Board and Committee Meetings - April 2024 to March 2025**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Voting Members and Attendees**  (see Non-Executive Directors Biography and Committee Structure for Chair of Committees) | **Job Titles** | **Trust Board Private**  **(10 Formal Meetings)** | **Trust Board in Public**  **(6 Formal Meetings)** | **Noms and Rems**  **(3 Meetings)** | **Audit and Risk**  **(6 Meetings)** | **Finance, Planning and Performance**  **(12 Meetings)** | **Quality Assurance**  **(12 Meetings)** | **People**  **(6 Meetings)** |
| **Mark Spragg** | **Chair**  (Acting until 31.03.24) | 1 of 1 | 1 of 1 |  |  |  |  |  |
| **John Goulston** | **Chair**  (from 01.06.24) | 9 of 9 | 5 of 5 | 3 of 3 |  | 9 of 10 | 4 of 4 | 1 of 1 |
| **Alan Davies** | **Chief Finance Officer**  (until 27.12.24) | 3 of 4 | 3 of 4 |  | 2 of 4 | 5 of 9 |  |  |
| **Alison Davis** | **Chief Medical Officer** | 6 of 7 | 3 of 4 |  |  | 9 of 12 | 9 of 12 | 3 of 6 |
| **Annyes Laheurte** | **Non-Executive Director**  (until 31.03.25)  *Senior Independent Director (from 01.04.24 – 30.09.24)* | 5 of 10 | 5 of 6 | 1 of 3 | 6 of 6 | 10 of 12 |  |  |
| **Gary Lupton** | **Non-Executive Director** | 10 of 10 | 6 of 6 | 3 of 3 | 5 of 6 | 12 of 12 |  | 3 of 3 |
| **Gavin MacDonald** | **Chief Delivery Officer** | 10 of 10 | 6 of 6 |  |  | 11 of 12 |  |  |
| **Jayne Black** | **Chief Executive** | 6 of 6 | 6 of 6 | 2 of 3 |  | 8 of 12 |  |  |
| **Jenny Chong** | **Non-Executive Director**  *Senior Independent Director (from 01.10.24)* | 5 of 10 | 4 of 6 | 2 of 3 |  | 6 of 12 | 9 of 12 | 6 of 6 |
| **Leon Hinton** | **Chief People Officer** | 10 of 10 | 6 of 6 | 3 of 3 |  |  |  | 6 of 6 |
| **Mojgan Sani** | **Non-Executive Director** | 5 of 10 | 3 of 6 | 0 of 3 | 5 of 6 | 1 of 2 | 5 of 12 |  |
| **Nick Sinclair** | **Chief Operating Officer** | 7 of 10 | 5 of 6 |  |  | 11 of 12 |  |  |
| **Paulette Lewis** | **Non-Executive Director** | 8 of 10 | 4 of 6 | 1 of 3 |  |  | 12 of 12 | 5 of 6 |
| **Sarah Vaux** | **Chief Nursing Officer (Interim)** | 10 of 10 | 6 of 6 |  |  |  | 10 of 12 | 3 of 6 |
| **Simon Wombwell** | **Chief Finance Officer (Interim)** (from 02.01.25) | 4 of 4 | 2 of 2 |  | 2 of 2 | 4 of 4 |  |  |
| Evonne Hunt | Chief Nursing Officer (secondment from 04.12.23) |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| **Non-voting Members** |  |  |  |  |  |  |  |  |
| **Adrian Ward** | **Non-Executive Director**  (until 31.07.24) | 0 of 2 | 0 of 2 | 1 of 1 | 2 of 3 |  | 4 of 4 | 2 of 2 |
| **Chris Burton** | **Academic Non-Executive Director** (until 31.07.24) | 1 of 1 | 1 of 1 | 1 of 1 |  |  |  |  |
| **Jane Perry** | **Academic Non-Executive Director** (from 01.11.24) | 3 of 5 | 2 of 3 | 0 of 2 |  |  |  |  |

**Audit and Risk Committee Report**

The Audit and Risk Committee’s responsibilities and key areas discussed during 2024/25, while fulfilling these responsibilities, described below:

**PRINCIPLES OF RESPONSIBILITY**

Review of the Trusts Risk Management Processes

1. Reviewing the Trust’s internal financial controls, its compliance with national guidance for foundation trusts, including the Code of Governance, and the effectiveness of its internal control and risk management systems.
2. Reviewing the principal non-clinical risks and uncertainties of the business and associated annual report risk management disclosures. (Clinical risks are also reviewed by the Quality Assurance Committee).

Key areas discussed and reviewed by the Committee during 2024/25:

The outputs of the Trust’s risk management processes including reviews of:

1. The Board Assurance Framework – the principal risks and uncertainties identified by the Trust’s executive directors and movement in the impact and likelihood of these risks and assurances on controls.
2. Risk Register and Issues Log
3. Work continuing on the Trust’s risk management processes and risk reporting. Annual assessment of the effectiveness of internal control systems taking account of the findings from internal and external audit reports.
4. Internal and external auditor reports plus local counter fraud updates.
5. Interests, gifts, hospitality register and sponsorship quarterly declarations.
6. Losses and special payments
7. Waivers of standing financial instructions

Financial Matters

1. Monitor the integrity of the financial statements of the organisation and any formal announcements relating to its financial performance
2. Review the annual report and financial statements before submission to the Board, to determine their objectivity, integrity and accuracy

Key areas discussed and reviewed by the Committee during 2024/25:

1. Annual report and financial statements, including the Head of Internal Audit Opinion, the Annual Governance Statement, the Annual Internal Audit Report, the Annual Counter Fraud Report and the External Audit Opinions on the Financial Accounts and recommended acceptance to the Trust Board.
2. Key accounting policy judgements, including valuations.
3. Impact of changes in financial reporting standards where relevant.
4. Single tender waivers
5. Losses and special payments

External Audit

1. Monitoring and reviewing the external auditor’s independence, objectivity and effectiveness.
2. Developing and implementing policy on the engagement of the external auditor to supply non-audit services, considering relevant ethical guidance.

Key areas discussed and reviewed by the Committee during 2024/25:

1. Basis for concluding that the Trust is a going concern.
2. External auditor effectiveness and independence.
3. External auditor reports on planning, a risk assessment, internal control and value for money reviews.
4. External auditor recommendations for improving the financial systems or internal controls.
5. Changes to Accounting Standards.

Internal Audit

1. Monitoring and reviewing the effectiveness of the Trust’s internal audit function that meets National Audit Office 2015 Code of Audit Practice and provides appropriate independent assurance to the Committee.
2. Satisfying itself that the Trust has adequate arrangements in place for counter fraud and security that meet NHS Counter Fraud Authority’s standards and reviewing the outcomes of work in these areas.

Key areas discussed and reviewed by the Committee during 2024/25:

1. High priority internal audit recommendations with progress report covering 18 months.
2. The internal audit reports.
3. The reports identified recommendations for improvement that have been accepted by the executive directors.
4. There have been regular reports and updates from the Local Counter Fraud Specialist throughout the year.

**Composition and Meetings**

The Committee is a non-executive committee of the Board, established in accordance with the Trust’s Constitution and has delegated authority to review the adequacy and effectiveness of the Trusts systems of internal control and the arrangements for risk management, control and governance processes to support Trust objectives.

Executive directors attend by invitation, and the Chief Executive and Chief Finance Officer are generally in attendance. Other executive directors and staff with specialist expertise attend by invitation. The Committee met six times during the financial year.

**Code of Governance**

Medway NHS Foundation Trust has applied the principles of the Code of Governance for NHS Provider Trusts (the Code) on a comply or explain basis. The code came into effect from 1 April 2023 and replaced the 2014 NHS foundation trust code of governance. The Code brings together best practice from both the public and private sector in order to help NHS Foundation Trust Boards maintain good quality corporate governance. In so far as the Board are aware, all possible steps have been taken to ensure that all relevant audit information has been disclosed in full to the auditors.

**Effectiveness of the Committee**

The Committee reviews its effectiveness and impact annually using best practice guidance, and ensures that any matters arising from this review are addressed. The Non-Executive Directors were satisfied that in 2024/25 the Committee had complied with its obligations and expectations as noted in its terms of reference, with steady progress being made on improving processes, with further improvement required.

The Committee annually reviewed its terms of reference. A further review is planned with the arrival of a new Committee Chair in May 2025, where the document will be revised with changes to adhere to best practice and amendments to the Trust’s approach to risk management.

The Committee also reviewed the performance of its internal and external auditors’ service against best practice criteria as detailed in the NHS Audit Committee Handbook.

**External Audit**

The Trust explored the market to ascertain future options for External Auditors following the end of Grant Thornton’s term concluding. The Council of Governors Nomination and Remuneration Committee approved the recommendation to retain Grant Thornton and appoint for a three-year period starting 2025/26. This meeting took place on 05 February 2025. This year’s fee was £145,000 before VAT.

Their audit and non-audit fees are set, monitored and reviewed throughout the year and are included in the notes to the accounts.

**Independence of External Auditor**

The Audit and Risk Committee considered the independence of the external auditor undertaking non-audit work. No risks were identified in this respect, particularly in relation to self-review and familiarity. The Trust auditors will not be relying on any additional work undertaken when forming their opinion and the Trust does not believe there to be a threat of familiarity.

**Internal Controls, Internal Audit and Counter-Fraud Services**

Counter Fraud Services, provided by RSM, carry out reviews of areas at risk of fraud and investigate any reported frauds.

Internal Audit Services are provided by KPMG. Internal audit cover financial and non-financial audits according to a risk-based plan agreed with the Audit and Risk Committee. The audit plan of the internal auditors is risk-based, and the Executive Team work with the auditors to identify key risks to inform the audit plan. The Committee considers the links between the audit plan and the Board Assurance Framework. The Committee approves the internal audit plan and monitors the resources required for delivery. During the year, the Committee considers any proposed changes to the audit plan and monitors delivery against the plan approved at the start of the financial year.

The Head of Internal Audit Opinion 2024/25 was presented to the Audit and Risk Committee on 19 June 2025 for the period 01 April 2024 to 31 March 2025. An overall rating of ‘‘partial assurance with improvements required (Amber/Red)” can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The Committee has reviewed the content of the annual report and accounts and taken as a whole:

1. It is fair, balanced and understandable and provides the necessary information for stakeholders to assess the Trust’s performance
2. It is consistent with the annual governance statement, head of internal audit opinion and feedback received from the external auditors, and there are no matters that the Committee is aware of at this time that have not been disclosed appropriately.
3. It is appropriate to prepare the accounts on a going concern basis.

The Committee review the annual accounts, with onward approval at an Extraordinary Board in June 2025.

**Medway NHS Foundation Trust Volunteer Services**

Over 300 volunteers provide invaluable support to the Trust, amounting to over 4,500 hours a month across the following voluntary services: Voluntary Services Department and the Medway League of Friends, Hospital Radio that operate independently alongside them. Volunteers give their time to help support patients and visitors and assist the Trust in providing high-quality, compassionate care to the people of Medway and Swale.

The Trust volunteers offer their time in a variety of roles including:

* On wards
* Reception areas and guiding
* Administration and clerical roles
* Chaplaincy
* Gardening
* Therapy dogs
* Café and Shop
* Pharmacy

The Trust’s longest serving volunteers are Dot Rust and Pat Windsor who have both been volunteering here for nearly 30 years. Zoe Goodman, the Trust’s Voluntary Services Manager said: “Volunteering at a hospital can be a highly rewarding experience, and a great way to connect with the local Medway community. Our volunteers do a fantastic job helping patients and visitors, always with a smile on their faces.”

The Trust will recognise the National Volunteers Week in June 2025, marked with a celebratory afternoon tea for all volunteers. Jayne Black, Chief Executive said: “Our volunteers work tirelessly in contributing to the smooth running of our hospital, including wards, reception areas and as guides. On behalf of everyone here at the Trust, we would like to thank our volunteers for the time they give to support the delivery of the best of care to our patients.”

Anyone with an interest in Volunteering who is over the age of 16 years old or over, is welcome to apply to become a Trust volunteer at: <https://www.medway.nhs.uk/work-with-us/volunteering/>

**The Medway League of Friends**

The new shop and cafe have been open for nearly two years and the additional space has enabled the Medway League of Friends (LOF) to increase the range of items on offer and trading has been continuous 24/7.

The LOF has 193 volunteers across the Medway Shop, Hospital Radio Medway and the outlet in Wainscott. Many of these have been with the LOF for a considerable number of years and this achievement is recognised with long service awards presented twice yearly.

The LOF has recently introduced an on-line ordering and payment system via their website for patients to purchase non-perishable items including puzzle books, toiletries, sweets, drinks, pens, amongst others and these are then delivered to the patient on site.

Thanks to the support of volunteers and customers during the period April 2024 to March 2025, the LOF has been able to fund items for the hospital totalling **£268,772**. These items include recliner chairs, patient monitors, bladder scanners, ECG machines, electrolarynx machines and much more, a fantastic achievement and greatly appreciated by the Trust. An annual detailed report is submitted to the Board on purchased items.

The LOF regularly provides items for Attend (National Association of League of Friends) to include in their newsletters either highlighting items purchased, acknowledgement of sustainability initiatives for the LOF to become a Carbon Neutral charity and that the LOF is a Living Wage Employer.

The LOF currently has 11 Trustees including the role of President (Stephen Clark) and Chair (Janet Harsent), each Trustee has a particular area of responsibility. Behind the scenes the LOF Secretary works closely with Dawn Farry in the Clinical Engineering Department, who processes bids and places orders, as well as Debbie Omole in the Finance Department, who reviews the company invoices and arrange reimbursement by the LOF.

Hospital Radio Medway (HRM) continues to provide a valuable service to in-patients with radio programmes. HRM volunteers visit wards to collect requests from patients which are then incorporated into their broadcasting schedules. HRM also organises events such as their Quiz Night and outside broadcasts for other organisations. HRM is in the process of renewing its licence with Ofcom.

Anyone with an interest in health and wellbeing who is over the age of 16 years old or over, is welcome to apply to become a League of Friends volunteer at: <https://www.medway.nhs.uk/work-with-us/volunteering/>

**Governors’ Report**

Council of Governors

The Council of Governors is made up of elected and appointed governors who provide an important link between the Trust, local people and key stakeholder organisations. They share information and views that can influence and shape the way that services are provided by the Trust and they work together with the Board of Directors to ensure that the Trust delivers a high quality of healthcare within a strict framework of governance while achieving financial balance and planning for the future.

The Trust’s Constitution sets out the key responsibilities of the Council. Its general functions are to:

* Hold the non-executive directors individually and collectively to account for the performance of the Board of Directors.
* Represent the interests of the members of the Trust as a whole and the interests of the public.
* Appoint and, if appropriate, remove the Chair and non-executive directors.
* Approve (or not) the appointment of any new Chief Executive.
* Decide on remuneration and allowances and other terms and conditions of office of the Chair and non-executive directors.
* Receive the annual accounts, any report of the auditor, and the annual report at a general meeting of the Council of Governors.
* Appoint and, if appropriate, remove the Trust’s auditors.
* Approve ‘significant transactions’.
* Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution.
* Decide whether the Trust’s non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions.
* Approve amendments to the Trust’s Constitution.

**Membership of the Council of Governors**

Members of the Trust, whether they are public or staff, are all able to stand for election to the Council provided they are 16 years of age or over, and are resident in the public constituency for which they are standing. Elected members of the Council are chosen by their constituency. The Council also includes appointed representatives from partner organisations and stakeholders from the local area to ensure a representation of views from the communities we serve.

The Chair of the Council is also the Chair of the Board, which promotes transparency and encourages the flow of information between the Board and the Council. The Council of Governors consists of 26 Governors and is composed of the following seats:

|  |  |
| --- | --- |
| **Appointed Governors** | **Number** |
| Local Authority (represented by a member of the Kent Health and Wellbeing Board) | 1 (awaiting new appointment) |
| Local Authority (represented by a member of the Medway Health and Wellbeing Board) | 1 |
| Local Authority – Swale Borough Council | 1 |
| University of Kent | 1 (awaiting new appointment) |
| Canterbury Christ Church University | 1 |
| University of Greenwich | 1 (awaiting new appointment) |
| Charity Representative (League of Friends) | 1 |
| **Elected Staff Governors** | **Number** |
| Staff members | 5 |
| **Elected Public Governors** | **Number** |
| Medway | 9 (one vacancy) |
| Swale | 4 |
| Rest of England and Wales | 1 |

Public and staff governors are elected for a maximum term of three years and are able to seek re-election for a further term.

Partner governors are nominated by their organisation and serve a term of office of three years. These governors can be replaced by their organisation during this time. An appointed governor is eligible for re-appointment at the end of their term.

**Meetings of the Council of Governors**

The Council held four ordinary meetings during 2024/25. Extraordinary meetings are also held from time to time when a decision is required outside of the normal schedule of meetings. For this reporting period there were three Council of Governors Nomination and Remunerations Committee meetings held; May 2024 – Recruitment of a Substantive Chair, February 2025 – External Auditor Recommendation and Relinquish of Assets plus March 2025 - NED Recruitment and Joint Chief Executive Role.

Council of Governors members also attended the Trust annual general meeting in September 2024.

Individual attendance at Council meetings by governors and directors is detailed under Attendance at Council of Governors’ meetings.

Governors canvass the opinion of the Trust’s members and the public, including the Trust’s forward plan; its objectives, priorities and strategies. Their views are communicated to the Board through a Council of Governors Work Plan that links to the Board work plan. The Lead Governor provides the Board with Council of Governors update to every Board meeting in Public. The Board sub-committees have Governor representation.

**Lead Governor**

The Council elects one of its members to be the Lead Governor who acts as the main point of contact for the Chair and Company Secretary, and between NHS England and the other governors, when communication is necessary.

The Lead Governor is responsible for communicating to the Chair any comments, observations or concerns expressed by governors regarding the performance of the Trust or any other serious or material matter relating to the Trust or its business.

Cllr David Brake continued in the role as lead governor for the entire 2024/25 reporting period.

**Committee of the Council of Governors**

The Council has one committee, which is the Council of Governors Nomination and Remuneration Committee. The Committee has a number of responsibilities, including to review the remuneration of the non-executive directors each year; to be involved in the nomination process for all non-executive directors including the Chair; and to receive confirmation that appraisals have been carried out for the Chair and non-executive directors.

**Attendance at Public Council of Governor Meetings**

The information below outlines governors on the Council during 2024/25, with record of attendance.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date of Meeting** | **22.05.24** | **14.08.24** | **20.11.24** | **20.02.25** | **Total (2024/25)** |
| **Medway Governors** |  |  |  |  |  |
| Anan Shetty | Yes | Yes | No | Yes | **3 out of 4** |
| Diana Hill | No |  |  |  | **0 out of 1** |
| Hari Aggarwal | Yes | Yes | Yes | Yes | **4 out of 4** |
| Martina Rowe | Yes | No | Yes | Yes | **3 out of 4** |
| Olaide Kazeem | No |  |  |  | **0 out of 1** |
| Penny Reid | No |  |  |  | **0 out of 1** |
| Timothy Newman | Yes |  |  |  | **1 out of 1** |
| Anna Krzyzanowska |  | Yes | Yes | No | **2 out of 3** |
| Carol O’Meara |  | Yes | Yes | Yes | **3 out of 3** |
| Stephen Worth |  | Yes | Yes | Yes | **3 out of 3** |
| William Ruscoe |  | Yes | Yes | Yes | **3 out of 3** |
| Christine Palmer |  | No | Yes | No | **1 out of 3** |
| Natasha Turner |  | No | Yes | No | **1 out of 3** |
| Candice Penfold *(resigned)* |  | No | No | No | **No Attendance** |
| **Swale Governors** |  |  |  |  |  |
| Adrian Parsons | No |  |  |  | **0 out of 1** |
| Bill Sakaria | No |  |  |  | **0 out of 1** |
| David Nehra | No |  |  |  | **0 out of 1** |
| Jay Patel | Yes | Yes | No | No | **2 out of 4** |
| Jennifer Oliphant | No |  |  |  | **0 out of 1** |
| Tess Fenn |  | Yes | Yes | Yes | **3 out of 3** |
| Paul Riley |  | No | No | No | **No Attendance** |
| **Rest of England/Wales** |  |  |  |  |  |
| Rebecca Bellars | No | Yes | Yes | No | **2 out of 4** |
| **Staff Governors** |  |  |  |  |  |
| Adebayo Da’Costa | No |  |  |  | **0 out of 1** |
| Karen Fegan | Yes | Yes | No | Yes | **3 out of 4** |
| Mohamed Saleh | No |  |  |  | **0 out of 1** |
| Vanessa Page | No |  |  |  | **0 out of 1** |
| Joy Onuoha |  | Yes | Yes | Yes | **3 out of 3** |
| Matthew Taiano |  | Yes | Yes | Yes | **3 out of 3** |
| Yushreen Vadamootoo |  | Yes | Yes | No | **2 out of 3** |
| Donna Findlater (resigned) |  | No | No | No | **No Attendance** |
| **Partner Governors** |  |  |  |  |  |
| Angela Harrison | Yes | Yes | No | Yes | **3 out of 4** |
| Claire Peppiatt-Wildman (resigned) | No | No | No | No | **No Attendance** |
| David Brake | Yes | No | Yes | Yes | **3 out of 4** |
| Helen Belcher | Yes | Yes | No | No | **2 out of 4** |
| John Wright | No | Yes | Yes | Yes | **3 out of 4** |
| Susan Plummer | Yes | Yes | Yes | Yes | **4 out of 4** |
| **Non-Executive Directors** |  |  |  |  |  |
| Annyes Laheurte | Yes | Yes | No | No | **2 out of 4** |
| Gary Lupton | No | No | Yes | No | **2 out of 4** |
| Jenny Chong | No | No | Yes | No | **1 out of 4** |
| Mark Spragg | Yes |  |  |  | **1 out of 1** |
| Mojgan Sani | Yes | No | No | No | **1 out of 4** |
| Paulette Lewis | No | No | Yes | No | **1 out of 4** |
| John Goulston |  | Yes | Yes | Yes | **3 out of 3** |
| Chris Burton (Academic) | No | No |  |  | **0 out of 2** |
| Jane Perry (Academic) |  |  | No | No | **0 out of 2** |
| **Executives** |  |  |  |  |  |
| Alan Davies | No | No | Yes |  | **1 out of 3** |
| Alison Davis | Yes | No | No | Yes | **2 out of 4** |
| Evonne Hunt *(Seconded)* |  |  |  |  | **No Attendance** |
| Gavin MacDonald | Yes | Yes | No | Yes | **3 out of 4** |
| Glynis Alexander | Yes | Yes | Yes | No | **3 out of 4** |
| Jayne Black | Yes | No | No | Yes | **2 out of 4** |
| Leon Hinton | Yes | Yes | Yes | Yes | **4 out of 4** |
| Matt Capper | Yes | Yes | No | No | **2 out of 4** |
| Nick Sinclair | No | Yes | No | No | **1 out of 4** |
| Sarah Vaux | Yes | Yes | Yes | Yes | **4 out of 4** |
| Simon Wombwell |  |  |  | Yes | **1 out of 1** |

**Director Attendance at Public Council of Governors meetings 01 April 2024 to 31 March 2025**

The Executive and Non-Executive Directors attend the meetings of the Council by invitation and to present routine assurance reports to the Council of Governors, in line with their duty to take steps to understand the views of governors and for the Non-Executive Directors be held to account.

**Dispute Resolution Process**

In the event of disputes between the Council of Governors and the Board of Directors, the following Dispute Resolution Procedure shall apply:

1. In the first instance the Chair on the advice of the Company Secretary and such other advice as the Chair may see fit to obtain, shall seek to resolve the dispute.
2. If the Chair is unable to resolve the dispute the individual shall refer the dispute to the Company Secretary who shall appoint a joint special committee constituted as a committee of the Board of Directors and a committee of the Council of Governors, both comprising equal numbers, to consider the circumstances and to make recommendations to the Council of Governors and the Board of Directors with a view to resolving the dispute.
3. If the recommendations (if any) of the joint special committee are unsuccessful in resolving the dispute, the Chair may refer the dispute back to the Board of Directors who shall make the final decision.
4. This dispute resolution procedure is set out in the Trust’s Constitution which is available on the Trust’s website.

Members may contact governors or Board members through the membership office:

By telephone: 01634 825292

By email: [met-tr.members-medway@nhs.net](mailto:met-tr.members-medway@nhs.net)

In writing to: Membership Office, Medway Maritime Hospital, Medway NHS Foundation Trust, Windmill Road, Gillingham, Kent, ME7 5NY

Via website at: [www.medway.nhs.uk](http://www.medway.nhs.uk)

**Membership**

Public membership is available for any individual member of the public aged 16 and over who lives in Medway, Swale or the rest of England and Wales. The Trust invites members to apply by completing a written or electronic application form.

Staff membership is available for staff members employed by the Trust if they have a permanent contract, a 12 month or longer fixed term contract (or less than 12 months, but have been in post for at least 12 months), have an honorary contract or are registered volunteers of the Trust and have been volunteering for at least 12 months. Staff members will automatically become members of the Trust in the ‘Staff’ constituency unless they opt out. If a staff member has public membership, the public membership will end. In March 2025, the Trust had approximately 6,500 public members and 5,100 eligible staff members (total - 11,600) members. The breakdown of the public membership by constituency is:

|  |  |
| --- | --- |
| **Constituency** | **Total** |
| Medway | 4,272 |
| Swale | 1,059 |
| Rest of England and Wales | 1,208 |
|  |  |
| **Public Membership total** | **6,539** |

As part of the “living with Covid” approach, the Trust moved to a hybrid approach of physical and online events and meetings since the pandemic, which have continued since. The Trust held a series of events including a public event considering the barriers and stigma relating to perinatal mental health and the Annual Members’ Meeting in September 2023.

Members received regular e-bulletins and information about upcoming events. They receive the Trust’s quarterly News@Medway magazine and Community Newsletter by email, both available on the Trust website.

The Council of Governors reviewed the Trust’s Membership Strategy in May 2023 and sets out how the Trust attracts, retains and engages with its members. The Engagement Team and Governors held a variety of sessions in order to continue engagement activity within the local community. This included stands at the hospital and in the community, in addition to attending a number of public events such as Medway Pride and Swale Pride for the first time. The events allowed the Trust to share updates, support and encourage people to get involved, and to form positive working relationships and a shared understanding of the community.

Through engagement, the Trust continues to establish its presence, strengthen networks and trust within the local community.

**Disclosures**

In setting its governance arrangements, the Trust has regard for the provisions of the NHS Foundation Trust Code of Governance 2014 (and the revised version implemented in April 2023) and other relevant guidance where provisions apply to the responsibilities of the Trust. The following section, together with the annual governance statement and corporate governance statement, explain how the Trust has applied the main and supporting principles of the Code.

**Principal Activities of the Trust**

Information on the Trusts principal activities, including performance management, financial management and risk, efficiency, employee information is outlined in the performance report.

**Going Concern**

The accounts have been produced on a “going concern” basis. The Trusts going concern disclosure is detailed in the notes to the financial statements.

**Directors' Responsibilities**

The Directors acknowledge their responsibilities for the preparation of the financial statements.

**Safeguarding External Auditor Independence**

This is detailed under the Audit and Risk Committee section.

**Off Payroll Engagements**

Information about off-payroll engagements can be found below.

**Transactions with Related Parties**

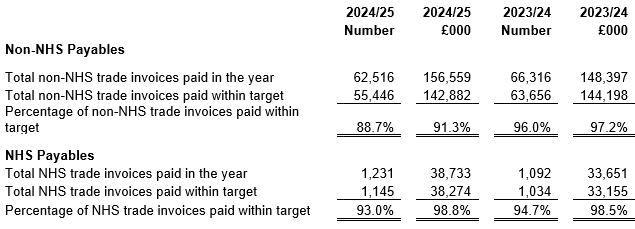
Transactions with third parties are presented in the accounts. None of the other Board members, the Foundation Trust's governors, or parties related to them have undertaken material transactions with the Trust.

**Political Donations**

There are no political donations to disclose during the 2024/25 financial year (2023/24: none).

**Statement on Better Payment Practice Code**

The Better Payment Practice Code requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later. The Trust’s performance is set out in the table below:



**Fees and Charges (Income Generation)**

Please refer to the Annual Accounts.

**Income Disclosures Required by Section 43 of the NHS Act 2006**

The Trust met the requirement in section 43(2A) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), which requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. The bulk of the income is clinical income and it is unlikely that ‘other income’ will exceed clinical income for any reporting period.

**NHS England Well-Led Framework**

The CQC Well Led inspections involve an assessment of:

* The leadership and governance at Trust Board and Executive Team level.
* The overall organisational vision and strategy.
* Organisation-wide governance, management, improvement.
* Organisational culture and levels of engagement.

This draws on the CQC’s wider knowledge of quality in the Trust at all levels. Along with the implementation of Patient First, this methodology has formed the basis of the Board Development Annual Work Plan in 2024/25 and the development programme for Executive Directors.

The CQC conducted an unannounced assessment of the Emergency Department on 21 February 2024, with the findings of the assessment expected in March 2025.

The Trust has arrangements in place to ensure that services are well-led; this information is discussed in more detail in the Annual Governance Statement section within this annual report. The section summarises:

* The well-led framework and the overall evaluation of the organisation’s performance, internal controls and board assurance framework and a summary of action plans that give assurance of improvements in quality.
* Assurance of any inconsistences recorded between the Annual Governance Statement, the Annual Report and reports arising from the Care Quality Commission assessments of the organisation and action plans developed thereafter.

**Patient Care**

Information relating to Patient Care can be found in the Quality Account; published separately. The information includes:

* Development of services and improvements in patient care
* Performance against key healthcare targets
* Monitoring of improvements in the quality of healthcare and the meeting of national and local targets, incorporating the Care Quality Commission assessments and reviews of the organisation and its responses to recommendations.
* Agreed targets with local commissioners, and details of key quality improvements.
* New and revised services
* Improvements in service following staff and patient surveys
* Improvements in patient/carer information
* Complaints handling

**Stakeholder Relations**

Involving stakeholders is important to the Trust, and it engages with a wide range of people who have an interest in the Trust.  This includes patients and carers, staff and volunteers, governors and members of the Trust, partner organisations, councillors and MPs.

The Trust plans its engagement with stakeholders so it is in regular contact throughout the year and communicates through appropriate and relevant channels.  This ranges from newsletters and digital bulletins, to face-to-face meetings.

Over the past year, patients were invited to take part in engagement sessions to input into discussions about hospital services.

The Trust’s Chair and Chief Executive hold regular meetings with key local stakeholders, including MPs for constituencies covering Medway and Swale, and members of Medway Council and Swale Borough Council.  Members of the Executive Team report to local authority scrutiny committees and attend the Medway Health and Wellbeing Board.  The Trust plays an active role as a partner in the Medway and Swale Health and Care Partnership.

**A Year In Strategy**

The Trust has a Strategy and Partnerships team responsible for supporting colleagues to define the vision and direction of the Trust. They work with leaders to identify opportunities for growth and areas for improvement and develop implementation plans that outline the actions needed to successfully deliver the strategy. Through these implementation plans and strategy refreshes, they track the progress of strategic initiatives by measuring performance against set targets whilst working to a strict governance schedule. This regular reporting ensures that the Trust stays on track, and can adjust as needed. The team fosters a culture of innovation and adaptability, encouraging the Trust to evolve and stay competitive in a changing environment. The following information is ‘A Year in Strategy’ for the Trust.

Clinical Strategy

The Clinical Strategy launched in April 2024 where we completed a full-service review to understand the key ambitions and priorities of our specialties for the next three to five years. Throughout the first 18 months of our strategy being live, our divisions have made fantastic progress against their delivery plans. These have been developed alongside annual business planning and capital programming work and they continue to make improvements in line with our Patient First ethos and where necessary aligning to system and national requirements.

Quality Strategy

The Trust has achieved several Quality successes, including improved complaint response times, reduced breach rates, and compliance with RIDDOR submissions. Enhanced patient engagement was facilitated by opening a PALS hub, which increased service visibility. Additionally, aligning Quality business partners with care groups and divisions has improved support efficiency, reinforcing the Patient First methodology.

Patient Experience

Our refresh included a robust SWOT analysis refresh and more relevant implementation plan actions. Successes included increased engagement by involving lay-people and governors in the Patient Experience Group, celebrating staff excellence, and focusing on patients with complex needs. We continue to motivate colleagues through improved audit schedules and a combined plan for reducing inpatient falls, hospital-acquired pressure ulcers, and improving pain management.

Research and Innovation

The Research and Innovation team has increased home-grown studies, staff publications, presented abstracts at RDF25 and achieved a recruitment target of 2,860 Portfolio Studies. To expand visibility, we integrated Research and Innovation into trainee doctors' induction and the Nurse Preceptorship programme. The team continues to support staff in achieving excellence in research, and University Hospital status.

Infection Prevention and Control (IPC)

The IPC team introduced responsive teaching sessions and presented at a Patient First Spotlight event. We collaborated with ICB, Trust Microbiology, and Estates colleagues to create an evidence-based service report as part of refresh work. We are proud to have developed a simulation training package, improving recognition and management of healthcare-associated infections, leading to better patient outcomes.

Freedom to Speak Up (F2SU)

A refreshed Freedom to Speak Up Strategy was completed in January 2025 with the aim of creating an environment and culture where speaking up and listening is business as usual. The Strategy was put in place alongside the introduction of The Guardian Service who are providing independent and confidential support to staff. Absolute Diversity are continuing to lead on transforming our culture and focusing on equality, diversity and inclusion.

Information Governance

Year one priorities focused on improving policies and processes with a review of standing operating procedures, strengthening the Data Security Protection Toolkit, ensuring an improvement in the rate of information releases and raised awareness of the team and its functions. The Strategy is underpinned by the three key principles of Patient Safety, Patient Experience and Clinical Effectiveness and Outcomes.

People

The People Strategy focuses on improving culture to ensure staff-led improvements and innovation, empowering staff and promoting the Trust as an employer of choice. Focus continues to be on strengthening and growing staff, networks for inclusivity, employee experience and culture and wellbeing.

Digital, Data and Technology

Supporting the Trusts drive for quality care to our patients, looking to transform services through digital innovation supporting the Patient First agenda. Work continues on the four key workstreams of Sustainability, Infrastructure, System and User Experience and is monitored via the monthly DDaT Group and Finance Planning and Performance Committee.

Upcoming Strategies

* **Private Patients** – The Trust is exploring increasing revenue from private work which will ultimately enhance the universal patient experience due to reinvestment.
* **Cyber Security** – To address the always-present threat of attacks through cyber means, the Trust is working to deliver more resilient cybersecurity, in a strategy, and then an implementation plan.
* **Health and Safety** - Our vision, is to achieve 'Excellence' in health and safety cultural maturity, integrating safety into business activities, ensuring visible senior leadership, strong partnerships, and proactive anticipation and investigation of safety issues.
* **Virtual Hospital** - Currently, we operate three high-standard acute virtual wards and plan to create a Virtual Hospital with seven wards, supporting NHS objectives and improving operational efficiency. This strategy will enhance patient experience and personalised care through collaboration with system partners.
* **Frailty** – The Trust is working with system partners to contribute to a collaborative system-wide Kent and Medway frailty strategy to inform our own Trust-based Strategy and Implementation Plan.
* **Patient First Refresh** – Proudly showing our achievements from two years since the implementation of Patient First and highlighting the focus for the next year.

**Statement as to Disclosure to Auditors**

Each individual who is a Director at the date of approval of this report confirms that:

1. 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.
2. So far as the Director is aware, there is no relevant audit information of which the NHS Foundation Trust’s Auditors are unaware.
3. They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Medway NHS Foundation Trust’s Auditors are aware of that information.

The Directors have taken all the steps that they ought to have taken as directors in order to do the things mentioned above, and:

1. Made such enquiries of their fellow directors and of the company’s auditors for that purpose;
2. Taken such other steps (if any) for that purpose, as are required by their duty as a Director of the company to exercise reasonable care, skill and diligence.
3. All Board members have been assessed against the requirements of the fit and proper person test.

Signed



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Date: Friday, 20 June 2025**

**Remuneration Report**

**Annual Statement on Remuneration**

The Nomination and Remuneration Committee is a sub-committee of the Board, responsible for reviewing and advising the Board of Directors on the composition of the Board of Directors and appointing and setting the remuneration of the executive directors and all very senior manager appointments. Further details of the Committee can be found within the Directors’ Report section of this document.  The Trust have recruited on a substantive basis to senior leadership roles.  Newly appointed executive directors have a notice period of six months.

**Senior Managers Remuneration Policy**

The Trust has a Senior Remuneration policy agreed by the Nomination and Remuneration Committee.  The Trust recognises that in order to ensure optimum performance it is necessary to have a competitive pay and benefits structure.  The objective of the Committee’s strategy for the remuneration of executive directors and very senior managers is to attract and retain suitably skilled and qualified individuals of high calibre, providing sufficient resources and strength and maintaining stability throughout the senior management team.  Remuneration is therefore set and maintained to be competitive.  The Nomination and Remuneration Committee reviews salaries each year.  In 2024/25 the Nomination and Remuneration Committee considered and approved a recommendation for a consolidated cost of living award, for executives in their position on 01 April 2024.

Director salaries were within benchmarked salary ranges.  When new appointments are made the salary is determined by reference to the NHS England and NHS Providers benchmarking of executive director salaries, current market rates and internal relativities with executive directors/very senior managers.  The only non-cash elements of executive remuneration packages are pension-related benefits accrued under the NHS Pensions Scheme.  Contributions are made by both the employer and employee in accordance with the rules of the national scheme, which applies to all NHS staff under the scheme.

The figures in the table below relate to the amounts received during the financial year.  For 2024/25 there were no annual or long-term performance bonuses.  These figures have been audited.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Salaries and Pension Entitlements of Senior Managers** | | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | |
| **Name** | **Job Title** | **Effective Date** | **Current Year** | | | | **Prior Year** | | | |
| **( a )** | **( b ) 1** | **( e )** | **( f )** | **( a )** | **( b )2** | **( e )** | **( f )** |
| **Salary and Fees** | **Taxable Benefits** | **All pension related benefits** | **Total (Columns a to e)** | **Salary and Fees** | **Taxable Benefits** | **All pension related benefits** | **Total (Columns a to e)** |
| **(Bands of £5,000)** | **(£ to the nearest £100)** | **(Bands of £2,500)** | **(Bands of £5,000)** | **(Bands of £5,000)** | **(£ to the nearest £100)** | **(Bands of £2,500)** | **(Bands of £5,000)** |
| **£000** | **£** | **£000** | **£000** | **£000** | **£** | **£000** | **£000** |
| M Spragg | Chair (Acting) | 01/04/24 - 31/05/24 | 10-15 | 900 | - | 10-15 | 30-35 | 1300 | - | 30-35 |
| J Goulston | Chair | 01/06/24 - 31/03/25 | 40-45 | 1300 | - | 40-45 | - | - | - | - |
| A Ward | Non-Executive Director | 01/04/24 - 31/07/24 | 0-5 | 200 | - | 0-5 | 10-15 | - | - | 10-15 |
| G Lupton | Non-Executive Director |  | 10-15 | 1000 | - | 15-20 | 5-10 | 600 | - | 5-10 |
| J Chong | Non-Executive Director |  | 10-15 | - | - | 10-15 | 5-10 | - | - | 5-10 |
| M Sani | Non-Executive Director |  | 10-15 | 100 | - | 10-15 | 5-10 | 300 | - | 5-10 |
| A Laheurte | Non-Executive Director |  | 10-15 | - | - | 10-15 | 10-15 | 100 | - | 10-15 |
| P Lewis | Non-Executive Director |  | 10-15 | - | - | 10-15 | 10-15 | - | - | 10-15 |
| J Black | Chief Executive |  | 205-210 | - | - | 205-210 | 195-200 | - | - | 195-200 |
| S Vaux | Chief Nurse (Interim) |  | 140-145 | - | - | 140-145 | 125-130 | - | - | 125-130 |
| L Hinton | Chief People Officer |  | 135-140 | - | 5-7.5 | 145-150 | 130-135 | - | 45-47.5 | 175-180 |
| A Davis | Chief Medical Officer |  | 200-205 | - | 75-77.5 | 280-285 | 225-230 | - | - | 225-230 |
| G MacDonald | Chief Delivery Officer |  | 140-145 | - | - | 140-145 | 195-200 | - | - | 195-200 |
| N Sinclair | Chief Operating Officer |  | 140-145 | - | 55-57.5 | 195-200 | 130-135 | - | 175-180 | 310-315 |
| A Davies | Chief Financial Officer | 01/04/24 - 31/12/24 | 110-115 | - | - | 110-115 | 145-150 | - | - | 145-150 |
| S Wombwell | Chief Financial Officer | 01/01/25 - 31/03/25 | 55-60 | - | 0-2.5 | 55-60 | - | - | - | - |

For 2024/25, there were no annual or long-term performance-related bonuses. Taxable benefit amounts are all in relation to reimbursement of travel and expenses whilst undertaking Trust duties

Taxable benefit amounts are all in relation to reimbursement of travel and expenses whilst undertaking Trust duties.

**Total Pension Entitlement**

The table below excludes director who are paid via off-payroll arrangements, on another organisation’s payroll and those who have drawn their pension. These figures have been audited.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Salaries and Pension Entitlements of Senior Managers** | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | |
| **Pension Benefits** | | | | | | | | |
|  | | **Current Year** | | | | | | |
| **( a )** | **( b )** | **( c )** | **( d )** | **( e )** | **( f )** | **( g )** |
| **Name** | **Job Title** | **Real Increase in pensions at pension age** | **Real increase in pension lump sum at pension age** | **Total accrued pension at pension age at 31 March 2025** | **Lump sum at pension age related to accrued pension at 31 March 2025** | **Cash Equivalent Transfer Value at 01 April 2024** | **Cash Equivalent Transfer Value at 31 March 2025** | **Real increase in Cash equivalent Transfer value** |
| **(Bands of £2,500)** | **(Bands of £2,500)** | **(Bands of £5,000)** | **(Bands of £5,000)** |
| **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| L Hinton | Chief People Officer | 0-2.5 | 0 | 45-50 | 25-30 | 629 | 707 | - |
| A Davis | Chief Medical Officer | 5-7.5 | 5-7.5 | 85-90 | 225-230 | 1,896 | 2,182 | 104 |
| G Macdonald | Chief Delivery Officer | 0 | 0 | 30-35 | 85-90 | 687 | 713 | - |
| N Sinclair | Chief Operating Officer | 2.5-5 | 2.5-5 | 50-55 | 140-145 | 1,004 | 1,165 | 56 |
| A Davies | Chief Financial Officer | 0 | 0 | 55-60 | 155-160 | 93 | 105 | - |
| S Wombwell | Chief Financial Officer | 0-2.5 | 0-2.5 | 20-25 | 55-60 | 464 | 520 | - |

**Notes**

Jayne Black chose not to be covered by the pension arrangements during the reporting year. Sarah Vaux is on secondment from NHS England.

As Non-executive Directors do not receive pensionable remuneration there are no entries in respect of pensions for Non-Executive Directors.

(e - g) 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 values are the members’ accrued benefits and any allowable beneficiaries pension payable from the scheme.  CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008.

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

In 2015 the government made changes to most public service pension schemes, including the NHS Pension Scheme. These reforms didn’t apply to members closest to retirement. The Court of Appeal later found that this discriminated against younger members. The government is removing this age discrimination from public service pension schemes. It is doing this in two parts;

The first part was completed in 2022 with all active members now being members of the 2015 Scheme, this provides equal treatment for all active pension scheme members.

The second part is to put right, or 'remedy,’ the discrimination that could have taken place during between 1 April 2015 and 31 March 2022, known as the remedy period. The Public Service Pension Remedy, sometimes known as the McCloud Remedy will:

1. give affected members a choice of whether they receive 1995/2008 Scheme or 2015 Scheme benefits for their service in the remedy period
2. return any service that affected members have in the 2015 Scheme during the remedy period back into the 1995/2008 Scheme

**Staff Costs**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | |  | |  | **2024/25** | | **2023/24** |
|  | | | **Permanent** | | **Other** | **Total** | | **Total** |
|  | | | **£000** | | **£000** | **£000** | | **£000** |
| Salaries and wages | | | 268,343 | | - | **268,343** | | 241,346 |
| Social security costs | | | 29,604 | | - | **29,604** | | 27,443 |
| Apprenticeship levy | | | 1,336 | | - | **1,336** | | 1,246 |
| Employer's contributions to NHS pension scheme | | | 45,503 | | - | **45,503** | | 35,904 |
| Pension cost – other | | | 18 | | - | **18** | | 27 |
| Other post-employment benefits | | | - | | - | **-** | | 0 |
| Other employment benefits | | | - | | - | **-** | | 0 |
| Termination benefits | | | - | | - | **-** | | 0 |
| Temporary staff | | | - | | 5,185 | **5,185** | | 8,160 |
| **Total gross staff costs** | | | **344,804** | | **5,185** | **349,989** | | **314,126** |
| Recoveries in respect of seconded staff | | | - | | - | **-** | | 0 |
| **Total staff costs** | | | **344,804** | | **5,185** | **349,989** | | **314,126** |
| **Of which:** |  |  | |  | | |  | |
| Costs capitalised as part of assets | | | 1,540 | | - | **1,540** | | 0 |

These figures have been audited.

**Expenses of Governors and Directors (Executive and Non-Executive)**

The directors and governors receive reimbursement of travel and incidental expenses incurred as a result of their duties to the Trust, this is presented in the table below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Number in receipt of expenses** | **Aggregate sum of expenses (£) 2024/25** | **Aggregate sum of expenses (£) 2023/24** |
| **Number of Directors** | **14** | **10,883** | **7,130** |

**Fair pay multiples**

Fair pay disclosures Reporting bodies are required to disclose the relationship between the total remuneration of the highest-paid director in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation’s workforce. The banded remuneration of the highest-paid director in 2024/25 was £205,000 - £210,000 (£225,000 - £230,000 in 2023/24). This represents a decrease of 8.8% (compared to a 2.17% increase in the previous year).

The relationship to the remuneration of the organisation's workforce (calculated as whole-time equivalent salary and exclusive of payments to agency workers) is disclosed in the tables below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** | | |
|  | **25th Percentile** | **Median** | **75th Percentile** |
| Salary Component of remuneration (£) | £25,674 | **£32,324** | £46,148 |
| Total Contractual Remuneration (£) | £27,060 | **£36,485** | £48,634 |
| Ratio (mid-point of highest paid director / total remuneration values | **7.67:1** | **5.69:1** | **4.27:1** |
|  | **2023/24** | | |
|  | **25th Percentile** | **Median** | **75th Percentile** |
| Salary Component of remuneration (£) | 22,816 | 30,639 | 43,742 |
| Total Contractual Remuneration (£) | 22,816 | 30,639 | 42,618 |
| Ratio (mid-point of highest paid director / total remuneration values | **9.97:1** | **7.43:1** | **5.33:1** |

During 2024/25 the median salary for all staff increased from £30,639 per annum to £32,324 per annum. This represents an increase of 5.50% (compared to a 5% increase in the previous year).

The average total contractual remuneration (being the total salary and allowances for individuals) across the organisation as a whole for 2024/25 was £45,502. This is an increase of 16.6% (compared to a 4.94% increase in the previous year) on the same figure for 2023/24 (£39,022).

The salary range of lowest to highest paid individuals for 2024/25 was from £23,615 to £210,000 (this compares to £22,383 to £230,000 for 2023/24)

During 2024/25 there was no single individual paid more than the highest paid director (based on total contractual salary remuneration) but factoring in additional non-contractual payments (such as additional bank duties or additional waiting list payments) this number increases to 10 individuals.

The pay ratios between 2023/24 and 2024/25 have significantly reduced following a reduction in the highest paid Director from £225,000 - £230,000 to £205,000 - £210,000.

These figures have been audited.

**Expenditure on Consultancy**

The Trust spent £598,000 on consultancy during 2024/25 (2023/24: £864,000).  The decrease is due to the support and roll out of the Trust’s Patient First improvement methodology, which principally took place in 2022/23.

Signed



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Date: Friday, 20 June 2025**

**Staff Report**

The table below profiles the average worked full-time equivalent workforce across the organisation (including temporary staff) throughout 2024/25.

Average number of employees (WTE basis); these numbers are calculated based on monthly actual FTE across the period:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | |  | |  | **2024/25** | | **2023/24** |
|  | | | **Permanent** | | **Other** | **Total** | | **Total** |
|  | | | **Average FTE** | | **Average FTE** | **Average FTE** | | **Average FTE** |
| Medical and dental | | | 846 | | 9 | **855** | | 818 |
| Ambulance staff | | | - | | - | **-** | | - |
| Administration and estates | | | 1,029 | | 1 | **1,030** | | 943 |
| Healthcare assistants and other support staff | | | 1,505 | | - | **1,505** | | 1518 |
| Nursing, midwifery and health visiting staff | | | 1,581 | | 28 | **1,609** | | 1547 |
| Nursing, midwifery and health visiting learners | | | - | | - | **-** | | - |
| Scientific, therapeutic and technical staff | | | 516 | | 20 | **536** | | 509 |
| Healthcare science staff | | | - | | - | **-** | | - |
| Social care staff | | | - | | - | **-** | | - |
| Other | | | - | | - | **-** | | - |
| **Total average numbers** | | | **5,477** | | **58** | **5,535** | | **5335** |
| **Of which:** |  |  | |  | | |  | |
| Number of employees (WTE) engaged on capital projects | | | - | | - | **-** | | - |

For further analysis of staff costs, please see the Staff Costs section (page 53) in the remuneration report.

These figures have been audited.

**Employees by Gender and Sex – Male and Female Employees**

The NHS staff record system (ESR) does not record gender, only sex.  This means that it is only possible to provide a statistical report on the number of men and women in the workforce.  Transgender, non-binary and other minority gender staff members’ sex will be recorded according to their officially recognised sex, not gender identity.  The workforce profile by sex (substantive FTE as at 31 March 2025) is currently:

|  |  |  |
| --- | --- | --- |
| **Female** | **Male** | **Total** |
| 3906 | 1309 | 5215 |

The table below profiles the voting Board Directors (Executive and non-executive) and other senior managers (by headcount) on 31 March 2025.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Voting Board Director** | **Other Senior Managers** | **All Staff** |
|  | **Number** | **Number** | **Number** |
| Female | **7** | **54** | **4,405** |
| Male | **5** | **25** | **1,356** |
| **Total** | **12** | **79** | **5,761** |

**Sickness Absence Data**

The table below sets out the Trust’s sickness absence for 2024/25 compared with 2023/24. The overall sickness rate has increased over the last 12 months and equates to 18.80 average days sick per full-time employee.  This has increased from an average of 17.25 days in 2023/24.

|  |  |  |
| --- | --- | --- |
| **Staff Group** | **2024/25** | **2023/24** |
|  | **% of available FTE lost** | **% of available FTE lost** |
| Additional professional, scientific and technical | **3.14%** | **3.77%** |
| Additional clinical services | **6.53%** | **6.77%** |
| Administrative and clerical | **5.27%** | **4.22%** |
| Allied health professionals | **4.40%** | **3.85%** |
| Estates and ancillary | **8.06%** | **7.78%** |
| Healthcare scientists | **0.91%** | **0.27%** |
| Medical and dental | **2.26%** | **1.85%** |
| Nursing and midwifery registered | **5.33%** | **4.64%** |
| Students | **0.00%** | **0.00%** |
| Overall | **5.15%** | **4.73%** |

The Trust is proactively managing sickness with improved reporting for managers, a policy to support and manage individuals with high sickness levels. As part of keeping staff healthy and patient’s safe, the Trust achieved a staff flu vaccination rate of over 75% in 2023/24.

**National NHS Staff Survey 2024**

The NHS staff survey is an annual, validated survey that provides a robust measure of employee experience. It enables reliable benchmark group comparisons and provides a trend view of longer-term cultural change requirements for organisations’ strategic priorities.

The survey forms part of the national employee listening offering alongside the National Quarterly Pulse Survey together with local listening activities which together forms a rounded view of employee experience throughout the year.

The survey is aligned with the seven People Promise element and in itself is critical to the promise that we each have a voice that counts. Employee voice is a fundamental enabler for employee engagement. Alignment of the survey with the People Promise elements began in 2021 therefore the 2024 results offer a four-year trend. The Trust was benchmarked nationally against 122 Acute and Acute & Community Trusts.

Again for 2024, eligibility was extended to active, in-house, bank only workers last year (staff who do not have a substantive or fixed term contract with the organisation.

The 2024 survey achieved a 46% response rate (2504 completed questionnaires) which is an increase of 8% from 2023. The national average response rate was 49%. Bank only staff completed the survey which achieved a 18.3% response rate (140 completed questionnaires). In total, 2,644 individual surveys were completed. The survey ran between 16 September and 29 November 2024.

Overall, the Trust has made improvements across 6 of the 7 People Promise elements and has achieved improved scores for both staff morale and staff engagement.

The seven People Promises:

Our target as a Trust (our True North objective) is to move our staff engagement score to the upper quartile of national results by 2025, which is a score of 6.9. The Staff Engagement score was 6.74 for 2024, this has increased by 0.09 since 2023 and moves the Trust into the next quartile.

****The Staff Morale score was 5.81 for 2024 and has improved by 0.17 since 2023.

The theme indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those. Scores for each indicator together with that of the survey benchmarking group (acute) are presented below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **People Promise** | **2023 score** | **2023 respondents** | **2024 score** | **2024 respondents** |
| **We are compassionate and inclusive** | 7.0 | 1934 | 7.05 | 2495 |
| **We are recognised and rewarded** | 5.7 | 1939 | 5.74 | 2490 |
| **We each have a voice that counts** | 6.5 | 1910 | 6.54 | 2456 |
| **We are safe and healthy** | 5.84 | 1,909 | 5.96 | 2464 |
| **We are always learning** | 5.6 | 1858 | 5.75 | 2405 |
| **We work flexibly** | 6.1 | 1922 | 6.22 | 2472 |
| **We are a team** | 6.6 | 1930 | 6.72 | 2486 |
| **ThemeS** | | | | |
| **Staff Engagement** | 6.6 | 1933 | 6.74 | 2487 |
| **Morale** | 5.6 | 1938 | 5.81 | 2493 |

**Application of Modern Slavery Act**

The Trust is fully aware of our responsibilities towards patients, service users, employees and the local community and expects all suppliers to the Trust to adhere to the same ethical principles.  The Trust is committed and will not tolerate modern slavery in any of its forms of slavery and servitude, forced or compulsory labour and human trafficking within our activities or our supply chains.

The Trust continues to fully support the government’s objective to eradicate modern slavery and human trafficking and we acknowledge our role in both combating it and supporting victims. The Trust is committed to ensuring our supply chains and business activities are free from ethical and labour standards abuse.

Currently, all awarded suppliers sign up to the terms and conditions of contract which contain a provision around Good Industry Practice to ensure each supplier’s commitment to anti-slavery and human trafficking in their supply chains; and that they conduct their businesses in a manner that is consistent with the Trust’s stance on anti-slavery.  In addition, an increasing number of suppliers are implementing the Labour Standards Assurance System (LSAS) as a condition of contract for tenders within high risk sectors and product categories and indeed this has been referenced in the Government’s Modern Slavery Strategy.  Many aspects of the LSAS align to the seven reporting areas that the Government has outlined and should appear within any slavery and human trafficking statement.

People - Human resources policies provide processes and procedures to ensure that our employees and those employed in our supply chains are treated fairly at all times; these include:

* Confirming the identities of all new employees and their right to work legally in the UK.
* To have assurance from approved agencies that pre – employment clearance has been obtained for agency staff and to safeguard against human trafficking.
* All staff appointed are subject to references, immigration and identity checks, this is to ensure staff have the legal right to work in the UK.
* The Trust has a set of values and behaviours that staff are expected to comply with, and all candidates are expected to demonstrate these attributes as part of the recruitment selection process.
* Adopting the national pay, terms and conditions of service, the Trust has the assurance that all staff will be treated, fairly and that pay, terms and conditions will comply with the latest legislation.
* The Trust has various employment policies and procedures in place designed to provide guidance and advice to staff and managers and also to comply with the relevant legislation. These are accessible on the intranet.
* The Trust is committed to creating and ensuring a non – discriminatory and respectful working environment for all staff, this is in line with its corporate social responsibilities.
* The Trust’s Equality, Diversity and Inclusion, Grievance, Respect and Dignity at Work and Whistleblowing policies and procedures additionally give a platform for all employees the Freedom to Speak Up and to raise concerns about poor working practices.
* Ensuring appropriate mechanisms to regularly review and monitor progress on promoting and supporting diversity and inclusion within the Trust.
* All staff are required to undertake mandatory training in relation to diversity and inclusion and safeguarding.

Whistleblowing (Freedom to Speak Up) – The Trust’s Whistleblowing policy gives a platform for employees to raise concerns for further investigation and offers support to individuals that have suffered fiscal or professional detriment as a result of whistleblowing.

* The Trust operates a Freedom to Speak Up, Raising Concerns at Work, so employees feel empowered to raise concerns around poor practices, health and safety or illegal activities which may bring harm to the Trust.

Safeguarding – The Trust is committed to the principles setup in the safeguarding adults and children policies.

* The Trust is compliant with Medway multiagency agreements.
* Ensure clear safeguarding guidance so that employees, contractors, patients and the public are able to raise safeguarding concerns about how they are being treated or/ and about working practices at the Trust.

The Trusts approach to procurement and its supply chain includes:

* Ensuring that our suppliers are carefully selected through robust supplier selection criteria/processes;
* Requiring that the main contractor provides details of its sub-contractor(s) to enable the Trust to check their credentials;
* Random requests that the main contractor provides details of its supply chain;
* Ensuring invitation to tender documents contain a clause on human rights issues;
* Ensuring invitation to tender documents also contain clauses giving the Trust the right to terminate a contract for failure to comply with labour laws;
* Using the standard Supplier Selection Questionnaire (SQ) that has been introduced (which includes a section on Modern Day Slavery).
* Trust staff must contact and work with the Procurement department when looking to work with new suppliers so appropriate checks can be undertaken.
* Supplier adherence to Trust values: the Trust has zero tolerance to slavery and human trafficking and thereby expect all direct and indirect suppliers/contractors to follow suit.
* Where it is verified that a subcontractor has breached the child labour laws or human trafficking, then this subcontractor will be excluded in accordance with Regulation 57 of the Public Contracts Regulations 2015.  The Trust will require that the main contractor substitute a new subcontractor.

**Trade Union Facility Time**

Trade Union Facility Time Disclosures

The Trust and recognised Trade Unions work through a partnership agreement to describe the partnership, processes and structures which are linked to shared goals and objectives.  The agreement outlines how it will work together to promote effective partnership regarding the workforce implications of delivering and developing the services provided to patients.  In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust is required to produce an annual report detailing the facility time (the provision of time off from an employee’s normal role to undertake Trade Union duties and activities when they are elected as a Trade Union representative); this information is provided below.  The first publication year was 01 April 2017 to 31 March 2018 and the data must be published on or by 31 July every year thereafter.

**Table 1 – Relevant Union Officials**

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

|  |  |
| --- | --- |
| **Number of employees who were relevant union officials during the relevant period** | **Full-time equivalent employee number** |
| 15 | 13.09 |

**Table 2 - Percentage of time spent on facility time**

***How many of your employees who were relevant union officials during the relevant period spent:***

***a) 0%, b) 1% - 50%, c) 51% - 99% or d) 100% of their working hours on facility time?***

|  |  |
| --- | --- |
| **Percentage of time** | **Number of employees** |
| 0% | 8 |
| 1% - 50% | 7 |
| 51% - 99% | 0 |
| 100% | 0 |

**Table 3 - Percentage of pay bill spent on facility time**

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

|  |  |
| --- | --- |
|  | **Figures** |
| Provide the total cost of facility time | £1,185 |
| Provide the total pay bill | £313,747,381 |
| Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100 | 0.000% |

**Table 4 – Paid trade union activities**

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

|  |  |
| --- | --- |
| Time spent on trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 | **33%** |

**Staff Exit Packages**

|  |  |  |  |
| --- | --- | --- | --- |
| **Reporting of compensation schemes – exit packages 2024/25** | **No. of compulsory redundancies** | **No. of other agreed departures** | **Total No. of exit packages** |
| **Exit package cost band (including any special payment element)** | **Number** | **Number** | **Number** |
| < £10,000 |  | 10 | 10 |
| £10,000 - £25,000 |  | 1 | 1 |
| £25,001 - £50,000 | 1 |  | 1 |
| £50,001 - £100,000 |  |  |  |
| £100,001 - £150,000 |  |  |  |
| £150,001 - £200,000 |  |  |  |
| > £200,000 |  |  |  |
| **Total number of exit packages by type** | **1** | **11** | **12** |
| Total cost (£) | 48,000 | 67,000 | 115,000 |
|  |  |  |  |
|  |  |  |  |
| **Reporting of compensation schemes – exit packages 2023/24** | **No. of compulsory redundancies** | **No. of other agreed departures** | **Total No. of exit packages** |
| **Exit package cost band (including any special payment element)** | **Number** | **Number** | **Number** |
| < £10,000 |  | 9 | 9 |
| £10,000 - £25,000 |  | 3 | 3 |
| £25,001 - £50,000 |  |  |  |
| £50,001 - £100,000 |  |  |  |
| £100,001 - £150,000 |  |  |  |
| £150,001 - £200,000 |  |  |  |
| > £200,000 |  |  |  |
| **Total number of exit packages by type** | **0** | **12** | **12** |
| Total cost (£) | 0 | 86,000 | 86,000 |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Exit packages: other (non-compulsory) departure payments** | | | **2024/25** | | | **2023/24** | | |
| **Payments agreed** | | **Value of payments agreed** | **Payments agreed** | | **Value of payments agreed** |
| **Number** | | **£000** | **Number** | | **£000** |
| Voluntary redundancy including early retirement contractual costs | | |  | |  |  | |  |
| Mutually agreed resignation (MARS) contractual costs | | |  | |  |  | |  |
| Early retirement in the efficiency of service contractual costs | | |  | |  |  | |  |
| Contractual payments in lieu of notice | | | 11 | | 67 | 12 | | 86 |
| Non-contractual payments requiring HMT approval | | |  | |  |  | |  |
| **Total** | | | **11** | | **67** | **12** | | **86** |
| **Of which:** |  |  | |  | | |  | |
| Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months of their annual salary | | |  | |  |  | |  |

These figures have been audited 2024/25

**Staff Policies**

The following are staff policies and actions applied during the financial year. The Trust maintains policies and takes actions to enable the wellbeing, progression and development of staff. The relevant policies and operating procedures are set out in the table below. In addition, the Trust consults regularly with the NHS Trade Unions on the review and application of policies; staff health and wellbeing; and organisational change.

**Policies and Standard Operating Procedures (SOP):**

|  |  |  |
| --- | --- | --- |
| **Policy/SOP** | **How it Supports the Workforce** | **Renewal Date** |
| Reasonable Adjustment and Modified Duties Policy and Standing Operating Procedure | Sets out the requirements for the Trust, managers and staff in meeting the legal duties and best practice for Reasonable Adjustments for disabled persons (as defined in the Equality Act 2010), and/or any Modified Duties that may be required to enable a member person to access work and fulfil their duties. This applies to recruitment, employment and absence management of people who are disabled, living with a long-term limiting illness or impairment, or are neurodiverse; also, to shorter term modifications that may enable a member of staff to continue in or return to work. The Standard Operation Procedure sets out how the Policy should be implemented. | August 2027 |
| Attendance Management Policy and Standing Operating Procedure | This policy is designed to support employees’ attendance, and enable employees to remain in work/return to work after absence. The SOP includes the Trust’s procedure for Assessment of Adjustment. | September 2026 |
| Flexible Working Policy | This policy provides the framework for flexible working to be considered and applied fairly. | June 2026 |
| Maternity, Adoption and Fertility Treatment Policy | This is the framework to ensure correct and fair application of maternity-related entitlements, including maternity leave, keeping in touch and return to work. | September 2025 |
| Shared Parental Leave Policy and Standing Operating Procedure | This is the framework to ensure correct and fair application of Shared Parental Leave entitlements, including leave, keeping in touch and return to work. | September 2027 |
| Bullying, Harassment, Discrimination and Conflict Resolution Policy | This policy seeks to raise awareness of the expected standards of behaviour in the workplace and the principles through which bullying and harassment will be eliminated and prevented. To set out the framework within which any concerns, problems or complaints raised by employees will be addressed and resolved in a fair, consistent and timely manner as near as possible to the point of origin, and in accordance with the principles of the ACAS Code of Practice and Guidance. | October 2027 |
| Disciplinary Policy | The purpose of this policy and procedure is to encourage employees to achieve and maintain high standards of conduct and behaviour in accordance with the requirements of the Trust and relevant professional codes of conduct. | August 2027 |
| Performance Management Policy and Standing Operating Procedure | To provide a standard framework to address issues of staff performance in a fair and consistent manner, so staff are aware of the level of performance expected from them. | September 2027 |
| Employing Staff in the Reserve Forces (summary of relevant sections of policies) | This is a new Standing Operating Procedure drawing together from other policies the Trust’s commitment to staff who are members of the Reserve Forces, enabling them to be released for training and mobilisation. | September 2027 |
| Apprenticeship Policy | This sets out the framework to enable the recruitment of apprentices at all levels (including internal development opportunities) and all ages. | May 2027 |
| Organisational Change Policy | Where organisational changes are required, this policy aims to ensure consistency of practice, consultation where necessary and involvement of staff and Trade Unions in informing the outcome. | December 2025 |
| Health and Safety Handbook | This policy sets out the organisational framework to outline how the Trust achieves compliance with the Health and Safety at Work Act 1974 and associated regulations as required by law. It also ensures all Trust employees are aware of their individual role and responsibilities for health and safety within the organisation. Ensures robust systems are in place to report and investigate health and safety incidents in order to identify lessons learnt to be embedded in policy to support continuous improvement. | November 2027 |
| Equality and Inclusion Policy | This policy sets out the Trust’s commitment to the Equality Act 2010, and to NHS workforce standards (such as the Workforce Race Equality Standard) | March 2027 |
| Freedom to Speak Up Policy | This enables staff to be able to raise concerns at work safely, and for the Trust to respond to those concerns. Includes Raising Concerns (whistleblowing). | April 2026 |
| Partnership Agreement between Medway NHS Foundation Trust and NHS Trade Unions Policy | This policy provides the framework for the NHS Trade Unions and Trust Managers to meet regularly to review; application of policies, staff wellbeing and organisational change | July 2027 |
| Anti-Fraud, Bribery and Corruption Policy | The aim of the policy and procedure is to set out clearly for staff, the framework and controls in place for dealing with all forms of detected or suspected fraud, bribery and corruption. | June 2025 |

**Code of Governance for NHS Provider Trusts - Self Assessment 2024/25**

Medway NHS Foundation Trust has applied the principles of the Code of Governance for NHS Provider Trusts (the Code) on a comply or explain basis. This includes the revised Code implemented from 01 April 2023 – it replaces the previous NHS Foundation Trust Code of Governance issued by Monitor). The Code brings together best practice from both the public and private sector in order to help NHS Foundation Trust Boards maintain good quality corporate governance. Although the Code is best practice advice, certain disclosures are required to be reported in the Trust’s Annual Report, along with additional requirements as stated in the Annual Reporting Manual. The Trust’s compliance is stated below with these requirements.

|  |  |  |
| --- | --- | --- |
| **Section** | **Provision** | **Comply/**  **Explain** |
|
| **A1** | **SECTION A:** **Board leadership and purpose**  **Principles** |  |
| A1.1 | Every trust should be led by an effective and diverse board that is innovative and flexible, and whose role it is to promote the long-term sustainability of the trust as part of the ICS and wider healthcare system in England, generating value for members in the case of foundation trusts, and for all trusts, patients, service users and the public. | Comply |
| A1.2 | The board of directors should establish the trust’s vision, values and strategy, ensuring alignment with the ICP’s integrated care strategy and ensuring decision-making complies with the triple aim duty of better health and wellbeing for everyone, better quality of health services for all individuals and sustainable use of NHS resources. The board of directors must satisfy itself that the trust’s vision, values and culture are aligned. All directors must act with integrity, lead by example and promote the desired culture. | Comply |
| A1.3 | The board of directors should give particular attention to the trust’s role in reducing health inequalities in access, experience and outcomes. | Comply |
| A1.4 | The board of directors should ensure that the necessary resources are in place for the trust to meet its objectives, including the trust’s contribution to the objectives set out in the five-year joint plan and annual capital plan agreed by the ICB and its partners, and measure performance against them. The board of directors should also establish a framework of prudent and effective controls that enable risk to be assessed and managed. For their part, all board members – and in particular non-executives whose time may be constrained – should ensure they collectively have sufficient time and resource to carry out their functions. | Comply |
| A1.5 | For the trust to meet its responsibilities to stakeholders, including patients, staff, the community and system partners, the board of directors should ensure effective engagement with them, and encourage collaborative working at all levels with system partners. | Comply |
| A1.6 | The board of directors should ensure that workforce policies and practices are consistent with the trust’s values and support its long-term sustainability. The workforce should be able to raise any matters of concern. The board is responsible for ensuring effective workforce planning aimed at delivering high quality of care. | Comply |
| **A2** | **Provisions** |  |
| A2.1 | 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. | Comply |
| A2.2 | 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 collaborative. 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. | Comply |
| A2.3 | 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 | Comply |
| A2.4 | 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 (This may also include working to deliver the financial duties and objectives the trust is collectively responsible for with ICB partners, and improving quality and outcomes and reducing unwarranted variation and inequalities across the system), and 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. | Comply |
| A2.5 | 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, ensuring performance reports are disaggregated by ethnicity and deprivation where relevant. 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. | Comply |
| A2.6 | 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. | Comply |
| A2.7 | The chair and board 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 all stakeholders including system partners. NHS foundation trusts must hold a members’ meeting at least annually. Provisions regarding the role of the council of governors in stakeholder engagement are contained in Appendix B. | Comply |
| A2.8 | 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. | Comply |
| A2.9 | 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. | Comply |
| A2.10 | 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 (directors are required to declare any business interests, position of authority in a charity or voluntary body in the field of health and social care, and any connection with bodies contracting for NHS services. The trust must enter these into a register available to the public in line with Managing conflicts of interest in the NHS: Guidance for staff and organisations. In addition, NHS foundation trust directors have a statutory duty to manage conflicts of interest. In the case of NHS trusts, certain individuals are disqualified from being directors on the basis of conflicting interests). | Comply |
| A2.11 | 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. | Comply |
| **B1** | **SECTION B:** **Division of responsibilities**  **Principles** |  |
| B1.1 | The chair leads the board of directors and, for foundation trusts, the council of governors, and is responsible for its overall effectiveness in leading and directing the trust. They should demonstrate objective judgement throughout their tenure and promote a culture of honesty, openness, trust and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors and, for foundation trusts, governors receive accurate, timely and clear information. | Comply |
| B1.2 | Responsibilities should be clearly divided between the leadership of the board and the executive leadership of the trust’s operations. No individual should have unfettered powers of decision. | Comply |
| B1.3 | Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge and strategic guidance, offer specialist advice and lead in holding the executive to account. | Comply |
| B1.4 | The board of directors should ensure that it has the policies, processes, information, time and resources it needs to function effectively, efficiently and economically. | Comply |
| B1.5 | The board is collectively responsible for the performance of the trust. | Comply |
| B1.6 | 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. | Comply |
| B1.7 | 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. | Comply |
| **B2** | **Provisions** |  |
| B2.1 | 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. | Comply |
| B2.2 | The chair is also responsible for ensuring that directors and, for foundation trusts, governors receive accurate, timely and clear information that enables them to perform their duties effectively. A foundation trust chair should take steps to ensure that governors have the necessary skills and knowledge to undertake their role. | Comply |
| B2.3 | 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. | Comply |
| B2.4 | A foundation trust chair is responsible for ensuring that the board and council work together effectively. | Comply |
| B2.5 | The chair should be independent on appointment when assessed against the criteria set out in provision 2.6 below. 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. | Comply |
| B2.6 | 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. | Comply |
| B2.7 | At least half the board of directors, excluding the chair, should be non-executive directors whom the board considers to be independent. | Comply |
| B2.8 | No individual should hold the positions of director and governor of any NHS foundation trust at the same time. | Comply |
| B2.9 | 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. | Comply |
| B2.10 | Only the committee chair and committee members are entitled to be present at nominations, audit or remuneration committee meetings, but others may attend by invitation of the particular committee. | Comply |
| B2.11 | In consultation with the council of governors, NHS foundation trust boards should appoint one of the independent non-executive directors to be the senior independent director: to provide a sounding board for the chair and serve as an intermediary for the other directors when necessary. Led by the senior independent director, the foundation trust non-executive directors should meet without the chair present at least annually to appraise the chair’s performance, and on other occasions as necessary, and seek input from other key stakeholders. For NHS trusts the process is the same but the appraisal is overseen by NHS England as set out in the Chair appraisal framework. | Comply |
| B2.12 | 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. | Comply |
| B2.13 | The annual report should give the number of times the board and its committees met, and individual director attendance. | Comply |
| B2.14 | 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 material 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. | Comply |
| B2.15 | 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. | Comply |
| B2.16 | 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, request further information if necessary, 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. | Comply |
| B2.17 | For foundation trusts, this schedule should include a clear statement detailing the  roles and responsibilities of the council of governors. This statement should also  describe how any disagreements between the council of governors and the board  of directors will be resolved. The annual report should include this schedule of  matters or a summary statement of how the board of directors and the council of  governors operate, including a summary of the types of decisions to be taken by  the board, the council of governors, board committees and the types of decisions  which are delegated to the executive management of the board of directors. | Comply |
| **C1** | **SECTION C:** **Composition, succession and evaluation**  **Principles** |  |
| C1.1 | Appointments to the board of directors should follow a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Appointments should be made solely in the public interest, with decisions based on integrity, merit, openness and fairness. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, disability, and cognitive and personal strengths (for more information refer to the Equality Act 2010, The NHS’ successive Equality Delivery Systems (EDS) and the NHS Workforce Race Equality Standard (WRES)). In particular, the board should have published plans for how it and senior managers will in percentage terms at least match the overall black and minority composition of its overall workforce, or its local community, whichever is the higher. | Comply |
| C1.2 | The board of directors and its committees should have a diversity of skills, experience and knowledge. The board should be of sufficient size for the requirements of its duties, but should not be so large as to be unwieldy. Consideration should be given to the length of service of the board of directors as a whole and membership regularly refreshed. | Comply |
| C1.3 | Annual evaluation of the board of directors should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively. | Comply |
| **C2** | **Provisions** |  |
| C2.1 | The nominations committee or committees of foundation trusts, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The nominations committee should give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the trust, and the skills and expertise required within the board of directors to meet them. Best practice is that the selection panel for a post should include at least one external assessor from NHS England and/or a representative from a relevant ICB, and the foundation trust should engage with NHS England to agree the approach. | Comply |
| C2.2 | There may be one or two nominations committees. If there are two, one will be responsible for considering nominations for executive directors and the other for non-executive directors (including the chair). The nominations committee(s) should regularly review the structure, size and composition of the board of directors and recommend changes where appropriate. In particular, the nominations committee(s) should evaluate, at least annually, the balance of skills, knowledge, experience and diversity on the board of directors and, in the light of this evaluation, describe the role and capabilities required for appointment of both executive and non-executive directors, including the chair. | Comply |
| C2.3 | The chair or an independent non-executive director should chair the nominations committee(s). At the discretion of the committee, a governor can chair the committee in the case of appointments of non-executive directors or the chair. | Comply |
| C2.4 | The governors should agree with the nominations committee a clear process for the nomination of a new chair and non-executive directors. Once suitable candidates have been identified, the nominations committee should make recommendations to the council of governors. | Comply |
| C2.5 | If an external consultancy is engaged, it should be identified in the annual report  alongside a statement about any other connection it has with the trust or  individual directors. | Comply |
| C2.6 | Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should have governors and/or independent members in the majority. If only one nominations committee exists, when nominations for non-executives, including the appointment of a chair or a deputy chair, are being discussed, governors and/or independent members should be in the majority on the committee and also on the interview panel. | Comply |
| C2.7 | When considering the appointment of non-executive directors, the council of governors should take into account the views of the board of directors and the nominations committee on the qualifications, skills and experience required for each position. | Comply |
| C2.8 | The annual report should describe the process followed by the council of  governors to appoint the chair and non-executive directors. The main role and  responsibilities of the nominations committee should be set out in publicly  available written terms of reference. | Comply |
| C2.9 | Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The names of governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to make an informed decision on their election. This should include prior performance information. | Comply |
| C2.10 | A requirement of the National Health Service Act 2006 as amended (the 2006 Act) is that the chair, the other non-executive directors and – except in the case of the appointment of a chief executive – the chief executive are responsible for deciding the appointment of executive directors. The nominations committee with responsibility for executive director nominations should identify suitable candidates to fill executive director vacancies as they arise and make recommendations to the chair, the other non-executives directors and, except in the case of the appointment of a chief executive, the chief executive. | Comply |
| C2.11 | It is for the non-executive directors to appoint and remove the chief executive. The appointment of a chief executive requires the approval of the council of governors. | Comply |
| C2.12 | The governors are responsible at a general meeting for the appointment, re-appointment and removal of the chair and other non-executive directors. | Comply |
| C2.13 | Non-executive directors, including the chair, should be appointed by the council of governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years and subject to the 2006 Act provisions relating to removal of a director. | Comply |
| C2.14 | The terms and conditions of appointment of non-executive directors should be made available to the council of governors. The letter of appointment should set out the expected time commitment. Non-executive directors should undertake that they will have sufficient time to do what is expected of them. Their other significant commitments should be disclosed to the council of governors before appointment, with a broad indication of the time involved, and the council of governors should be informed of subsequent changes. | Comply |
| **C3** | **For NHS trust board appointments** |  |
| C3.1 | 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. | Comply |
| **C4** | **Board appointments: provisions applicable to both NHS foundation trusts and NHS trusts** |  |
| C4.1 | 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. | Comply |
| C4.2 | The board of directors should include in the annual report a description of each  director’s skills, expertise and experience. | Comply |
| C4.3 | Chairs or NEDs 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 a chair was an existing non-executive director. The need for all extensions should be clearly explained and should have been agreed with NHS England. A NED becoming chair after a three-year term as a non-executive director would not trigger a review after three years in post as chair. | Comply |
| C4.4 | Elected foundation trust governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The governor names submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to make an informed decision on their election. This should include prior performance information. Best practice is that governors do not serve more than three consecutive terms to ensure that they retain the objectivity and independence required to fulfil their roles. | Comply |
| C4.5 | 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. | Comply |
| C4.6 | 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. | Comply |
| C4.7 | 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. | Comply |
| C4.8 | Led by the chair, foundation trust councils of governors should periodically assess their collective performance and regularly communicate to members and the public how they have discharged their responsibilities, including their impact and effectiveness on:  Holding the non-executive directors individually and collectively to account for the performance of the board of directors communicating with their member constituencies and the public and transmitting their views to the board of directors contributing to the development of the foundation trust’s forward plans. The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice. Further information can be found in Your statutory duties: a reference guide for NHS foundation trust governors and an Addendum to Your statutory duties – A reference guide for NHS foundation trust governors. | Comply |
| C4.9 | The council of governors should agree and adopt a clear policy and a fair process for the removal of any governor who consistently and unjustifiably fails to attend its meetings or has an actual or potential conflict of interest that prevents the proper exercise of their duties. This should be shared with governors. | Comply |
| C4.10 | In addition, it may be appropriate for the process to provide for removal from the council of governors if a governor or group of governors behaves or acts in a way that may be incompatible with the values and behaviours of the NHS foundation trust. NHS England’s model core constitution suggests that a governor can be removed by a 75% voting majority; however, trusts are free to stipulate a lower threshold if considered appropriate. Where there is any disagreement as to whether the proposal for removal is justified, an independent assessor agreeable to both parties should be asked to consider the evidence and determine whether or not the proposed removal is reasonable. NHS England can only use its enforcement powers to require a trust to remove a governor in very limited circumstances: where it has imposed an additional condition relating to governance in the trust’s licence because the governance of the trust is such that the trust would otherwise fail to comply with its licence and the trust has breached or is breaching that additional condition. It is more likely that NHS England would have cause to require a trust to remove a director under its enforcement powers than a governor. | Comply |
| C4.11 | 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. | Comply |
| C4.12 | 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. | Comply |
| C4.13 | 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. | Comply |
| **C5** | **Development, information and support** |  |
| C5.1 | 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. | Comply |
| C5.2 | 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. Directors should also be familiar with the integrated care system(s) that commission material levels of services from the trust. 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, and unconscious bias. | Comply |
| C5.3 | 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. | Comply |
| C5.4 | 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. | Comply |
| C5.5 | The chair should regularly review and agree with each director their training and development needs as they relate to their role on the board. | Comply |
| C5.6 | A foundation trust board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately. | Comply |
| C5.7 | The board of directors and, for foundation trusts, the council of governors should be given relevant information in a timely manner, form and quality that enables them to discharge their respective duties. Foundation trust governors should be provided with information on ICS plans, decisions and delivery that directly affect the organisation and its patients. Statutory requirements on the provision of information from the foundation trust board of directors to the council of governors are provided in Your statutory duties: a reference guide for NHS foundation trust governors. | Comply |
| C5.8 | 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. | Comply |
| C5.9 | 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 | Comply |
| C5.10 | 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. | Comply |
| C5.11 | 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. | Comply |
| C5.12 | 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. | Comply |
| C5.13 | Committees should be provided with sufficient resources to undertake their duties. The board of directors of foundation trusts should also ensure that the council of governors is provided with sufficient resources to undertake its duties with such arrangements agreed in advance. | Comply |
| C5.14 | 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. | Comply |
| C5.15 | Foundation trust governors should canvass the opinion of the trust’s members  and the public, and for appointed governors the body they represent, on the NHS  foundation trust’s forward plan, including its objectives, priorities and strategy,  and their views should be communicated to the board of directors. The annual  report should contain a statement as to how this requirement has been  undertaken and satisfied. | Comply |
| C5.16 | Where appropriate, the board of directors should in a timely manner take account of the views of the council of governors on the forward plan, and then inform the council of governors which of their views have been incorporated in the NHS foundation trust’s plans, and explain the reasons for any not being included. The board of directors must have regard to the council of governors’ views on the NHS foundation trust’s forward plan. | Comply |
| C5.17 | NHS Resolution’s Liabilities to Third Parties Scheme includes liability cover for trusts’ directors and officers. Assuming foundation trust governors have acted in good faith and in accordance with their duties, and proper process has been followed, the potential for liability for the council should be negligible. While there is no legal requirement for trusts to provide an indemnity or insurance for governors to cover their service on the council of governors, where an indemnity or insurance policy is given, this can be detailed in the trust’s constitution. | Comply |
| **D1** | **SECTION D:** **Audit, risk and internal control**  **Principles** |  |
| D1.1 | The board of directors should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions, and satisfy itself on the integrity of financial and narrative statements. | Comply |
| D1.2 | The board of directors should present a fair, balanced and understandable assessment of the trust’s position and prospects. | Comply |
| D1.3 | The board of directors should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the trust is willing to take to achieve its long-term strategic objectives. | Comply |
| D1.4 | Organisations should also refer to Audit and assurance: a guide to governance for providers and commissioners. | Comply |
| **D2** | **Provisions** |  |
| D2.1 | The board of directors should establish an audit committee of independent non-executive directors, with a minimum membership of three or two in the case of smaller trusts. The chair of the board of directors should not be a member and the vice chair or senior independent director should not chair the audit committee. The board of directors should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole should have competence relevant to the sector in which the trust operates. | Comply |
| D2.2 | 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. | Comply |
| D2.3 | 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. These timeframes are not affected by an NHS trust becoming a foundation trust. | Comply |
| D2.4 | 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. | Comply |
| D2.5 | 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. The council of governors is responsible for appointing external governors. | Comply |
| D2.6 | 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. | Comply |
| D2.7 | 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. | Comply |
| D2.8 | 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. | Comply |
| D2.9 | 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. | Comply |
| **E1** | **SECTION E:** **Remuneration**  **Principles** |  |
| E1.1 | Levels of remuneration should be sufficient to attract, retain and motivate directors of quality, with the skills and experience required to lead the trust successfully, and collaborate effectively with system partners. Trusts should avoid paying more than is necessary for this purpose and should consider all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements. Trusts should follow NHS England’s Guidance on pay for very senior managers in NHS trusts and foundation trusts and NHS trusts should also follow Guidance on senior appointments in NHS trusts. | Comply |
| E1.2 | Any performance-related elements of executive directors’ remuneration should be transparent, stretching and designed to promote the long-term sustainability of the NHS foundation trust. They should also take as a baseline for performance any required competencies specified in the job description for the post. | Comply |
| E1.3 | The remuneration committee should decide if a proportion of executive directors’ remuneration should be linked to corporate and individual performance. The remuneration committee should judge where to position its NHS foundation trust relative to other NHS foundation trusts and comparable organisations. Such comparisons should be used with caution to avoid any risk of an increase in remuneration despite no corresponding improvement in performance. | Comply |
| E1.4 | The remuneration committee should also be sensitive to pay and employment conditions elsewhere in the NHS, especially when determining annual salary increases. | Comply |
| E1.5 | There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding their own remuneration. | Comply |
| E1.6 | The remuneration committee should take care to recognise and manage conflicts of interest when receiving views from executive directors or senior management, or consulting the chief executive about its proposals (for further information on conflicts of interest see Managing conflicts of interest in the NHS: Guidance for staff and organisations). | Comply |
| E1.7 | The remuneration committee should also be responsible for appointing any independent consultants in respect of executive director remuneration. | Comply |
| E1.8 | Where executive directors or senior management are involved in advising or supporting the remuneration committee, care should be taken to recognise and avoid conflicts of interest. | Comply |
| E1.9 | NHS trusts should wait for notification and instruction from NHS England before implementing any cost of living increases. | Comply |
| **E2** | **Provisions** |  |
| E2.1 | 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 that 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. For NHS foundation trusts, non-executive terms and conditions are set by the trust’s council of governors. 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. | Comply |
| E2.2 | Levels of remuneration for the chair and other non-executive directors should reflect the Chair and non-executive director remuneration structure. | Comply |
| E2.3 | Where a trust releases an executive director, eg; 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. | Comply |
| E2.4 | 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 where a director returns to the NHS within the period of any putative notice. | Comply |
| E2.5 | Trusts should discuss any director-level severance payment, whether contractual or non-contractual, with their NHS England regional director at the earliest opportunity (severance payment includes any payment whether included in a settlement agreement or not, redundancy payment, a secondment arrangement, pay in lieu of notice, garden leave and pension enhancements). | Comply |
| E2.6 | 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. | Comply |
| E2.7 | 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. | Comply |
| E2.8 | The council of governors is responsible for setting the remuneration of a foundation trust’s non-executive directors and the chair. | Comply |
|  | **Schedule A: Disclosure of corporate governance arrangements** | |
| AB2.1 | The council of governors should meet sufficiently regularly to discharge its duties. Typically the council of governors would be expected to meet as a full council at least four times a year. Governors should make every effort to attend these meetings. The NHS foundation trust should take appropriate steps to facilitate attendance. | Comply |
| AB2.2 | The council of governors should not be so large as to be unwieldy. The council of governors should be of sufficient size for the requirements of its duties. The roles, structure, composition and procedures of the council of governors should be reviewed regularly. | Comply |
| AB2.3 | The annual report should identify the members of the council of governors,  including a description of the constituency or organisation that they represent,  whether they were elected or appointed, and the duration of their appointments.  The annual report should also identify the nominated lead governor. | Comply |
| AB2.4 | The roles and responsibilities of the council of governors should be set out in a written document. This statement should include a clear explanation of the responsibilities of the council of governors towards members and other stakeholders and how governors will seek their views and keep them informed. | Comply |
| AB2.5 | The chair is responsible for leadership of both the board of directors and the council of governors but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive and other executives and non-executives, as appropriate, to their meetings. In these meetings other members of the council of governors may ask the chair or their deputy, or any other relevant director present at the meeting, questions about the affairs of the NHS foundation trust. | Comply |
| AB2.6 | The council of governors should establish a policy for engagement with the board of directors for those circumstances where they have concerns about the performance of the board of directors, compliance with the provider licence or other matters related to the overall wellbeing of the NHS foundation trust and its collaboration with system partners. The council of governors should input to the board’s appointment of a senior independent director. | Comply |
| AB2.7 | The council of governors should ensure its interaction and relationship with the board of directors is appropriate and effective, in particular, by agreeing the availability and timely communication of relevant information, discussion and the setting in advance of meeting agendas and, where possible, using clear, unambiguous language. | Comply |
| AB2.8 | The council of governors should only exercise its power to remove the chair or any non-executive directors after exhausting all means of engagement with the board of directors. The council should raise any issues with the chair with the senior independent director in the first instance. | Comply |
| AB2.9 | The council of governors should receive and consider other appropriate information required to enable it to discharge its duties, e.g. clinical statistical data and operational data. | Comply |
| AB2.10 | The chair (and the senior independent director and other directors as appropriate) should maintain regular contact with the governors to understand their issues and concerns. | Comply |
| AB2.11 | Governors should seek the views of members and the public on material issues or changes being discussed by the trust. Governors should provide information and feedback to members and the public at large regarding the trust, its vision, performance and material strategic proposals made by the trust board. | Comply |
| AB2.12 | It is also incumbent on the board of directors to ensure governors have the mechanisms in place to secure and report on feedback that enables them to fulfil their duty to represent the interests of members and the public at large. | Comply |
| AB2.13 | The chair should ensure that the views of governors and members are communicated to the board as a whole. The chair should discuss the affairs of the NHS foundation trust with governors. Non-executive directors should be offered the opportunity to attend meetings with governors and should expect to attend them if requested to do so by governors. The senior independent director should attend sufficient meetings with governors to hear their views and develop a balanced understanding of their issues and concerns. | Comply |
| AB2.14 | The board of directors should ensure that the NHS foundation trust provides  effective mechanisms for communication between governors and members from  its constituencies. Contact procedures for members who wish to communicate  with governors and/or directors should be clear and made available to members  on the NHS foundation trust’s website and in the annual report. | Comply |
| AB2.15 | The board of directors should state in the annual report the steps it has taken to  ensure that the members of the board, and in particular the non-executive  directors, develop an understanding of the views of governors and members  about the NHS foundation trust, eg; through attendance at meetings of the council  of governors, direct face-to-face contact, surveys of members’ opinions and  consultations. | Comply |
| Additional  requirement  of FT ARM  resulting  from  legislation | If, during the financial year, the Governors have exercised their power\* under  paragraph 10C\*\* of schedule 7 of the NHS Act 2006, then information on this  must be included in the annual report.  This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as  amended by section 151 (8) of the Health and Social Care Act 2012.  \* Power to require one or more of the directors to attend a governors’ meeting for  the purpose of obtaining information about the foundation trust’s performance of  its functions or the directors’ performance of their duties (and deciding whether to  propose a vote on the foundation trust’s or directors’ performance).  \*\* As inserted by section 151 (6) of the Health and Social Care Act 2012) | Comply |

**NHS System Oversight Framework**

NHS England’s NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four ‘segments. A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4).

A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

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

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

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

For the reporting period the Trust remains within national Recovery Support Programme for financial sustainability.

Following an unannounced inspection in January 2024 to the trusts Emergency Department the CQC served NHS Medway with a warning notice requiring the trust to make significant improvements to the quality of healthcare in the emergency department

A full recovery plan is in place to address the issues raised.

**Statement of the Chief Executive's responsibilities as the Accounting Officer of**

**Medway NHS Foundation Trust**

The NHS Act 2006 states that the Chief Executive is the Accounting Officer of an NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the ‘NHS Foundation Trust Accounting Officer Memorandum’ issued by NHS England.

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

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

* Observe the accounts direction issued by NHS England, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
* Make judgements and estimates on a reasonable basis
* State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
* Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
* Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the Trust’s performance, business model and strategy
* Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable the Trust to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the Trust’s auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information. To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

Signed



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Date: Friday, 20 June 2025**

**Annual Governance Statement 2024-2025**

**Scope of Responsibility**

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

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Medway NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Medway NHS Foundation Trust for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts.

**Capacity to Handle Risk**

As Accounting Officer, I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and for ensuring adherence to the guidance issued by the Department of Health and Social Care and the Care Quality Commission and NHS England well-led framework in respect of governance.

However, the Chief Nursing Officer has had specifically defined responsibilities for leading on the management of risk throughout the Trust. Day to day management of risks is undertaken by our operational management teams, who are charged with ensuring risk identification, evaluation and assessments are undertaken proactively throughout their area of responsibility and remedial action (treat, transfer, tolerate or terminate) is carried out where risks and issues are identified. The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly of all managers.

The Trust has an Integrated Risk Management Framework and Policy in place which clearly sets out the accountability, reporting arrangements, identification, management for the control of risk, along with the risk management process of escalation and de-escalation to be followed. All relevant policies and procedures relating to risks are available to staff via the Trust’s intranet and policy library. The Executive Directors also monitor planned actions to mitigate risks and considers risks for inclusion in the corporate risk register or Board Assurance Framework. Risk management is a core component of the job descriptions of senior managers within the Trust.

The Trust’s integrated quality and performance report is reviewed by all committees of the Board and the Trust Board at each meeting. Deep dives are usually carried out for indicators where there is sustained adverse performance. There are monthly performance improvement meetings between the group executive and the divisions to discuss areas of adverse performance as well as a dedicated risk review group which has representation from all areas of the Trusts business.

The Trust learns from good practice through a range of mechanisms including clinical supervision and performance management, continuing professional development, clinical and process audit and application of evidence-based practice. At the heart of the Trust Risk Management framework is the desire to learn from events and situations in order to continuously improve management processes. Where necessary, and where appropriate, changes will be made to the Trust’s systems to enable this to happen.

**The Risk and Control Framework**

The process starts with systematic identification of risks which are then evaluated and graded; considering the specific treatment types (treat, transfer, tolerate or terminate). If treated then either managed locally (with risk control measures identified and implemented to mitigate the potential for harm), or escalated for possible inclusion in the clinical or corporate risk registers. There are clear lines of accountability for the management of risks with an integrated and effective approach to managing risk across the Trust with defined structures, clear routes for escalation/de-escalation and challenge.

A risk management matrix with clear risk descriptors and tolerance levels is used to support a consistent approach to assessing and responding to clinical and non-clinical risks and the Trust’s appetite for risk is set within the boundaries of this risk evaluation. The Trust seeks to reduce risks to a level as low as reasonably practicable, however it is recognised that delivering healthcare carries inherent risks that can never be completely eradicated. The Trust recognises that a key factor in driving its priorities is to ensure that effective risk management arrangements are in place and embedded in the organisation’s practices and processes. The Board and its committees are aligned to assure that there is independent and strategic focus on risk and assurance.

A Patient Safety Group, chaired by the Director of Integrated Governance, Quality and Patient Safety meets monthly to ensure detailed scrutiny of, and learning from incidents, as well as the early identification of emerging themes and associated organisational risks.

During 2024/25 the Trust embarked on a review of the governance structures following the continued introduction of the trust wide Patient First continual improvement approach. Arrangements provide the necessary support to deliver operational priorities, improvement plans and strategic ambitions. This included a refreshed Executive structure to ensure optimal assurance and alignment to Board committees. A refreshed constitution and scheme of delegation was drafted and assessed against the CQC and NHS England well-led framework. The Trust Executive Team continue to reinforce the importance of clinical leadership and oversees a number of supporting sub-committees.

The Board Assurance Framework (BAF) sets out the principal risks to deliver strategic objectives and the key controls and assurances available to the Board on the management of these significant areas of risk. Principal risks comply with the NHS Provider Licence Section 4. The BAF also includes any Operational Risks, which may affect the achievement of the Trust’s strategic goals as well as the Patient First True North Domains.

At the end of the 2024/25 the BAF highlighted seven areas where the Board has limited or partial assurance despite significant management attention:

* Not delivering the in-year control total (red 4x5 = 20).
* Lack of available capital funding for backlog maintenance (4x5 = 20)
* Finance recovery achievement (4x4=16)
* SHMI outside of expected range (4x4)
* RTT attainment (4x4)
* Digital investment (4x4)

These items will be carried forward into the new reporting year and a review of their mitigating actions and strength of controls will be undertaken.

Each year the board completes a formal strategic risk review to identify new or continued principal risks which might threaten the achievement of the Trust’s strategy and assigns them to a lead Executive Director. These risks are taken forward for the new financial year and overseen through the BAF by the appropriate executive and Board committee.

For 2024/25, the Trust utilised many central control and assurance functions to ensure continued identification and evaluation of risk.

These included:

* Effective mechanisms in place to act upon national safety alerts and recommendations
* The performance management framework, including an Integrated Quality and Performance Report across all aspects of the organisation
* Analysis of patient experience, ward-level performance, incidents and complaints, monthly financial reporting and quality improvement activity through the trusts SDR mechanism
* Assurances provided through the work of the appropriate Risk and Assurance governance routes and reported to the Board and Committees.
* Learning from incidents and near misses and working with system partners to scrutinise response and actions (PSIRF)
* Risk assessments and analysis of risk registers and the Board Assurance Framework.
* Assurance from the Quality and Assurance Committee and the Audit and Risk Committee to the Board.
* Clinical audit, including national audits, audits arising from national guidance (for example from NICE), confidential enquiries and local audits related to patient safety and quality of care.
* Internal assurances through the internal audit activities and independent.
* External regulatory and assessment body inspections and reviews including the Care Quality Commission (CQC), Royal Colleges, Postgraduate Deanery, Information Commissioner’s Office and Health and Safety Executive reports.
* Self-assessment against the compliance framework and CQC registration requirements,
* Self-assessment against the Code of Governance and CQC and NHS England well-led framework
* Freedom to speak up guardian and guardian of safe working hours (for doctors in training).
* Risk assessments of the effects of climate change and severe weather and has developed a Green Plan following the guidance of the Greener NHS programme.

**Governance and Well-Led Framework**

The Well-led framework emphasise the need for strong integrated governance and leadership across quality, finance, and operations as well as focusing on organisational culture, improvement, and system working.

To ensure its adherence to both the well-led framework and the NHS Code of Governance checklist the Trust reviewed its systems, processes and documentation against the available guidance. An assurance report on the Trusts adherence to the well-led framework is provided to the Quality Assurance Committee and the Board every six months.

The programme reflected each of the framework domains and our current performance against each domain is:

* Clear Vision and Direction: The Trust has a full suite of interoperable strategies and plans that direct its business including clinical operations, sustainability and people programmes.
* Culture of Continuous Improvement: The Trust has continued to implement its Patient First continual improvement methodology which creates an environment where a positive culture for continuous learning and improvement is centered on meeting the needs of service users and communities. The approach underpins the clinical and quality programmes as well as the sustainability and financial recovery elements.
* Commitment to High-Quality Care: Through its Patient First approach, high quality care in enshrined in each of the five domains. The Patient First governance of continual review is supported by the strategy and transformation teams and delivery is through the Trusts divisions and care groups. Performance is reviewed daily and improvements, issues and successes are escalated as appropriate through the organisation.
* Patient and Service User Needs: The organisation prioritises the needs of patients and service users and this is most notable demonstrated through the Trusts new clinical strategy. Under the Quality domain of the trust Patient First True North objective, patient experience and leaning from feedback is a corporate focused programme and performance is continually reviewed and reported through the Trusts Strategic reviews, Quality and Assurance Committee and the Trust Board.

The gaps identified were highlighted in the Trusts risk register and routinely reviewed by the Trusts Risk and Assurance group, Audit and Risk Committee and, if necessary, the Board.

**Cultural transformation**

A cultural transformation programme aids in delivering the governance and well-led frameworks by promoting a shared vision, enhancing leadership capabilities, ensuring inclusivity, and fostering an environment of continuous improvement and psychological safety.

The trust has embarked on a multi-year cultural transformation programme involving independent expertise. This is a phased programme, with the trust completing the listening and analysis phase in this report period. The programme has full board oversight and the trust chair is the nominated champion for the programme.

**Quality Governance Arrangements**

**Annual Quality Account**

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare a Quality Account for each financial year. The Chief Nursing Officer and the Chief Medical Officer are joint nominated Trust Executive Leads for the Quality Account. The quality priorities have been developed in consultation with a wide range of stakeholders; membership, patients, staff and Board members. Delivery of the quality priorities will be monitored at the Quality Assurance Committee and by the Trust Board. You can read more about the Trust’s priorities and developments in the Quality Account (published separately). The quality governance framework is built upon the principles described within the eight domains of NHS England and the CQC’s well-led framework. Quality is deeply embedded in the Trust’s overall Patient First strategy.

The organisational strategy reinforces the vision, values and Patient First True North Domains. The Board actively engages in quality of care with patients, the public, staff and other relevant stakeholders through a number of different mechanisms and forums.

Quality targets are linked to divisions, with assurance reported to the Quality and Patient Safety sub-committee and ultimately the Quality and Assurance Committee. Each committee receives the monthly Integrated Quality and Performance Report, with up-to-date information on key quality, safety and performance indicators including patient safety, patient experience and clinical effectiveness. The Board receives the information bi-monthly.

The Trust’s Scheme of Delegation details decisions reserved for the Board and its committees. The Trust has established four divisions that will provide world-class care to the diverse communities that it serves and will be supported by corporate services. These divisions are:

* Medicine and Emergency Care
* Surgery and Critical Care
* Women, Children and Young People
* Cancer and Core Clinical Services

Each division is a key building block for successfully delivering the core objectives and to ensure that strong clinical leadership remains at the heart of decision making at all levels of the Trust.

The governance arrangements underpinning the Trust operating model are kept under close review to ensure that issues and risks relating to quality of care are managed and where necessary escalated appropriately, and also to identify areas for improvement in executive or Board oversight of the performance of the divisions.

**Assessing the quality of performance information**

The data-driven performance framework is used to monitor key performance indicators at Trust level, divisional and care group level, with a monthly Integrated Quality and Performance Report collating trends and analysis for Committee and Board review and public scrutiny. A risk-based assessment of the data associated with key indicators helps determine the programme undertaken by the Trust’s internal auditors.

**Assurance on compliance with the Health and Social Care Act 2008**

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). A range of mechanisms are in place to provide assurance of compliance with the Health and Social Care Act 2008 (Regulated Activities) and Regulations 2010, as set out in the CQC’s guidance for providers. *[Report published 28 April 2023]*

|  |  |  |
| --- | --- | --- |
|  | **Date** | **Rating** |
| **Safe** | - | Requires Improvement |
| **Effective** | - | Requires Improvement |
| **Caring** | - | Good |
| **Responsive** | - | Requires Improvement |
| **Well-Led** | - | Requires Improvement |
| Medical Care including older people’s care | 30 July 2021 | Requires Improvement |
| Services for children and young people | 30 July 2021 | Requires Improvement |
| Critical Care | 30 April 2020 | Outstanding |
| Diagnostic Imaging | 26 July 2018 | Requires Improvement |
| End of Life Care | 30 April 2020 | Good |
| Maternity | 28 April 2023 | Good |
| Outpatients | 26 July 2018 | Good |
| Surgery | 30 April 2020 | Requires Improvement |
| Urgent and Emergency Services | 21 February 2024 | Requires Improvement |

**Managing risks to data security**

All staff receive data security training as part of their corporate induction upon joining the Trust, with annual information governance and information security training mandated for all staff. Training requirements are supported by comprehensive policies and guidance to ensure access to relevant and up-to-date information.

An information asset owner (IAO), with responsibility for managing information risks, is named for each key information asset and is supported by specialist information security and information governance staff. Registers of information assets, flows and uses are maintained, reviewed and updated in year.

The Trust’s annual Data Security and Protection Toolkit (DSPT) submission to NHS Digital is due on 30 June 2025. The Audit and Risk Committee received an update report in March 2025 to give members an overview of progress on the DSPT, both for our upcoming external audit and the full submission in June. The DSPT is an online self-assessment tool that the Trust is required to complete on an annual basis to measure its performance against the 10 National Data Guardian security standards.

The Trust obtained ‘Standards Met’ for the 2023-2024 Data Security Protection Toolkit (DSPT), which provides assurance to both research collaborators and NHS England of our data protection and data security compliance. Our external auditors raised our assurance rating from ‘partial assurance with improvements required’ to ‘significant assurance with minor improvement opportunities’, and acknowledged that the Trust had been able to demonstrate significantly more robust evidence in comparison to previous years.

The 2024-2025 DSPT for NHS Trusts aligns with the Cyber Assessment Framework (CAF), which requires the Trust to use principles and expert judgment to guide competent decision-making, with a focus on achieving key outcomes. These outcomes focus on information security and information governance and require the Trust to provide detailed evidence of our data protection and data security compliance.

This work will be tracked by the Trust’s internal audit tracker and will be overseen by the Audit and Risk Committee. All information incidents and near misses are investigated and used as opportunities to improve processes and reduce risk. This is reinforced by information governance and information security awareness training that focuses on the need for safe processing and protection of personal and sensitive data.

As with all NHS organisations, the Trust faces continual challenges in balancing the delivery of high-quality care with rising demand, rising acuity, rising rates of inflation and the need to increase both productivity and efficiency to meet challenging activity requirements. Successful delivery against the risk management policy will be critical in enabling the Trust to do this in the future.

The Trust recognises that strategic and transformational change both internally and across the local and integrated care system is required to address identified risks. The same strategic risks for the organisation in 2024/25 will therefore be carried forward into 2025/26, but the effectiveness of their controls and sources of assurance will need to continue to be assessed in light of the challenges facing the Trust and ongoing developments. The Director of Strategy and Partnerships has completed a full review of the Trust’s Strategic and Operational Risks working in conjunction with the Audit and Risk Committee.

All staff are encouraged to report incidents and near misses as part of an open and fair culture. Training is given to all staff at induction, including junior doctors, newly-appointed governance leads and newly-qualified nurses/midwives. The electronic incident reporting system gives feedback when an incident is investigated if the member of staff wishes to receive this. Staff are prompted by the incident reporting system to follow the ‘duty of candour’ process, with duty of candour information and training widely available. All reported incidents are fully investigated to ensure lessons are learnt and shared across the Trust. Themes are identified, so that future recurrences can be prevented.

**Register of Interest**

Medway NHS Foundation Trust has published on its website an up-to-date Declaration of Interests, including gifts and hospitality, for decision-making staff within the past twelve months as required by the Managing Conflicts of Interest in the NHS27 guidance.

The Board regularly reviews the Declarations of Interest Register and requires all executive and non-executive directors to confirm their entries. A standing item is contained on all Board and committee agendas which requires all senior staff, executive and non-executive directors to make known any declarations of interests in relation to the agenda.

The Declarations of Interest Register is available to the public by contacting:

The Company Secretary

Medway NHS Foundation Trust,

Medway Maritime Hospital, Windmill Road,

Gillingham, Kent

ME7 5NY

[medwayft.trustsecretary@nhs.net](mailto:medwayft.trustsecretary@nhs.net)

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

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

**Green Plan**

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. The Trust has been successful in securing external investment to advance its Green strategy.

**Emergency Preparedness, Resilience and Response (EPRR)**

The Trust is a Category One responder under the Civil Contingencies Act (2004). Within the Act the Trust has specific statutory duties in relation to maintaining a resilient organisation that is able to work in partnership with other responders in response and recovery from major and business continuity incidents. In order to demonstrate compliance, the Trust is aligned to the National Emergency preparedness, Resilience and Response Framework (2015). NHS England nationally issues core standards against which each Trust undertakes a self-assessment and is then audited by its commissioner.

Medway NHS Foundation Trust have been assessed as Fully compliant against the 2023/24 NHS England EPRR core standards. NHS England define Fully Compliant as: The organisation if fully compliant against 100% of the relevant NHS EPRR Core Standards.

The 2024/25 Assurance is due early September 2025. It is anticipated that NHS England will publish its 2025 Assurance toolkit and accompanying Guidance letter by June 2025. Initial verbal update from NHS England have advised that the Assurance toolkit will be largely the same as used in 2024. The Trust await confirmation of the 2025 process.

This has been reported via Kent and Medway ICB, the Local Health Resilience Partnership Executive Group for Kent and Medway and to NHS England region and England.

*Brian Williams – Head of EPRR, Medway NHS Foundation Trust*

**Health and Safety**

The statutory Health and Safety Group seeks assurance and monitors organisational compliance with statutory health and safety requirements. The Chief Nursing Officer has delegated responsibility for health and safety within Medway NHS Foundation Trust.

The group is accountable to the Quality and Assurance Committee, which is in turn, is accountable to

the Board of Directors. It meets quarterly and receives reports from its sub-committees as a way of

monitoring and seeking assurance of compliance with statutory requirements.

The trust achieved five of its eight stated objectives for this reporting period. The objectives concerning moving and handling training (clinical refresher, national back exchange, revised training programme) were not fully met but have been mitigated in part and have been added to the 2025/26 plan.

Health and safety incident reporting remains an important role for the health and safety team, along

with the investigation of incidents which were reportable under the Reporting of Injuries, Diseases

and Dangerous Occurrences Regulations 2013, as does working with our legal team where issues

with employer’s liability arise.

Violence and aggression continue to be an area of interest, particularly within the Medicine and Emergency Care Division which has seen an increase in incidents since last year, with 152 physical assault incidents notified this year, compared to 120 incidents notified last year, an increase of 27%.

However, the Trust recorded reduction in numbers of violence and aggression incidents reaching threshold of RIDDOR with four incidents this year meeting RIDDOR criteria as opposed to seven meeting RIDDOR criteria last year. This may be associated with the increase in security personnel to manage and de-escalate incidents. This is also an area that has been included in the trust’s cultural transformation programme.

Health and safety training have continued as has the annual programme of inspection with strong engagement and ongoing management of action plans by all of our divisions to ensure environments remain safe for all.

**Review of Economy, Efficiency and Effectiveness of the use of Resources**

The Trust has a range of processes to ensure resources are used economically, efficiently and effectively. This includes clear and effective management and supervision arrangements for staff and the presentation of regular finance and efficiency programme reports to the Executive Team, the Board and associated committees.

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

**Information Governance**

The table below breaks down the information breaches recorded on the Trusts DATIX reporting system for the 2024/25 reporting period. Three incidents met the criteria required to report to the Information Commissioner’s Office (ICO), none required regulatory action.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Identifiable data lost in transit** | **Data disclosed in error such as emails sent to the wrong place, reports sent to the wrong patient** | **Non-secure disposal of paperwork** | **Unauthorised access to staff or patient information including sharing passwords or smartcards** | **Other Information Governance/data security incident** | **All other incidents including an element of Information Governance / data security** |
| 4 | 29 | 2 | 2 | 22 | 951 |

**Data Quality and Governance**

The quality and assurance teams work closely with colleagues in the business intelligence team to ensure data provided to the Board is validated and accurate. Both teams have a variety of skills and expertise including analytics. This includes oversight by those with expertise in the relevant field; for example, the head of complaints would sign off any complaints data, ensure that correct processes have been applied to reporting the data from the system and that the data set is complete.

The quality and assurance teams collate data monthly from a variety of sources for the executive and trust management meetings and Integrated Quality and Performance Report. Primary sources include the local risk management system, which holds all incident, complaints, legal services, risks and safety alert databases.

A senior clinical analyst validates the data and issues the data packs monthly to the executive, which feeds into the Integrated Quality and Performance Report for data accuracy, validity and alignment. The Trust has a number of policies and protocols which describe the desired outcome or key performance indicator (KPI) which assists the Trust Board in determining if they are assured by the data they are receiving. For example, the Trust’s position relating to mortality outcomes is demonstrated by the Summary Hospital-Level Mortality Indicator (SHMI) and the Hospital Standardised Mortality Ratio (HSMR) which are benchmarked nationally to give Board members a clear picture of the Trust’s performance in this area.

A range of audits – internal and external – give assurance about the accuracy of data throughout the year. The Trust has a Quality and Patient Safety sub-committee where all data and information relating to quality of care and patient experience is reviewed. The Trust employs rigorous information assurance processes in the production of the monthly Integrated Quality and Performance Report at both clinical group and Trust level, including local and Trust-wide validation of data and national benchmarking where available. The Integrated Quality and Performance Report is published as part of the Board papers and is available on the Trust’s website.

**Review of Effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit and Risk Committee and its sub-committees and groups and the Quality Assurance Committee and its sub-committees and groups, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. My review of the effectiveness of the system of internal control is informed by executives and managers within the organisation who have responsibility for the development and maintenance of the system of internal control and the assurance framework. The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its objectives have been reviewed.

The Board Assurance Framework is framed in the context of the Trust’s strategic objectives (Patient First) to ensure that focus is maintained on the delivery of agreed outcomes and the effective management of attendant risks. The internal auditors have confirmed that the Trust’s Board Assurance Framework does reflect the Trust’s key objectives and risks and is regularly reviewed by the Board. The Executive reviews the Board Assurance Framework on a monthly basis and the Trust Board reviews it on a monthly basis, and the Audit and Risk Committee provides views on whether the Trust’s risk management procedures are operating effectively.

The Head of Internal Audit Opinion 2024/25 was presented to the Audit and Risk Committee on 19 June 2025 for the period 01 April 2024 to 31 March 2025. An overall rating of ‘‘partial assurance with improvements required (Amber/Red)” can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

The Board, through the executive directors, reviews risks to the delivery of the Trust’s performance objectives through bi-monthly monitoring and discussion of the performance in the key areas of finance, activity, national targets, patient safety, patient experience, quality and workforce. The implementation of Patient First has strengthened this approach and enables the organisation to focus on addressing key issues as they arise in the most appropriate place.

The Audit and Risk Committee oversees the effectiveness of the Trust’s overall risk management and internal control arrangement. On behalf of the board, it independently reviews the effectiveness of risk management systems in ensuring all significant risks are identified, assessed, recorded and escalated as appropriate. The Audit and Risk Committee regularly receives reports on internal control and risk management matters from the internal and external auditors. Concerns raised by the internal or external auditors have been considered by the executive team and the Audit and Risk Committee and have been addressed appropriately.

The responsibility for compliance with the CQC essential standards is allocated to lead executive directors who are responsible for maintaining evidence of compliance. The Trust is addressing all areas of underperformance and non-compliance identified either through external inspections and patient and staff surveys, raised by stakeholders, including patients, staff, governors and others or identified by internal peer review.

The Trust has redesigned its governance systems and processes to both support the implementation of Patient First but also to strengthen decision making, accountability and quality.

**Conclusion**

There has been one significant control issue regarding a CQC S29A Warning Notice, the Trust received in relation to the Emergency Department on 05 March 2025; a full recovery action plan is in place with Board oversight for this control issue.

Signed



………………………………..

**Jon Wade**

**Chief Executive Officer**

**Date: Friday, 20 June 2025**

Independent auditor's report to the Council of Governors of Medway NHS Foundation Trust

**Report on the audit of the financial statements**

**Opinion on financial statements**

We have audited the financial statements of Medway NHS Foundation Trust (the ‘Trust’) for the year ended 31 March 2025, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024-25.

In our opinion, the financial statements:

give a true and fair view of the financial position of the Trust as at 31 March 2025 and 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 2024-25; 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 (2024) (“the Code of Audit Practice”) approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

In our evaluation of the Accounting Officer’s conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 2024-25 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 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Trust and the Trust’s disclosures over the going concern period.

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

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

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

**Other information**

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor’s report thereon. The Accounting Officer is responsible for the other information contained within the Annual Report and Accounts. 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 November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2024/25 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

**Opinion on other matters required by the Code of Audit Practice**

In our opinion:

the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2024/25; 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 and Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or

we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

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

**Responsibilities of** **the Accounting Officer**

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS Foundation Trust Annual Reporting Manual 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor’s responsibilities for the audit of the financial statements**

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

* We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024-25).

We enquired of management and the Audit & Risk Committee, concerning the Trust’s policies and procedures relating to:

the identification, evaluation and compliance with laws and regulations;

the detection and response to the risks of fraud; and

the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.

* We enquired of management, internal audit and the Audit & Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

We assessed the susceptibility of the Trust’s financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, the risk of improper revenue recognition and the risk of fraud in expenditure recognition. We determined that the principal risks were in relation to:

Management override of controls;

Improper revenue recognition;

Expenditure recognition prevalent around year end.

* + 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 high value journals posted after year end, journals posted by specific members of management and journals that have a material impact on financial reporting;

testing of income for the year to invoices and cash payment or other supporting evidences;

testing of year end expenditure to invoices, cash payments and other supporting evidences;

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 management override of control, improper revenue recognition and expenditure recognition around year end. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

The engagement partner’s assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;

knowledge of the health sector and economy in which the Trust operates;

understanding of the legal and regulatory requirements specific to the Trust including:

the provisions of the applicable legislation;

NHS England’s rules and related guidance;

the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

The Trust’s operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://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 2025.

We have nothing to report regarding the above matter, except that on 14 June 2024, we identified a significant weakness in how the Trust plans and manages its resources to ensure that it can continue to deliver its services. In our 2024/25 assessment we reported the Trust delivered a full-year deficit of £22.4m supported by £25.4m in deficit funding. The Trust’s cost improvement plan for 2025/26 totaling £45.4m, still has a large proportion of unidentified schemes and a financial recovery plan has not been finalized. As such, we recommended the Trust should:

* Develop and agree with system partners a financial recovery plan, supported by a credible multiyear pipeline of efficiency programmes;
* Develop and deliver recurrent costs savings schemes in line with the internal CIP target and work with partners to convert the high-level system actions into tangible savings schemes. This should be done at pace and at the latest, by the end of quarter one 2025/26.

**Responsibilities of the Accounting Officer**

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. 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 –** **Delay in certification of completion of the audit**

We cannot formally conclude the audit and issue an audit certificate for Medway NHS Foundation Trust for the year ended 31 March 2025 in accordance with the requirements of Chapter 10 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed the work necessary in relation to the Trust’s consolidation schedules, and we have received confirmation from the National Audit Office that the audit of the NHS group consolidation is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

**Use of our report**

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust’s Council of Governors those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust’s Council of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Darren Wells

Darren Wells, Key Audit Partner

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

London

25 June 2025



**Medway NHS Foundation Trust**

Annual Accounts for the year ended 31 March 2025

**Table of Contents**

[Foreword to the accounts 99](#_Toc195698692)

[Statement of Comprehensive Income 100](#_Toc195698693)

[Statement of Financial Position 101](#_Toc195698694)

[Statement of Changes in Equity 102](#_Toc195698695)

[Statement of Cash Flows 103](#_Toc195698696)

[Notes to the accounts 104](#_Toc195698697)

[Note 1 Accounting policies and other information 104](#_Toc195698698)

[Note 2 Operating segments 115](#_Toc195698699)

[Note 3 Operating income from patient care activities 116](#_Toc195698700)

[Note 4 Other operating income 117](#_Toc195698701)

[Note 5 Operating expenses 119](#_Toc195698702)

[Note 6 Employee benefits 120](#_Toc195698703)

[Note 7 Pension costs 121](#_Toc195698704)

[Note 8 Finance income 122](#_Toc195698705)

[Note 9 Finance expenditure 122](#_Toc195698706)

[Note 10 Property, plant and equipment 123](#_Toc195698707)

[Note 11 Donations of property, plant and equipment 126](#_Toc195698708)

[Note 12 Revaluations and impairments of property, plant and equipment 126](#_Toc195698709)

[Note 13 Right of use assets 127](#_Toc195698710)

[Note 14 Non-current assets held for sale 129](#_Toc195698711)

[Note 15 Trade and other receivables 130](#_Toc195698712)

[Note 16 Inventories 131](#_Toc195698713)

[Note 17 Cash and cash equivalents 131](#_Toc195698714)

[Note 18 Trade and other payables 132](#_Toc195698715)

[Note 19 Other Liabilities 133](#_Toc195698716)

[Note 20 Borrowings 133](#_Toc195698717)

[Note 21 Provisions for liabilities and charges 135](#_Toc195698718)

[Note 22 Contingent assets and liabilities 136](#_Toc195698719)

[Note 23 Financial instruments 136](#_Toc195698720)

[Note 24 Losses and special payments 138](#_Toc195698721)

[Note 25 Gifts 138](#_Toc195698722)

[Note 26 Third party assets 138](#_Toc195698723)

[Note 27 Public Dividend Capital payable 138](#_Toc195698724)

[Note 28 Capital commitments 138](#_Toc195698725)

[Note 29 Related parties 139](#_Toc195698726)

[Note 30 Events after the reporting date 139](#_Toc195698727)

**Foreword to the accounts**

**Medway NHS Foundation Trust**

These accounts, for the year ended 31 March 2025, have been prepared by Medway NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | | Signature of Interim Chief Executive, Jonathan Wade   |  | | --- | |  | | | |
| **Signed** | | ……………………………………………. | | |
|  |  | | |
| **Name** | | | Jon Wade | | |
| **Job title** | | | Chief Executive Officer and Accountable Officer | | |
| **Date** | | | 25th June 2025 | | |

**Statement of Comprehensive Income**

for the year ended 31 March 2025

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2024/25** |  | **2023/24** |
|  | **Note** | **£000** |  | **£000** |
| Operating income from patient care activities | 3 | 472,375 |  | 433,955 |
| Other operating income | 4 | 46,868 |  | 36,717 |
| Operating expenses | 5 | (527,980) |  | (487,131) |
| **Operating Deficit from continuing operations** |  | **(8,737)** |  | **(16,459)** |
|  |  |  |  |  |
| Finance income | 8 | 936 |  | 1,370 |
| Finance expenses | 9 | (84) |  | (72) |
| PDC dividends payable | 27 | (9,233) |  | (8,835) |
| **Net finance costs** |  | **(8,381)** |  | **(7,537)** |
| Other gains/(losses) |  | 0 |  | 19 |
| **Deficit for the year** |  | **(17,118)** |  | **(23,977)** |
|  |  |  |  |  |
| **Other comprehensive income/(expense)** |  |  |  |  |
| **Will not be reclassified to income and expenditure:** |  |  |  |  |
| Impairments | 12 | (4,513) |  | (8,623) |
| Revaluations | 12 | 6,929 |  | 5,398 |
| **Total comprehensive income/(expense) for the period** |  | **(14,702)** |  | **(27,202)** |

**Statement of Financial Position**

as at 31 March 2025

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **31 March 2025** |  | **31 March 2024** |
|  |  | **Note** | **£000** |  | **£000** |
| **Non-current assets** |  |  |  |  |  |
| Property, plant and equipment |  | 10 | 287,330 |  | 279,165 |
| Right of use assets |  | 13 | 1,592 |  | 1,966 |
| Receivables |  | 15 | 791 |  | 757 |
| **Total non-current assets** |  |  | **289,713** |  | **281,888** |
| **Current assets** |  |  |  |  |  |
| Inventories |  | 16 | 6,730 |  | 6,554 |
| Receivables |  | 15 | 38,658 |  | 29,574 |
| Non-current assets held for sale |  | 14 | 425 |  | 0 |
| Cash and cash equivalents |  | 17 | 13,280 |  | 21,042 |
| **Total current assets** |  |  | **59,093** |  | **57,170** |
| **Current liabilities** |  |  |  |  |  |
| Trade and other payables |  | 18 | (61,019) |  | (57,537) |
| Borrowings |  | 20 | (329) |  | (358) |
| Provisions |  | 21 | (249) |  | (285) |
| Other liabilities |  | 19 | (852) |  | (881) |
| **Total current liabilities** |  |  | **(62,449)** |  | **(59,061)** |
| **Total assets less current liabilities** |  |  | **286,357** |  | **279,997** |
| **Non-current liabilities** |  |  |  |  |  |
| Borrowings |  | 20 | (2,717) |  | (3,072) |
| Provisions |  | 21 | (1,318) |  | (1,307) |
| **Total non-current liabilities** |  |  | **(4,035)** |  | **(4,379)** |
| **Total assets employed** |  |  | **282,322** |  | **275,618** |
|  |  |  |  |  |  |
| **Financed by** |  |  |  |  |  |
| Public dividend capital |  |  | 511,242 |  | 489,836 |
| Revaluation reserve |  |  | 63,585 |  | 61,181 |
| Income and expenditure reserve |  |  | (292,505) |  | (275,399) |
| **Total taxpayers' equity** |  |  | **282,322** |  | **275,618** |
|  |  |  |  |  |  |
| The notes on pages 104 to 139 form part of these accounts. | | |  |  |  |
|  | Signature of Interim Chief Executive, Jonathan Wade   |  | | --- | |  | |  | |  | | --- | |  | |  |  |
|  |  |  |  |  |  |
| **Signed** | ………………………… | | Signature of Interim Chief Financial Officer, Simon Womwbell………………………… | | |
|  |  |  |  |  |  |
| Name | Jon Wade | | Simon Wombwell | | |
| Position | Chief Executive Officer | | Chief Financial Officer | | |
| Date | 25th June 2025 | | 25th June 2025 | | |

**Statement of Changes in Equity for the year ended 31 March 2025**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Public dividend capital** | **Revaluation reserve** | **Income and expenditure reserve** | **Total** |  |  |  |
|  | **£000** | **£000** | **£000** | **£000** |  |  |  |
| **Taxpayers' equity at 1 April 2024 - brought forward** | **489,836** | **61,181** | **(275,399)** | **275,618** |  |  |  |
| Deficit for the year | 0 | 0 | (17,118) | **(17,118)** |  |  |  |
| Net impairments | 0 | (4,513) | 0 | **(4,513)** |  |  |  |
| Revaluations - property, plant and equipment | 0 | 6,929 | 0 | **6,929** |  |  |  |
| Transfer to retained earnings on disposal of assets | 0 | (12) | 12 | **0** |  |  |  |
| Public dividend capital received | 21,406 | 0 | 0 | **21,406** |  |  |  |
| **Taxpayers' equity at 31 March 2025** | **511,242** | **63,585** | **(292,505)** | **282,322** |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **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' equity at 1 April 2023 - brought forward** | **475,198** | **64,406** | **(251,422)** | **288,182** |  |  |  |
| Deficit for the year | 0 | 0 | (23,977) | **(23,977)** |  |  |  |
| Net impairments | 0 | (8,623) | 0 | **(8,623)** |  |  |  |
| Revaluations - property, plant and equipment | 0 | 5,398 | 0 | **5,398** |  |  |  |
| Public dividend capital received | 14,716 | 0 | 0 | **14,716** |  |  |  |
| Public dividend capital repaid | (78) | 0 | 0 | **(78)** |  |  |  |
| **Taxpayers' equity at 31 March 2024** | **489,836** | **61,181** | **(275,399)** | **275,618** |  |  |  |
|  |  |  |  |  |  |  |  |
| **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**

for the year ended 31 March 2025

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2024/25** |  | **2023/24** |
|  | **Note** | **£000** |  | **£000** |
| **Cash flows from operating activities** |  |  |  |  |
| Operating surplus / (deficit) |  | (8,737) |  | (16,459) |
| **Non-cash income and expense:** |  |  |  |  |
| Depreciation and amortisation | 5 | 19,889 |  | 18,560 |
| Impairments and reversals | 12 | 178 |  | 171 |
| Income recognised in respect of capital donations (cash and non-cash) | 4 | (5,813) |  | (228) |
| (Increase)/decrease in receivables |  | (5,336) |  | (486) |
| (Increase)/decrease in inventories |  | (176) |  | (180) |
| Increase/(decrease) in trade and other payables |  | 4,235 |  | 6,671 |
| Increase/(decrease) in other liabilities |  | (29) |  | 81 |
| Increase/(decrease) in provisions |  | (36) |  | (392) |
| **Net cash flows from / (used in) operating activities** |  | **4,175** |  | **7,738** |
| **Cash flows from investing activities** |  |  |  |  |
| Interest received |  | 959 |  | 1,407 |
| Purchase of property, plant and equipment |  | (26,620) |  | (27,288) |
| Proceeds from sales of property, plant and equipment |  | 0 |  | 19 |
| Receipt of cash donations to purchase capital assets |  | 2,350 |  | 228 |
| **Net cash used in investing activities** |  | **(23,311)** |  | **(25,634)** |
| **Cash flows from financing activities** |  |  |  |  |
| Public dividend capital received |  | 21,406 |  | 14,716 |
| Public dividend capital repaid |  | 0 |  | (78) |
| Movement in loans from the Department of Health and Social Care |  | (126) |  | (126) |
| Capital element of lease liability repayments |  | (256) |  | (984) |
| Interest on DHSC loans |  | (24) |  | (26) |
| Other interest (e.g. overdrafts) |  | (2) |  | 0 |
| Interest element of lease liability repayments |  | (49) |  | (38) |
| PDC dividend (paid)/refunded |  | (9,575) |  | (9,268) |
| **Net cash generated from financing activities** |  | **11,374** |  | **4,196** |
| **Increase/(decrease) in cash and cash equivalents** |  | **(7,762)** |  | **(13,700)** |
| **Cash and cash equivalents at 1 April - brought forward** |  | **21,042** |  | **34,742** |
| **Cash and cash equivalents at 31 March** | 17 | **13,280** |  | **21,042** |

**Notes to the accounts**

**Note 1 Accounting policies and other information**

**Note 1.1 Basis of preparation**

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2024/25 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

**Accounting convention**

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

**Note 1.2 Going concern**

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity’s services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

**Note 1.3 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 for National Statistics (ONS).

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

**Note 1.3.1 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). The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. 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.

In 2024/25 fixed payments were set at a level assuming the achievement of elective activity targets within aligned payment and incentive contracts. These payments are accompanied by a variable-element to adjust income for actual activity delivered on elective services and advice and guidance services. Where actual elective activity delivered differed from the agreed level set in the fixed payments, the variable element either increased or reduced the income earned by the Trust at a rate of 100% of the tariff price. 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.

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 are 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 with adjustments for actual achievement being made at the end of the year. 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. 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.

**Note 1.3.2 Revenue from Research Contracts**

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

**Note 1.3.3 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 this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. 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.

**Note 1.3.4 Other income**

**Education and Training Income**

Funding for the national training programme is recognised in the year of award.

**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 grant 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.

**Note 1.4 Expenditure on employee benefits**

**Short-term employee benefits**

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

**Pension costs**

*NHS Pension Scheme*

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

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

**Note 1.5 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 1.6 Property, plant and equipment**

**Note 1.6.1 Recognition**

Property, plant and equipment is capitalised where:

* It is held for use in delivering services or for administrative purposes
* It is probable that future economic benefits will flow to, or service potential be provided to, the Trust
* It is expected to be used for more than one financial year
* The cost of the item can be measured reliably
* The item has cost of at least £5,000,

or

collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

* costs form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

Staff costs have also been capitalised where they arise directly from the construction or acquisition of specific property, plant or equipment.

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.

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. Other software which is not necessarily integral to the operation of hardware is assessed on a case by case basis and is expensed over the life of the licence or capitalised as an intangible asset in accordance with IAS38.

**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.

**Note 1.6.2 Measurement**

**Valuation**

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

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.

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.

All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years. A yearly interim valuation is also carried out. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. In accordance with this policy the valuation undertaken for 2024/25 was therefore a full revaluation.

The valuation exercise was carried out in March 2025 with a valuation date of 31st March 2025.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. 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.

**Depreciation**

Items of property, plant and equipment will be depreciated from the first quarter after the asset is deemed ready for use at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated economic lives. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment reclassified as ‘Held for Sale’ cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

**Revaluation gains and losses**

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

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other operating expenses.

**Impairments**

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

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

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

**Note 1.6.3 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.

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.

**Note 1.6.4 Donated and grant funded assets**

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

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

**Note 1.6.5 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 Years** | **Max Years** |
| Buildings & Dwellings | More than 1 | 80 |
| Plant & machinery | 5 | 25 |
| Transport (Vehicles) | 7 | 7 |
| Information technology | 5 | 8 |
| Furniture & fittings | 7 | 10 |

**Note 1.7 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.

Between 2020/21 and 2023/24 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. Distribution of inventories by the Department ceased in March 2024.

**Note 1.8 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 1.9 Financial assets and financial liabilities**

**Note 1.9.1 Recognition**

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

**Note 1.9.2 Classification and measurement**

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

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

**Financial assets and financial liabilities at amortised cost**

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

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

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income 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.

**Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets the Trust recognises an allowance for expected credit losses.

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).

The Trust has developed a model for Non DHSC group bodies’ contract and other receivables which assesses the liability by category and debtor type factoring in any known specifics to calculate the value of impairment.

This DHSC provides a guarantee of last resort against the debts of DHSC group bodies (excluding NHS charities); in accordance with the GAM these liabilities have been deemed risk free so no credit losses are calculated in relation to these liabilities.

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.

**Note 1.9.3 Derecognition**

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

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

**Note 1.10 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.

**Note 1.10.1 The Trust as lessee**

***Initial recognition and measurement***

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

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

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

Where an implicit rate cannot be readily determined, the Trust’s incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 4.72% applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

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.

**Note 1.11 Provisions**

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

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 2.40% in real terms (prior year: 2.45%).

**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 21 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 1.12 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 22 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 22, 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 1.13 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 1.14 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 1.15 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 1.16 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 accrual’s 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 1.17 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 1.18 Early adoption of standards, amendments and interpretations**

No new accounting standards or revisions to existing standards have been early adopted in 2024/25.

**Note 1.19 Standards, amendments and interpretations in issue but not yet effective or adopted**

The DHSC GAM does not require the following IFRS Standards to be applied in 2024/25:

*IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures* **-** Amendments were issued in May 2024, for adoption from 2026/27. These amendments have not yet been adopted by the FreM so the impact on the public sector is not yet known.

The key amendment that may impact NHS bodies relates to a clarification of the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. This could impact the timing of when payables and cash are derecognised on making a payment, and may require a change to current practices relating to bank reconciliations.

The amendments are likely to have the most significant impact on entities which tend to have large reconciling items within their year-end bank reconciliations (for example uncleared BACS payments).

This is not the case for The Trust so any impact is likely to be immaterial.

*IFRS 17 Insurance Contracts* – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 has been adopted by the FReM from 1 April 2025. Adoption of the Standard for NHS bodies will therefore be in 2025/26. The Standard revises the accounting for insurance contracts for the issuers of insurance.

A high-level review of existing contracts has been conducted with no evidence to suggest any contracts of this nature exist within The Trust. Therefore, application of this standard from 2025/26 is not expected to impact on the financial statements.

*IFRS 18 Presentation and Disclosure in Financial Statements* - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

*IFRS 19 Subsidiaries without Public Accountability: Disclosures* - The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

*Changes to non-investment asset valuation* – Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5-year transition period. NHS bodies are adopting these changes to an alternative timeline.

*Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:*

• Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.

• Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity.

These changes are not expected to have a material impact on these financial statements.

*Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:*

• A mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years.

• Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury.

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £208m as at 31 March 2025. Assets valued on an alternative site basis have a total book value of £196m at 31 March 2025.

Whilst the impact has not been yet been quantified, there is an assumption that these changes may have the potential to have a materially and/or significantly impact on PPE measurement in future periods.

**Note 1.20 Critical judgements in applying accounting policies**

For 2024/25 The Trust has identified the following critical judgement which requires disclosure under IAS1 paragraph 122. There are no other critical judgements.

**Alternative Site Valuation**

Valuation of Medway Maritime Hospital site specialised assets as per note 1.6.2 is based on a modern equivalent asset (MEA) using a reduced land area of 4.9 hectares as opposed to the existing site of 14.6 hectares. This reflects a more efficient use of space, delivering the same service capacity but using modern building and design practice.

**Note 1.20.1 Sources of estimation uncertainty**

The following assumption is the only source of estimation uncertainty identified with a significant risk to potentially result in a material adjustment to the carrying amounts of assets and liabilities with the next financial year

**Valuation of land, buildings and dwellings** is the most significant estimate in the accounts. The NBV at 31/03/2025 for those land, buildings and subject to revaluation and to which the estimation uncertainty relates is £209m (2023/24 £207m). This valuation was the professional judgement of independent valuers with extensive knowledge of the physical estate and market factors.

The valuation was provided as at 31st March 2025 in 2024/25 and was a full valuation with site inspection and the application of the Royal Institute of Chartered Surveyors (RCIS) Valuation Global Standards 2020 ('Red Book').

The valuation provided does not provide a potential scale of estimation uncertainty however the values are subject to change dependent on market factors, assumptions relating to replacement costs and the parameters of the equivalent asset. The sensitivity of changes on the valuation is 5% £11m; 10% £21m

**Note 1.21 Charitable Funds**

The Trust is the corporate Trustee of Medway NHS Foundation Trust Charitable Fund – Registered Charity number 1051748. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

The NHS Foundation Trust has not consolidated the charitable funds as it is not deemed material to its accounts.

**Note 1.22 Discontinued Operations**

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are ‘machinery of government changes’ and treated as continuing operations.

There are no discontinued operations.

**Note 2 Operating segments**

The Trust has only one segment of business which is the provision of healthcare. The segment has been identified with reference to how the Trust is organised and the way in which the chief operating decision maker (determined to be the Board of Directors) runs the Trust.

The geographical and regulatory environment and the nature of services provided are consistent across the organisation and are therefore presented in one segment. The necessary information to develop detailed income and expenditure for each product and service provided by the Trust is currently not discretely available and the cost to develop this information would be excessive.

**Note 3 Operating income from patient care activities**

|  |  |  |  |
| --- | --- | --- | --- |
| All income from patient care activities relates to contract income recognised in line with accounting policy 1.3. | | | |
|  |  |  |  |
| **Note 3.1 Income from patient care activities (by nature)** | **2024/25** |  | **2023/24** |
|  |  |  |  |
|  | **£000** |  | **£000** |
| Aligned payment & incentive (API) income1 | 418,159 |  | 386,160 |
| High cost drugs income from commissioners | 28,140 |  | 27,623 |
| Other NHS clinical income | 4,876 |  | 7,244 |
| Private patient income | 62 |  | 57 |
| Pay award central funding2 | 1,246 |  | 187 |
| Additional pension contribution central funding3 | 17,984 |  | 10,930 |
| Other clinical income | 1,908 |  | 1,754 |
| **Total income from activities** | **472,375** |  | **433,955** |
|  |  |  |  |
| 1Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. This includes £90,047k (2023/24 £75,841k) variable income based on activity and £328,112k (2023/24 £310,319k) fixed income. More information can be found in the 2024/25 NHS Payment Scheme documentation. https://www.england.nhs.uk/pay-syst/nhs-payment-scheme | | | |
| 2Additional funding was made available directly to providers by NHS England in 2024/25 and 2023/24 for implementing the backdated element of pay awards where government offers were finalised after the end of the financial year. NHS Payment Scheme prices and API contracts are updated for the weighted uplift in in-year pay costs when awards are finalised. | | | |
| 3Increases to the employer contribution rate for NHS pensions since 1 April 2019 have been funded by NHS England. NHS providers continue to pay at the former rate of 14.3% with the additional amount being paid over by NHS England on providers' behalf. The full cost of employer contributions (23.7%, 2023/24: 20.6%) and related NHS England funding (9.4%, 2023/24: 6.3%) have been recognised in these accounts. | | | |
| **Note 3.2 Income from patient care activities (by source)** |  |  |  |
|  |  |  |  |
| **Income from patient care activities received from:** | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| NHS England | 71,455 |  | 61,052 |
| Integrated care boards | 398,341 |  | 370,877 |
| Other NHS providers | 609 |  | 215 |
| Non-NHS: private patients | 62 |  | 57 |
| Non-NHS: overseas patients (chargeable to patient) | 474 |  | 561 |
| Injury cost recovery scheme1 | 1,274 |  | 1,193 |
| Non NHS: other | 160 |  | 0 |
| **Total income from activities** | **472,375** |  | **433,955** |
|  |  |  |  |
| 1Injury cost recovery scheme income is subject to a credit loss allowance of 24.45% (2023/24: 23.07%) to reflect expected rates of collection. | | | |
| **Note 3.3 Overseas visitors (relating to patients charged directly by the provider)** | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Income recognised this year | 474 |  | 561 |
| Cash payments received in-year | 109 |  | 123 |
| Amounts added to provision for impairment of receivables | 449 |  | 547 |
| Amounts written off in-year | 285 |  | 75 |
|  |  |  |  |

**Note 4 Other operating income**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| **Other operating income from contracts with customers:** |  |  |  |
| Research and development (contract) | 1,532 |  | 1,657 |
| Education and training (excluding notional apprenticeship levy  income) | 17,003 |  | 16,422 |
| Non-patient care services to other bodies | 7,364 |  | 6,824 |
| Income in respect of employee benefits accounted on a gross  basis | 1 |  | 8 |
| Other contract income | 14,670 |  | 10,892 |
| **Other non-contract operating income** |  |  |  |
| Education and training - notional income from apprenticeship fund | 306 |  | 282 |
| Receipt of capital grants, donations and assets1 | 5,813 |  | 228 |
| Charitable and other contributions to expenditure | 179 |  | 404 |
| **Total other operating income** | **46,868** |  | **36,717** |
|  |  |  |  |
|  | **2024/25** |  | **2023/24** |
| **Other Income includes:** | **£000** |  | **£000** |
| Car parking income2 | **5,543** |  | 1,786 |
| Catering | **976** |  | 898 |
| Pharmacy sales | **229** |  | 236 |
| Staff accommodation rental | **516** |  | 606 |
| Non-clinical services recharged to other bodies | **335** |  | 370 |
| Crèche services | **537** |  | 344 |
| Clinical tests | **2,323** |  | 1,406 |
| Clinical excellence awards | **117** |  | 163 |
| Other income not already covered (recognised under IFRS 15) | **4,094** |  | 5,083 |
|  | **14,670** |  | **10,892** |
|  |  |  |  |
| 1Includes £5,319k from Salix, 2024/25 is year 1 of a 2 year, £29,012k investment in site decarbonisation of which Salix grant funding will cover 88%. | | | |
| 2Includes £3,508k in relation to Brockenhurst VAT Legal Case | | | |

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 4.1 Additional information on revenue from contracts with customers recognised in the period** | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Revenue recognised in the reporting period that was included within contract liabilities at the previous period end | 881 |  | 482 |
| Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods | 0 |  | 0 |
|  |  |  |  |
|  |  |  |  |
| **Note 4.2 Transaction price allocated to remaining performance obligations** | |  |  |
| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| within one year | 852 |  | 881 |
| after one year, not later than five years | 0 |  | 0 |
| after five years | 0 |  | 0 |
| **Total revenue allocated to remaining performance obligations** | **852** |  | **881** |
|  |  |  |  |
| 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 4.3 Income from activities arising from commissioner requested services** | | | |
| Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below: | | | |
|
|
|
|  | **2024/25** |  | **restated**  **2023/24** |
|  | **£000** |  | **£000** |
| Income from services designated as commissioner requested services | 467,249 |  | 431,929 |
| Income from services not designated as commissioner requested services | 5,126 |  | 2,026 |
| **Total** | **472,375** |  | **433,955** |
|  |  |  |  |
| **Note 4.4 Profits and losses on disposal of property, plant and equipment** | |  |  |
| The Trust has disposed of 1,419 assets with a net book value of zero (2023/24 2 assets, £19k). All assets had been fully consumed and replaced where necessary with no impact on service potential. | | | |

**Note 5 Operating expenses**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Purchase of healthcare from NHS and DHSC bodies | 14,481 |  | 17,025 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 8,100 |  | 9,170 |
| Purchase of social care | 2,338 |  | 1,310 |
| Staff and executive directors costs 1 | 339,279 |  | 306,424 |
| Remuneration of non-executive directors | 138 |  | 149 |
| Supplies and services - clinical (excluding drugs costs) | 37,590 |  | 31,759 |
| Supplies and services - general | 12,198 |  | 11,917 |
| Drug costs (drugs inventory consumed & purchase of non-inventory drugs) | 43,093 |  | 39,761 |
| Inventories written down | 0 |  | 9 |
| Consultancy costs | 588 |  | 864 |
| Establishment | 1,697 |  | 2,175 |
| Premises | 11,693 |  | 15,737 |
| Transport (including patient travel) | 1,620 |  | 1,809 |
| Depreciation on property, plant and equipment and right of use assets | 19,889 |  | 18,560 |
| Impairments net of (reversals) | 178 |  | 171 |
| Movement in credit loss allowance: contract receivables / contract assets2 | 809 |  | 842 |
| Increase/(decrease) in other provisions | 59 |  | (200) |
| Change in provisions discount rate(s) | 2 |  | (28) |
| Audit fees payable to the external auditor |  |  |  |
| audit services - statutory audit3 | 174 |  | 148 |
| other auditor remuneration | 0 |  | 0 |
| Internal audit costs | 125 |  | 62 |
| Clinical negligence | 18,059 |  | 16,787 |
| Legal fees | 285 |  | 303 |
| Insurance | 288 |  | 270 |
| Research and development | 1,475 |  | 1,403 |
| Education and training | 10,846 |  | 8,342 |
| Lease expenditure (short term, low value) | 220 |  | 111 |
| Redundancy | 0 |  | 50 |
| Car parking & security | 293 |  | 281 |
| Hospitality | 11 |  | 17 |
| Losses, ex gratia & special payments | 743 |  | 295 |
| Other services, e.g. external payroll | 507 |  | 414 |
| Other | 1,202 |  | 1,194 |
| **Total** | **527,980** |  | **487,131** |

1Staff and executive directors costs - excluded from this are Research and development costs, non-executives costs and Education and training costs, as they are reported separately. This includes £17,984k (2023/24 £10,930k) relating to pensions increase paid directly by NHS England.

2Net movement in credit losses. Credit risk is only associated with Non-NHS receivables.

3Audit Fees are inclusive of VAT.

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 5.1 Limitation on auditor's liability** |  |  |  |
| The limitation on auditor's liability for external audit work is £2,000k (2023/24: £2,000k). | | | |
|

**Note 6 Employee benefits**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Salaries and wages | 268,343 |  | 241,346 |
| Social security costs | 29,604 |  | 27,443 |
| Apprenticeship levy | 1,336 |  | 1,246 |
| Employer's contributions to NHS pensions | 27,519 |  | 24,974 |
| Pension cost - employer contributions paid by NHSE on provider's behalf1 | 17,984 |  | 10,930 |
| Pension cost - other | 18 |  | 27 |
| Temporary staff (including agency) | 5,185 |  | 8,160 |
| **Total staff costs** | **349,989** |  | **314,126** |
|  |  |  |  |
|  |  |  |  |
| 1Additional pension cost paid directly by NHSE has increased to 9.4% (2023/24: 6.3%) | | | |
|  |  |  |  |
| **Note 6.1 Directors remuneration and other benefits** |  |  |  |
|  |  |  |  |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Directors Remuneration | 1,329 |  | 1,064 |
| Social Security Costs | 173 |  | 139 |
| Employer contributions to NHS Pension scheme | 149 |  | 120 |
| **Total remuneration** | **1,651** |  | **1,323** |
|  |  |  |  |
| 6 Directors are accruing pension benefits under the NHS Pension defined benefit scheme (2023/24; 6) | | | |
| **Note 6.2 Retirements due to ill-health** |  |  |  |
|  |  |  |  |
| During 2024/25 there were 3 early retirements from the Trust agreed on the grounds of ill-health with an estimated total additional pension liability of £76k (6 totalling £577k in 2023/24). These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme. | | | |
|
|  |  |  |  |
| **Please Note:** In line with the HM Treasury requirements, some previous accounts disclosures relating to staff costs are now required to be included in the staff report section of the annual report instead. | | | |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**Note 7 Pension costs**

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

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

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2024, updated to 31 March 2025 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 1 April 2024 at 23.7% of pensionable pay (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.

**c) Alternative pension scheme**

For those employees who do not have access to the NHS pensions scheme but who are otherwise classified as employees with an entitlement to automatic enrolment in an appropriate pension the Trust has put in place an alternative workplace pension scheme. This scheme is administered by NEST (National Employment Savings Trust) and is a defined contribution pension scheme. The total contribution costs for this scheme for the financial year 2024/25 amount to £18k (2023/24: £27k).

**Note 8 Finance income**

|  |  |  |  |
| --- | --- | --- | --- |
| Finance income represents interest received on assets and investments in the period. | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Interest on bank accounts | 936 |  | 1,370 |
| **Total finance income** | **936** |  | **1,370** |
|  |  |  |  |

**Note 9 Finance expenditure**

|  |  |  |  |
| --- | --- | --- | --- |
| Finance expenditure represents interest and other charges involved in the borrowing of money. | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| **Interest expense:** |  |  |  |
| Loans from the Department of Health and Social Care | 22 |  | 25 |
| Lease obligations | 49 |  | 38 |
| Interest on late payment of commercial debt | 2 |  | 0 |
| **Total interest expense** | **73** |  | **63** |
| Unwinding of discount on provisions | 11 |  | 9 |
| **Total finance costs** | **84** |  | **72** |
|  |  |  |  |
| **Note 9.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015** | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Total liability accruing in year under this legislation as a result of late payments | 0 |  | 0 |
| Amounts included within interest payable arising from claims under this legislation | 2 |  | 0 |
| Compensation paid to cover debt recovery costs under this legislation | 0 |  | 0 |
|  |  |  |  |

**Note 10 Property, plant and equipment**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 10.1 Property, plant and equipment - 2024/25** |  |  |  |  |  |  |  |  |  |
|  | **Land** | **Buildings excluding dwellings** | **Dwellings** | **Assets under construction** | **Plant & machinery** | **Transport equipment** | **Information technology** | **Furniture & fittings** | **Total** |
|  | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Valuation/gross cost at 1 April 2024 - brought forward** | **7,722** | **193,696** | **5,783** | **27,488** | **59,155** | **122** | **49,820** | **2,579** | **346,365** |
| Additions | 0 | 3,901 | 81 | 17,263 | 1,858 | 0 | 2,764 | 0 | **25,867** |
| Impairments | (16) | (7,834) | (206) | 0 | 0 | 0 | (186) | 0 | **(8,242)** |
| Reversals of impairments | 1 | (22) | 0 | 0 | 0 | 0 | 0 | 0 | **(21)** |
| Revaluations | 610 | (216) | 1,037 | 0 | 0 | 0 | 0 | 0 | **1,431** |
| Reclassifications | 0 | 4,764 | 43 | (22,050) | 10,707 | 0 | 6,279 | 257 | **0** |
| Transfers to / from assets held for sale | (195) | 0 | (230) | 0 | 0 | 0 | 0 | 0 | **(425)** |
| Disposals / derecognition | 0 | 0 | 0 | 0 | (17,230) | (85) | (9,523) | (1,975) | **(28,813)** |
| **Valuation/gross cost at 31 March 2025** | **8,122** | **194,289** | **6,508** | **22,701** | **54,490** | **37** | **49,154** | **861** | **336,162** |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation at 1 April 2024 - brought forward** | **0** | **0** | **0** | **0** | **38,952** | **86** | **25,755** | **2,407** | **67,200** |
| Provided during the year | 0 | 8,715 | 355 | 0 | 4,684 | 5 | 5,682 | 74 | **19,515** |
| Impairments | 0 | (3,527) | 0 | 0 | 0 | 0 | 0 | 0 | **(3,527)** |
| Reversals of impairments | 0 | (45) | 0 | 0 | 0 | 0 | 0 | 0 | **(45)** |
| Revaluations | 0 | (5,143) | (355) | 0 | 0 | 0 | 0 | 0 | **(5,498)** |
| Disposals / derecognition | 0 | 0 | 0 | 0 | (17,230) | (85) | (9,523) | (1,975) | **(28,813)** |
| **Accumulated depreciation at 31 March 2025** | **0** | **0** | **0** | **0** | **26,406** | **6** | **21,914** | **506** | **48,832** |
|  |  |  |  |  |  |  |  |  |  |
| **Net book value at 31 March 2025** | **8,122** | **194,289** | **6,508** | **22,701** | **28,084** | **31** | **27,240** | **355** | **287,330** |
| **Net book value at 1 April 2024** | **7,722** | **193,696** | **5,783** | **27,488** | **20,203** | **36** | **24,065** | **172** | **279,165** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 10.2 Property, plant and equipment - 2023/24** |  |  |  |  |  |  |  |  |  |
|  | **Land** | **Buildings excluding dwellings** | **Dwellings** | **Assets under construction** | **Plant & machinery** | **Transport equipment** | **Information technology** | **Furniture & fittings** | **Total** |
|  | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Valuation / gross cost at 1 April 2023 - brought forward** | **7,997** | **196,668** | **5,833** | **18,869** | **52,594** | **86** | **47,400** | **2,579** | **332,026** |
| Additions | 0 | 3,785 | 0 | 21,107 | 2,823 | 0 | 571 | 0 | **28,286** |
| Impairments | (399) | (8,169) | (111) | 0 | 0 | 0 | (165) | 0 | **(8,844)** |
| Reversals of impairments | 5 | 45 | 0 | 0 | 0 | 0 | 0 | 0 | **50** |
| Revaluations | 119 | (3,777) | 61 | 0 | 0 | 0 | 0 | 0 | **(3,597)** |
| Reclassifications | 0 | 5,144 | 0 | (12,488) | 4,509 | 36 | 2,799 | 0 | **0** |
| Disposals / derecognition | 0 | 0 | 0 | 0 | (771) | 0 | (785) | 0 | **(1,556)** |
| **Valuation/gross cost at 31 March 2024** | **7,722** | **193,696** | **5,783** | **27,488** | **59,155** | **122** | **49,820** | **2,579** | **346,365** |
|  |  |  |  |  |  |  |  |  |  |
| **Accumulated depreciation at 1 April 2023 - brought forward** | **0** | **0** | **0** | **0** | **36,267** | **86** | **21,537** | **2,326** | **60,216** |
| Provided during the year | 0 | 8,654 | 341 | 0 | 3,456 | 0 | 5,003 | 81 | **17,535** |
| Revaluations | 0 | (8,654) | (341) | 0 | 0 | 0 | 0 | 0 | **(8,995)** |
| Disposals / derecognition | 0 | 0 | 0 | 0 | (771) | 0 | (785) | 0 | **(1,556)** |
| **Accumulated depreciation at 31 March 2024** | **0** | **0** | **0** | **0** | **38,952** | **86** | **25,755** | **2,407** | **67,200** |
|  |  |  |  |  |  |  |  |  |  |
| **Net book value at 31 March 2024** | **7,722** | **193,696** | **5,783** | **27,488** | **20,203** | **36** | **24,065** | **172** | **279,165** |
| **Net book value at 1 April 2023** | **7,997** | **196,668** | **5,833** | **18,869** | **16,327** | **0** | **25,863** | **253** | **271,810** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 10.3 Property, plant and equipment financing- 2024/25** | |  |  |  |  |  |  |  |  |
|  | **Land** | **Buildings excluding dwellings** | **Dwellings** | **Assets under construction** | **Plant & machinery** | **Transport equipment** | **Information technology** | **Furniture & fittings** | **Total** |
|  | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Owned - purchased | 8,122 | 194,289 | 6,508 | 17,253 | 26,778 | 31 | 27,240 | 353 | 280,574 |
| Owned - donated/granted | 0 | 0 | 0 | 5,448 | 1,306 | 0 | 0 | 2 | 6,756 |
| **Net book value at 31 March 2025** | **8,122** | **194,289** | **6,508** | **22,701** | **28,084** | **31** | **27,240** | **355** | **287,330** |
|  |  |  |  |  |  |  |  |  |  |
| **Note 10.4 Property, plant and equipment financing- 2023/24** | |  |  |  |  |  |  |  |  |
|  | **Land** | **Buildings excluding dwellings** | **Dwellings** | **Assets under construction** | **Plant & machinery** | **Transport equipment** | **Information technology** | **Furniture & fittings** | **Restated Total** |
|  | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Owned - purchased | 7,722 | 193,696 | 5,783 | 27,488 | 19,195 | 36 | 24,065 | 172 | 278,157 |
| Owned - donated/granted | 0 | 0 | 0 | 0 | 1,008 | 0 | 0 | 0 | 1,008 |
| **Net book value at 31 March 2024** | **7,722** | **193,696** | **5,783** | **27,488** | **20,203** | **36** | **24,065** | **172** | **279,165** |

**Note 11 Donations of property, plant and equipment**

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 11.1 Donations** |  |  |  |
|  | **2024/25** |  | **2023/24** |
| **Donations** | **£000** |  | **£000** |
| Additions - donations of physical assets (non-cash) | 0 |  | 0 |
| Additions - assets purchased from cash donations/grants1 | 5,813 |  | 228 |
| **Total Donations** | **5,813** |  | **228** |

1All grants and donations were restricted to fund specific equipment or outcomes including £5,319k for decarbonisation works only.

**Note 12 Revaluations and impairments of property, plant and equipment**

|  |  |  |  |
| --- | --- | --- | --- |
| The date of the latest valuation of land, buildings and dwellings was 31 March 2025.  The valuation was carried out by an externally appointed independent RICS qualified valuer. Land and non-specialised buildings have been valued at market value for existing use and specialised buildings at depreciated replacement cost on a modern equivalent asset basis. See note 1.6.2 for more detail. Information on the economic life of property, plant and equipment is included in the accounting policies.  The overall impact of the valuation exercise was an increase of £2,630k, £6,929k revaluation net of £4,299k impairments. | | | |
| **Note 12.1 Revaluations** |  |  |  |
|  | **2024/25** |  | **2023/24** |
| **Changes in market price** | **£000** |  | **£000** |
| Land | 610 |  | 119 |
| Buildings including dwellings | 6,319 |  | 5,279 |
| **Total Revaluations** | **6,929** |  | **5,398** |
|  |  |  |  |
|  |  |  |  |
| **Note 12.2 Impairments** |  |  |  |
|  |  |  |  |
| In 2024/25 a net impairment of £4,691k has occurred, this is net of £24k of impairment reversals relating to the revaluation of The Trust Estate. | | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| Impairment - dwellings1 | 206 |  | 0 |
| Impairment - revaluation | 4,307 |  | 8,623 |
| **Impairments charged to revaluation reserve** | **4,513** |  | **8,623** |
|  |  |  |  |
| Unforeseen obsolescence | 186 |  | 165 |
| Changes in market price - revaluation | (8) |  | 6 |
| **Total net impairments charged to operating expenditure** | **178** |  | **171** |
|  |  |  |  |
| **Total Net Impairments** | **4,691** |  | **8,794** |
| 1Properties revalued in year at market value by Estate Agent before being reclassified as held for sale. | | | |

**Note 13 Right of use assets**

|  |  |  |  |
| --- | --- | --- | --- |
| **Note 13.1 Right of use assets - 2024/25** |  |  |  |
|  | **Property  (land and buildings)** | **Plant & machinery** | **Total** |
|  | **£000** | **£000** | **£000** |
| **Valuation/gross cost at 1 April 2024 - brought forward** | **2,235** | **1,654** | **3,889** |
| Additions | 0 | 0 | 0 |
| Disposals / derecognition | (208) | (1,654) | (1,862) |
| **Valuation/gross cost at 31 March 2025** | **2,027** | **0** | **2,027** |
|  |  |  |  |
| **Accumulated depreciation at 1 April 2024 - brought forward** | **336** | **1,587** | **1,923** |
| Provided during the year | 307 | 67 | 374 |
| Disposals / derecognition | (208) | (1,654) | (1,862) |
| **Accumulated depreciation at 31 March 2025** | **435** | **0** | **435** |
|  |  |  |  |
| **Net book value at 31 March 2025** | **1,592** | **0** | **1,592** |
| **Net book value at 1 April 2024** | **1,899** | **67** | **1,966** |
|  |  |  |  |
| ***of which*** |  |  |  |
| *Net book value of right of use assets leased from other DHSC group bodies* | *810* | *0* | *810* |
|  |  |  |  |
| **Note 13.2 Right of use assets - 2023/24** |  |  |  |
|  | **Property  (land and buildings)** | **Plant & machinery** | **Total** |
|  | **£000** | **£000** | **£000** |
| **Valuation/gross cost at 1 April 2023 - brought forward** | **208** | **1,618** | **1,826** |
| Additions | 1,602 | 36 | 1,638 |
| Movements in provisions for restoration / removal costs | 425 | 0 | 425 |
| Disposals / derecognition | 0 | 0 | 0 |
| **Valuation/gross cost at 31 March 2024** | **2,235** | **1,654** | **3,889** |
|  |  |  |  |
|  | **Property  (land and buildings)** | **Plant & machinery** | **Total** |
| **Accumulated depreciation at 1 April 2023 - brought forward** | 119 | 779 | 898 |
| Provided during the year | 217 | 808 | 1,025 |
| Disposals / derecognition | 0 | 0 | 0 |
| **Accumulated depreciation at 31 March 2024** | **336** | **1,587** | **1,923** |
|  |  |  |  |
| **Net book value at 31 March 2024** | **1,899** | **67** | **1,966** |
| **Net book value at 1 April 2023** | **89** | **839** | **928** |
|  |  |  |  |
| ***of which*** |  |  |  |
| *Net book value of right of use assets leased from other DHSC group bodies* | *909* | *0* | *909* |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 13.3 Reconciliation of the carrying value of lease liabilities** | | | | | | | | | | | | | | |
| Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 20. | | | | | | | | | | | | | | |
|  | | **2024/25** | | |  | **2023/24** | | |  |  | |  | |  |
|  | | **£000** | | |  | **£000** | | |  |  | |  | |  |
| **Carrying value at 1 April - brought forward** | | **1,523** | | |  | **869** | | |  |  | |  | |  |
| Lease additions | | 0 | | |  | 1,638 | | |  |  | |  | |  |
| Lease liability remeasurements | | 0 | | |  | 0 | | |  |  | |  | |  |
| Interest charge arising in year | | 49 | | |  | 38 | | |  |  | |  | |  |
| Early terminations | | 0 | | |  | 0 | | |  |  | |  | |  |
| Lease payments (cash outflows) | | (305) | | |  | (1,022) | | |  |  | |  | |  |
| Other changes | | 0 | | |  | 0 | | |  |  | |  | |  |
| **Carrying value at 31 March** | | **1,267** | | |  | **1,523** | | |  |  | |  | |  |
|  | |  | | |  |  | | |  |  | |  | |  |
| Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. | | | | | | | | | | | | | | |
| These payments are disclosed in Note 5 Operating expenses.  Cash outflows in respect of leases recognised on statement of financial position are disclosed in the reconciliation above. | | | | | | | | | | | | | | |
|  | |  | | |  |  | | |  |  | |  | |  |
| **Note 13.4 Maturity analysis of future lease payments** | | | | | | | | |  |  | |  | |  |
|  | |  | | |  |  | | |  |  | |  | |  |
|  |  | |  |  | | |  | \*Restated | | | | |
|  | **Total** | |  | Of which leased from DHSC group bodies: | | |  | **Total** | |  | Of which leased from DHSC group bodies: | |
|  | **31 March 2025** | |  | **31 March 2025** | | |  | **31 March 2024** | |  | **31 March 2024** | |
|  | **£000** | |  | **£000** | | |  | **£000** | |  | **£000** | |
| **Undiscounted future lease payments payable in:** |  | |  |  | | |  |  | |  |  | |
| - not later than one year; | 234 | |  | 103 | | |  | 271 | |  | 113 | |
| - later than one year and not later than five years; | 944 | |  | 575 | | |  | 1,102 | |  | 566 | |
| - later than five years. | 248 | |  | 248 | | |  | 359 | |  | 359 | |
| **Total gross future lease payments** | **1,426** | |  | **926** | | |  | **1,732** | |  | **1,038** | |
| Finance charges allocated to future periods | (159) | |  | (126) | | |  | (209) | |  | (156) | |
| **Net lease liabilities at 31 March** | **1,267** | |  | **800** | | |  | **1,523** | |  | **882** | |

\*balances have been restated as maturity previously reported net with zero finance changes in error.

**Note 14 Non-current assets held for sale**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| **NBV of non-current assets held for sale at 1 April** | 0 |  | 0 |
| Assets classified as available for sale in the year | 425 |  | 0 |
| **NBV of non-current assets held for sale at 31 March** | **425** |  | **0** |
|  |  |  |  |
| 24 Frederick Road, 32 Frederick Road and 12 Shakespeare Road previously held as land and buildings non-current assets have been reclassified in year as held for sale.  The offsite properties used for staff accommodation have been vacant for some time with the condition deteriorating beyond reasonable use without the need for material investment.  The decision has been made to sell rather than invest.  The properties condition limits sale by private treaty therefore each will be listed for sale at auction in 2025/26 with the expectation a sale will be finalised and proceeds received before that years financial end. | | | |
|  |  |  |  |

**Note 15 Trade and other receivables**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| **Current** |  |  |  |
| Contract receivables1 | 32,943 |  | 28,370 |
| Capital receivables2 | 3,463 |  | 0 |
| Allowance for impaired contract receivables | (4,647) |  | (4,401) |
| Prepayments3 | 5,508 |  | 4,179 |
| Interest receivable | 85 |  | 108 |
| PDC dividend receivable | 358 |  | 16 |
| VAT receivable | 748 |  | 793 |
| Clinician pension tax provision reimbursement funding from NHSE | 10 |  | 6 |
| Other receivables | 190 |  | 503 |
| **Total current trade and other receivables** | **38,658** |  | **29,574** |
|  |  |  |  |
| **Non-current** |  |  |  |
| Contract receivables1 | 552 |  | 519 |
| Allowance for impaired contract receivables | (135) |  | (120) |
| Clinician pension tax provision reimbursement funding from NHSE | 374 |  | 358 |
| **Total non-current trade and other receivables** | **791** |  | **757** |
| **Total Receivables** | **39,449** |  | **30,331** |
|  |  |  |  |
| **Of which receivables from NHS and DHSC group bodies:** |  |  |  |
| Current | 20,612 |  | 20,154 |
| Non-current | 374 |  | 358 |
|  |  |  |  |
| 1Contract receivables includes invoiced £20,674k (2023/24 £17,045k) and uninvoiced accruals of £12,269k (2023/24 £11,325k). Included in uninvoiced is £3,508k HMRC anticipated settlement for Brockenhurst case appeal to be heard in the UK Supreme Court in April 2025  2Capital receivables relates to Salix grant for site decarbonisation. | | | |
| 3Prepayments includes £446k for the Trust Lease Car scheme launched in 2023/24 (2023/24 £227k). | | | |
|  |  |  |  |
| **Note 15.1 Allowances for credit losses** |  |  |  |
|  |  |  |  |
|  | **Contract receivables and contract assets** | | |
|  | **2024/25** |  | **2023/24** |
|  | **£000** |  | **£000** |
| **Allowances as at 1 April - brought forward** | **4,521** |  | **4,203** |
| New allowances arising | 1,331 |  | 1,349 |
| Reversals of allowances | (522) |  | (507) |
| Utilisation of allowances | (548) |  | (524) |
| **Allowances as at 31 March** | **4,782** |  | **4,521** |
|  |  |  |  |
| **Loss recognised in expenditure** | **809** |  | **842** |

The impairment allowance relates to £4,140k non-NHS (2023/24 £3,975k) and £642k Injury Cost Recovery Scheme (2023/24 £546k) receivables only. Intra-Group receivables are deemed to be risk free as they are backed by a guarantee from the Department of Health and Social Care.

**Note 16 Inventories**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **2024/25** |  | **2023/24** |
|  |  | **£000** |  | **£000** |
| Drugs |  | 1,884 |  | 1,562 |
| Consumables |  | 4,846 |  | 4,992 |
| **Total inventories** |  | **6,730** |  | **6,554** |
| **of which:** |  |  |  |  |
| Held at lower of cost and NRV |  | 6,730 |  | 6,554 |
|  |  |  |  |  |
| Inventories recognised in expenses for the year were £80,869k (2023/24: £71,321k) | | | | |

**Note 17 Cash and cash equivalents**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 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. | | | | |
|  |  | **2024/25** |  | **2023/24** |
|  |  | **£000** |  | **£000** |
| **At 1 April** |  | **21,042** |  | **34,742** |
| Net change in year |  | (7,762) |  | (13,700) |
| **At 31 March** |  | **13,280** |  | **21,042** |
| **Broken down into:** |  |  |  |  |
| Cash at commercial banks and in hand |  | 39 |  | 57 |
| Cash with the Government Banking Service |  | 13,241 |  | 20,985 |
| **Total cash and cash equivalents as in Statement of Financial Position** | | **13,280** |  | **21,042** |

**Note 18 Trade and other payables**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **2024/25** |  | **2023/24** | |
|  |  |  |  |  | **£000** |  | **£000** |
| **Current** |  |  |  |  |  |  |  |
| Trade payables |  |  |  |  | 28,559 |  | 26,098 |
| Capital payables1 |  |  |  |  | 10,039 |  | 10,792 |
| Accruals |  |  |  |  | 10,106 |  | 8,888 |
| Social security costs |  |  |  |  | 3,442 |  | 3,525 |
| Other taxes payable |  |  |  |  | 3,890 |  | 3,860 |
| Pensions contributions payable |  |  |  |  | 3,870 |  | 3,598 |
| Other payables |  |  |  |  | 1,113 |  | 776 |
| **Total current trade and other payables** |  |  |  |  | **61,019** |  | **57,537** |
|  |  |  |  |  |  |  |  |
| **Of which payables from NHS and DHSC group bodies:** | |  |  |  |  |  |  |
| Current |  |  |  |  | 21,744 |  | 15,437 |
| Non-current |  |  |  |  | 0 |  | 0 |
|  |  |  |  |  |  |  |  |
| 1Includes £1,729k of capital accruals (2023/24 £6,658k) | | | | | | | |
|  |  |  |  |  |  |  |  |
| **Note 18.1 Better Payment Practice Code** |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | **2024/25** |  | **2024/25** |  | **2023/24** |  | **2023/24** |
|  | **Number** |  | **£000** |  | **Number** |  | **£000** |
| **Non-NHS Payables** |  |  |  |  |  |  |  |
| Total non-NHS trade invoices paid in the year | 62,516 |  | 156,559 |  | 66,316 |  | 148,397 |
| Total non-NHS trade invoices paid within target | 55,446 |  | 142,882 |  | 63,656 |  | 144,198 |
| Percentage of non-NHS trade invoices paid within target | 88.7% |  | 91.3% |  | 96.0% |  | 97.2% |
|  |  |  |  |  |  |  |  |
| **NHS Payables** |  |  |  |  |  |  |  |
| Total NHS trade invoices paid in the year | 1,231 |  | 38,733 |  | 1,092 |  | 33,651 |
| Total NHS trade invoices paid within target | 1,145 |  | 38,274 |  | 1,034 |  | 33,155 |
| Percentage of NHS trade invoices paid within target | 93.0% |  | 98.8% |  | 94.7% |  | 98.5% |
|  |  |  |  |  |  |  |  |
| The Better Payment Practice code requires that 95% of all valid invoices are paid by the due date or within 30 days of receipt of valid invoice, whichever is later. | | | | | | | |
|

**Note 19 Other Liabilities**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | **2024/25** |  | **2023/24** |
|  |  |  |  |  | **£000** |  | **£000** |
| **Current** |  |  |  |  |  |  |  |
| Deferred income: contract liabilities |  |  |  |  | 852 |  | 881 |
| **Total other current liabilities** |  |  |  |  | **852** |  | **881** |

**Note 20 Borrowings**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | **2024/25** |  | **2023/24** |  |
|  |  |  |  |  |  | **£000** |  | **£000** |  |
| **Current** | | |  |  |  |  |  |  |  |
| Capital Loans from the Department of Health and Social Care1 | | |  |  |  | 134 |  | 135 |  |
| Lease liabilities | | |  |  |  | 195 |  | 223 |  |
| **Total current borrowings** | | |  |  |  | **329** |  | **358** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Non-current** | | |  |  |  |  |  |  |  |
| Capital Loans from the Department of Health and Social Care | | |  |  |  | 1,645 |  | 1,772 |  |
| Lease liabilities | | |  |  |  | 1,072 |  | 1,300 |  |
| **Total non-current borrowings** | | |  |  |  | **2,717** |  | **3,072** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total borrowings** | |  |  |  |  | **3,046** |  | **3,430** |  |
| 1Includes £8k (2023/24 £9k) of interest payable in accordance with IFRS9. | | | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Note 20.1 Reconciliation of liabilities arising from financing activities** | | | |  |  |
|  |  |  |  |  |  |
|  |  |  | **TOTAL** | **DHSC Loans** | **Lease Liabilities** |
|  |  |  | **£000** | **£000** | **£000** |
| **Carrying value at 1 April 2024** | |  | **3,430** | **1,907** | **1,523** |
| **Cash movements:** | |  |  |  |  |
| Financing cash flows - payments and receipts of principal | |  | (382) | (126) | (256) |
| Financing cash flows - payments of interest | |  | (73) | (24) | (49) |
| **Non-cash movements:** | |  |  |  |  |
| Interest charge arising in year (application of effective interest rate) | |  | 71 | 22 | 49 |
| **Carrying value at 31 March 2025** | |  | **3,046** | **1,779** | **1,267** |
|  |  |  |  |  |  |
|  |  |  | **TOTAL** | **DHSC Loans** | **Lease Liabilities** |
|  |  |  | **£000** | **£000** | **£000** |
| **Carrying value at 1 April 2023** |  |  | **2,903** | **2,034** | **869** |
| **Cash movements:** | |  |  |  |  |
| Financing cash flows - payments and receipts of principal | |  | (1,110) | (126) | (984) |
| Financing cash flows - payments of interest | |  | (64) | (26) | (38) |
| **Non-cash movements:** | |  |  |  |  |
| Additions | |  | 1,638 | 0 | 1,638 |
| Interest charge arising in year (application of effective interest rate) | |  | 63 | 25 | 38 |
| **Carrying value at 31 March 2024** |  |  | **3,430** | **1,907** | **1,523** |
|  |  |  |  |  |  |

**Note 21 Provisions for liabilities and charges**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Pensions relating to staff** | **Legal claims** | **Other** |  | **Total** |
|  | **£000** | **£000** | **£000** |  | **£000** |
| **At 1 April 2024** | **593** | **210** | **789** |  | **1,592** |
| Change in the discount rate | 2 | 0 | (4) |  | **(2)** |
| Arising during the year | 84 | 104 | 10 |  | **198** |
| Utilised during the year | (79) | (38) | (5) |  | **(122)** |
| Reversed unused | (23) | (106) | 0 |  | **(129)** |
| Unwinding of discount | 11 | 0 | 19 |  | **30** |
| **At 31 March 2025** | **588** | **170** | **809** |  | **1,567** |
| **Expected timing of cash flows:** |  |  |  |  |  |
| - not later than one year; | 70 | 169 | 10 |  | **249** |
| - later than one year and not later than five years | 296 | 0 | 43 |  | **339** |
| - later than five years. | 222 | 1 | 756 |  | **979** |
| **Total** | **588** | **170** | **809** |  | **1,567** |
|  |  |  |  |  |  |
| The provision for pensions relating to staff reflects the liabilities due to early retirements prior to 6 March 1995. The legal claims provision reflects liabilities arising from Public and Employee Liability claims. Other provisions are for dilapidations and onerous contracts. | | | | | |
|  |  |  |  |  |  |
|  | **Pensions relating to staff** | **Legal claims** | **Other** |  | **Total** |
|  | **£000** | **£000** | **£000** |  | **£000** |
| **At 1 April 2023** | **673** | **176** | **701** |  | **1,550** |
| Change in the discount rate | (28) | 0 | (79) |  | **(107)** |
| Arising during the year | 73 | 112 | 425 |  | **610** |
| Utilised during the year | (81) | (10) | (4) |  | **(95)** |
| Reversed unused | (53) | (68) | (278) |  | **(399)** |
| Unwinding of discount | 9 | 0 | 24 |  | **33** |
| **At 31 March 2024** | **593** | **210** | **789** |  | **1,592** |
| **Expected timing of cash flows:** |  |  |  |  |  |
| - not later than one year | 69 | 210 | 6 |  | **285** |
| - later than one year and not later than five years | 524 | 0 | 358 |  | **882** |
| - later than five years. | 0 | 0 | 425 |  | **425** |
| **Total** | **593** | **210** | **789** |  | **1,592** |
|  |  |  |  |  |  |
|  | | | | | |
| **Note 21.1 Clinical negligence liabilities** | | | | | |
| At 31 March 2025, £190,177k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Medway NHS Foundation Trust (31 March 2024: £160,205k). | | | | | |

**Note 22 Contingent assets and liabilities**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **2024/25** |  | **2023/24** |
|  |  |  | **£000** |  | **£000** |
| **Value of contingent liabilities** |  |  |  |  |  |
| NHS Resolution legal claims |  |  | (41) |  | (52) |
| **Gross value of contingent liabilities** |  |  | **(41)** |  | **(52)** |
| Amounts recoverable against liabilities |  |  | 0 |  | 0 |
| **Net value of contingent liabilities** |  |  | **(41)** |  | **(52)** |
| **Net value of contingent assets** |  |  | 0 |  | **0** |

**Note 23 Financial instruments**

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. The Trust actively seeks to minimise its financial risks. In line with this policy, the Trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

**Interest-rate risk**

All of the Trust's financial liabilities carry nil or fixed rates of interest. The only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk. There is no change in interest-rate risk from the prior year.

**Foreign currency risk**

The Trust has negligible foreign currency income or expenditure. There is no change in foreign currency risk from the prior year.

**Credit risk**

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations. There is therefore little risk that one party will fail to discharge its obligations with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payments by Results regime. For this reason, the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security. The Trust’s maximum exposures to credit risk at 31 March 2025 are in receivables from customers, as disclosed in the trade and other receivables note. There is no material change in credit risk from the prior year.

**Liquidity risk**

The Trust's net operating costs are incurred under contracts NHS England and Integrated care boards, which are financed from resources voted annually by Parliament. The Trust received such contract income in accordance with Block contracts agreed with Commissioners and receives cash each month based on that contract.

Financial shortfalls incurred in day to day activities are financed by revenue support loans received from the Department of Health.

The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow from the Department of Health and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area. There is no material change in liquidity risk from the prior year.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note 23.1 Carrying values of financial assets** |  |  |  | |  | |  | |
|  |  | **Held at amortised cost** | |  | | **Total book value** | |
| **Carrying values of financial assets as at 31 March 2025** | |  | **£000** | |  | | **£000** | |
|  |  | |  | |  | |
| Trade and other receivables excluding non-financial assets | |  | 32,834 | |  | | **32,834** | |
| Cash and cash equivalents at bank and in hand | |  | 13,280 | |  | | **13,280** | |
| **Total at 31 March 2025** |  |  | **46,114** | |  | | **46,114** | |
|  |  |  |  | |  | |  | |
|  |  | **Held at amortised cost** | |  | | **Total book value** | |
| **Carrying values of financial assets as at 31 March 2024** | |  | **£000** | |  | | **£000** | |
|  |  | |  | |  | |
| Trade and other receivables excluding non-financial assets | |  | 25,341 | |  | | 25,341 | |
| Cash and cash equivalents at bank and in hand | |  | 21,042 | |  | | 21,042 | |
| **Total at 31 March 2024** |  |  | 46,383 | |  | | 46,383 | |
|  |  |  |  | |  | |  | |
| **Note 23.2 Carrying value of financial liabilities** |  |  |  | |  | |  | |
|  |  | **Held at amortised cost** | |  | | **Total book value** | |
|  |  |  | **£000** | |  | | **£000** | |
| **Carrying values of financial liabilities as at 31 March 2025** | |  |  | |  | |  | |
| Loans from the Department of Health and Social Care | |  | 1,779 | |  | | 1,779 | |
| Obligations under finance leases |  |  | 1,267 | |  | | 1,267 | |
| Trade and other payables excluding non-financial liabilities | |  | 49,564 | |  | | 49,564 | |
| **Total at 31 March 2025** |  |  | 52,610 | |  | | 52,610 | |
|  | | | | | | | |
|  |  | **\***Restated  **Held at amortised cost** | |  | | **Restated**  **Total book value** | |
|  |  |  | **£000** | |  | | **£000** | |
| **Carrying values of financial liabilities as at 31 March 2024** | |  |  | |  | |  | |
| Loans from the Department of Health and Social Care | |  | 1,907 | |  | | 1,907 | |
| Obligations under finance leases |  |  | 1,523 | |  | | 1,523 | |
| Trade and other payables excluding non-financial liabilities | |  | 49,586 | |  | | 49,586 | |
| **Total at 31 March 2024** |  |  | **53,016** | |  | | 53,016 | |
|  |  |  |  | |  | |  | |
| **Note 23.3 Maturity of financial liabilities** | | | | | | | |
| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  |  |  |  |  | \*Restated | |  |  |  | **2024/25** |  | **2023/24** | |  |  |  | **£000** |  | **£000** | | In one year or less | |  | 49,948 |  | 50,007 | | In more than one year but not more than five years | |  | 1,662 |  | 1,852 | | In more than five years | |  | 1,329 |  | 1,709 | | **Total undiscounted financial liabilities** | |  | **52,939** |  | **53,568** | | \*balances within notes 23.2 and 23.3 have been restated to exclude pension related provisions previously classified as financial liabilities in error. | | | | | |   **Note 23.4 Fair values of financial assets and liabilities**  All financial assets and liabilities are held at book value which is deemed to be a reasonable approximation of fair value | | | | | | | |

**Note 24 Losses and special payments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2024/25** | |  | **2023/24** | |
|  | **Total number of cases** | **Total value of cases** |  | **Total number of cases** | **Total value of cases** |
|  | **Number** | **£000** |  | **Number** | **£000** |
|  |  |  |  |  |  |
| **Losses** |  |  |  |  |  |
| Fruitless payments | 1 | 6 |  | 1 | 9 |
| Bad debts and claims abandoned | 111 | 292 |  | 115 | 85 |
| Stores losses and damage to property | 13 | 315 |  | 14 | 161 |
| **Total losses** | **125** | **613** |  | **130** | **255** |
| **Special payments** |  |  |  |  |  |
| Ex-gratia payments | 24 | 130 |  | 17 | 48 |
| Special severance payments | 0 | 0 |  | 0 | 0 |
| Extra-statutory and extra-regulatory payments | 0 | 0 |  | 0 | 0 |
| **Total special payments** | **24** | **130** |  | **17** | **48** |
| **Total losses and special payments** | **149** | **743** |  | **147** | **303** |

**Note 25 Gifts**

No gifts of more than £300,000 have been declared in 2024/25 or in the prior year 2023/24.

**Note 26 Third party assets**

The Trust held £0k cash at bank and in hand at 31 March 2025 (£0k at 31 March 2024) which relates to monies held on behalf of patients.

**Note 27 Public Dividend Capital payable**

The Trust is required to demonstrate that the PDC dividend payable is in line with the actual rate of 3.5% of average relevant net assets £9,233k is payable this year (£8,835k 2023/24).

**Note 28 Capital commitments**

There are capital commitments in 2024/25 totalling £10,337k to report (£3,233k in 2023/24).

**Note 29 Related parties**

The Medway NHS Foundation Trust is a corporate body established by order of the Secretary of State for Health and Social Care.

The Department of Health and Social Care is the parent department of the Medway NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department.

These entities are listed generally below and specifically were the value of income or expenditure exceeds £1m

* Department of Health and Social Care ministers
* Board members of the Trust
* The Department of Health and Social Care
* Other NHS Providers
  + East Kent NHS Foundation Trust
  + Royal Surrey NHS Foundation Trust
  + Kent Community NHS Foundation Trust
  + Dartford and Gravesham NHS Trust
  + Maidstone and Tunbridge Wells NHS Trust
* NHS Commissioners
  + NHS England
  + NHS Kent and Medway ICB
  + NHS South East London ICB
* Other health bodies
  + NHS Resolution
  + NHS Property Services
* Other Government departments
  + HMRC
  + NHS Pensions
* Local authorities

Paragraph 25 of IAS 24 allows entities which are related parties because they are under the same government control to reduce the volume of the detailed disclosures so no further detail of transactions will be disclosed.

The following related party balances are disclosed below the threshold due to materiality within that organisation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **31st March 2025** | **31st March 2025** | **31st March 2024** | **31st March 2024** |
|  | **£'000** | **£'000** | **£'000** | **£'000** |
|  | **Income** | **Receivables** | **Income** | **Receivables** |
| Medway Hospital Charity | 421 | 0 | 269 | 0 |

**Note 30 Events after the reporting date**

There are currently no events after the reporting date