MTW
Exceptional people, outstanding care

NHS
Maidstone and Tunbridge Wells
NHS Trust

# Annual Report and Accounts

2024-2025

# Contents



# Performance report 2024-25



## A message from the Chief Executive

When I look back over the last 12 months there is a great deal to be proud of at Maidstone and Tunbridge Wells NHS Trust (MTW). This annual report reflects not only the Trust's strong performance but also the resilience and commitment shown by colleagues in delivering high-quality care to the communities we serve.

From tackling the ongoing challenges of elective recovery and sustained levels of demand, to developing services and embracing digital innovation, our teams have worked hard to improve patient outcomes and foster a culture of continuous improvement.

In May 2024 the Trust welcomed Dr Annette Doherty OBE FRSC as our new Chair. With over 35 years of international experience in the pharmaceutical sector and her role as President of the Royal Society of Chemistry, Dr Doherty brings invaluable expertise and leadership to our organisation. Alongside her role at MTW, Dr Doherty has also become Chair at East Kent Hospitals University NHS Foundation Trust (EKHUFT) and this offers an exciting opportunity for greater collaboration between the trusts as we work to improve and develop NHS services.

I am pleased to report that throughout the year MTW has demonstrated notable performance against national healthcare standards:

- Emergency Department (A&E): MTW consistently ranked among the top five trusts in England for A&E performance, effectively managing high patient volumes and ensuring timely care.
- Cancer Treatment: The Trust maintained compliance with all cancer standards, including the delivery of the 62-day cancer standard for five years.
- Planned Operations and Care: MTW successfully eliminated long waits for planned procedures, becoming one of the few trusts in England with no patients waiting over 52 weeks for treatment. The opening of a number of new facilities has also enabled the Trust to treat 2,000 long waiting patients from across Kent and Medway.

This performance has been supported by the significant progress we have made during the year to expand and modernise facilities. We have delivered a number of major capital projects, all designed to improve access, capacity, and quality of care.

- In April 2024, the Trust acquired Spire Tunbridge Wells Hospital, (renamed Fordcombe Hospital) increasing diagnostic and surgical capacity through its two theatres, 28 inpatient and day beds, and imaging services.
- The new, purpose-built Hyper Acute Stroke Unit (HASU) and Acute Stroke Unit (ASU) at Maidstone Hospital was formally opened in May 2024. This provides a centralised, high-performing stroke service with rapid access to specialist diagnostics, treatment, and rehabilitation—improving outcomes for patients across Kent and Medway and increasing our capacity to over 1,200 patients annually.
- The new Kent and Medway Orthopaedic Centre at Maidstone Hospital opened in September 2024 and contains three open-plan laminar flow theatres, a 14-bed inpatient ward, and a 10-bed day case ward. In December the Chancellor of the Exchequer, Rachel Reeves MP, visited the centre and heard about the impact the facility is making on capacity (providing an additional 2,000 operations a year) and the reduction on regional waiting times.
- The final phase of the West Kent Community Diagnostic Centre near Maidstone Hospital was completed in March 2025. This significantly enhances access to imaging, cardiology, and other diagnostic services - supporting earlier diagnosis and more convenient care pathways.
- In the same month construction was also completed on The Undergraduate Medical Building on the Tunbridge Wells Hospital site. This investment provides dedicated academic and accommodation facilities and supports the training of future clinicians in a modern, integrated environment and strengthens MTW's commitment to growing and developing the local NHS workforce.

Over the last year we have also made significant progress in our maternity improvement programme. This was put in place following a Care Quality Commission inspection of Maternity services in 2023 and the Trust was re-inspected in October 2024. This was an opportunity for inspectors to see the impact of the programme and I am pleased they recognised the culture of learning and improvement in the service. While we have made good progress, we are continuing to focus on areas where we need to improve.

Our ongoing commitment to innovation is evident in a number of programme developments. The Virtual Ward service cared for its 1,000th patient in August 2024, delivering hospital-level care to patients in the comfort of their homes. This approach has not only improved patient satisfaction but also improved flow through our hospitals. Additionally, the implementation of the Patients Know Best (PKB) portal has enabled more than 160,000 patients to manage their healthcare digitally, aligning with our sustainability goals by significantly reducing paper usage. The continued development of our electronic prescribing and medicines administration system across MTW has enhanced patient safety and streamlined clinical workflows. The introduction of a new e-rostering platform has also improved staff scheduling, promoting better work-life balance and reducing the need for agency staff.

Through prudent management and a commitment to efficiency, we have also made significant strides in our financial planning, ensuring that resources are directed where they are needed most - to patient care. The Trust achieved its financial performance requirement with a surplus of £0.2m in 2024/25 on a turnover of £831.0m. Our strong, long-term financial performance has now seen us deliver a surplus position for the last seven years, enabling us to continue to invest in services and facilities. During this period the Trust has also delivered a significant Cost Improvement Programme (CIP), including CIPs totalling £34.3 million. This improvement in CIP delivery was a result of a financial improvement programme that focussed on controls, financial training and transformation programmes. In 2025/26 we face a financial challenge across the Kent and Medway system and the Trust will be working to deliver its largest ever CIP of £49 million and £23 million of savings from work across Kent and Medway System.

The NHS landscape is complex and evolving and as we look to the future I would like to extend my sincere thanks to our staff, patients, partners and the wider communities we serve for their ongoing trust and support. We are all excited to build on the momentum of the last year, ensuring that MTW continues to serve our communities with excellence and compassion.

Miles Scott

Chief Executive

## A message from the Chair of the Trust Board

As I reflect upon my inaugural year as Chair at Maidstone and Tunbridge Wells NHS Trust (MTW), I am proud of our collective achievements and the progress we have made. While we know there is more work to be done, the last 12 months saw a number of significant milestones which reflect our commitment to delivering exceptional healthcare services.

I am delighted to see the progress we have made in the areas of research, innovation and collaborative working. Over the past year we have strengthened our commitment to improving patient care through the adoption of cutting-edge technologies, forward-thinking research initiatives and partnerships that enable us to deliver the highest standards of health care.

Our focus on innovation was highlighted by the successful introduction of robotic-assisted surgery at both Maidstone and Tunbridge Wells hospitals. These advanced systems are not only transforming surgical practices but also enhancing recovery times and patient outcomes. This is just one example of how we are constantly seeking to improve and develop our clinical services.

Research has also been a cornerstone of our success, with more than 5,600 patients recruited to clinical trials and studies undertaken across different specialties. Our active participation in research initiatives not only helps us push the boundaries of medical knowledge but also ensures that the latest treatments and therapies are available to our patients. We are working with universities, academic institutions, and other healthcare providers to drive forward research that can make a tangible difference to the lives of those we care for.

Our collaborative approach also extends beyond our clinical services. We have strengthened our partnerships with local health organisations, commissioners, and patient groups to enhance the coordination and delivery of care across Kent and Medway. This year, we have worked hand-in-hand with neighbouring trusts to share best practices, align resources, and ensure that patients receive seamless, integrated care throughout their healthcare journey.

In addition to our achievements in research and innovation, I am pleased to report on the results of our most recent staff survey. The feedback from our workforce has ranked MTW one of the top ten hospital trusts in the country to work for, for the second year in a row. The results reflect our ongoing commitment to creating a supportive, inclusive environment where our staff feel valued, heard, and empowered to deliver the best possible care. We have taken actionable steps based on the survey findings, focusing on areas such as communication, career development, and work-life balance, to ensure our staff continue to thrive and feel supported in their roles.

As the NHS navigates a period of significant change, we remain deeply committed to prioritising the wellbeing of our staff and are dedicated to providing the necessary support to our teams. This focus will ensure our workforce feels equipped to adapt to these changes. This is crucial, not only for our staff's personal wellbeing but also for the quality of care they provide to our patients.

In my role as Chair of both MTW and East Kent Hospitals University NHS Foundation Trust I am privileged to oversee the progress and initiatives at both organisations. This dual responsibility allows for greater collaboration between trusts, fostering shared learning and best practices that can enhance healthcare delivery across Kent and Medway. It is a unique opportunity to use the strengths of each trust in the pursuit of improving care for all the communities we serve.

As we move forwards we do so with a clear commitment to excellence, innovation and patient centred care. Over the past year we have made progress in improving performance, productivity and operational efficiencies across our hospitals. Initiatives to enhance patient flow and streamline care pathways have resulted in reduced waiting times and improved access to services. At the same time our focus on research and innovation has grown, driving the adoption of new technologies and evidence-based approaches that are shaping the future of healthcare. These are all accomplishments which reflect the skill and dedication of our staff and the strength of our shared vision.

Thank you for your ongoing support as we build upon the progress we have made, navigate the challenges ahead and continue to improve services and deliver the highest standards of care to every patient.

Dr Annette Doherty OBE FRSC
Chair of the Trust Board

# The purpose and activities of Maidstone and Tunbridge Wells NHS Trust

## Performance Report

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

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

The format and context of the Annual Report and Accounts for 2024/25 have been prepared in line with the revisions published in the DHSC Group Accounting Manual 2024/25.

## A history of the Trust and its statutory background

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

## The purpose and activities of the Trust

The Trust's mission, as defined in its Strategy, is to be there for our patients and their families in their time of need, and to empower our staff so that they can feel proud and fulfilled in delivering the best care for our community. Through the Trust's vision of "Exceptional people, outstanding care", the Trust provides a full range of general hospital services and some areas of specialist complex care to around 600,000 people living in West Kent and East Sussex. It is the cancer centre for Kent and Medway and also providing some aspects of specialist care to a wider population of 2 million people. The Trust runs its own charity and works with several voluntary organisations for the benefit of its staff and the local population.

The Trust's core catchment areas are Maidstone and Tunbridge Wells and their surrounding boroughs. It employs over 8,000 staff (full and part-time staff). During 2024 the Trust acquired a 4$^{th}$ site located in Fordcombe, Tunbridge Wells. We continue to operate from our existing three sites (Maidstone Hospital, Tunbridge Wells Hospital and the Crowborough Birth Centre), and continue to manage services at Kent and Canterbury Hospital and outpatient services at several community locations.

In 2024, the Trust continued to operate in level 1 in the NHS Oversight Framework (NOF). The NOF provides a monitoring framework to support delivery across the NHS. It also ensures the priorities of partner organisations are aligned and partners work together to develop locally appropriate plans.

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

Tunbridge Wells Hospital is a Private Finance Initiative (PFI) hospital, and the majority of the site provides single bedded en-suite accommodation for inpatients in a modern, state of the art environment. It is a designated Trauma Unit, undertakes the Trust's emergency surgery and is the main site for Women's and Children's, and Orthopaedic services. The new Kent and Medway medical student accommodation and academic centre building was completed on the Tunbridge Wells site in March 2025 and opening due in April 2025.

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

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

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

The Trust's objectives and organisational structure are detailed elsewhere within this Annual Report.

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

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## Snapshot of 2024/25

| Month | Story | Division |
|---|---|---|
| **April 2024** | Chief pharmacist appointed to national advisory board | CCS |
| **May 2024** | New facilities for top performing Stroke Unit | MEC |
| **June 2025** | Trust recognised for support to armed forces community | All |
| **July 2024** | Nurses shortlisted in national awards | All |
| **August 2024** | Virtual ward cares for 1000th patient | All |
| **September 2024** | First patients treated at new multimillion-pound surgical centre | Surgery |
| **October 2024** | Trust welcomes first patients at Fordcombe Hospital | F&WH |
| **November 2024** | 135,000 patients manage appointments online with patient portal | All |
| **December 2024** | Chancellor of the Exchequer visits Maidstone Hospital | All |
| **January 2025** | Intensive Care Unit recognised for high quality patient care | Surgery |
| **February 2025** | Robot-assisted surgery reaches 100th patient milestone | Surgery |
| **March 2025** | Hounsfield Unit opens | CCS |

## April 2024 – Chief pharmacist appointed to national advisory board

Mildred Johnson, Chief Pharmacist and Clinical Director of Pharmacy and Medicines Optimisation, was appointed to the UK Pharmacy Professional Leadership Advisory Board.

One of nine independent expert members, Mildred plays a pivotal role in shaping and supporting the work of the Board, established by the Department of Health and Social Care to allow greater collaboration across pharmacy professional leadership bodies and specialist professional groups.

The Board's objectives include the development of independent prescribing as part of the initial education and training for pharmacists, and an expansion of the clinical role of pharmacy technicians.

## May 2024 – New facilities for top-performing stroke unit

Our Stroke Unit is providing some of the best facilities in the region, following the opening a new Hyper Acute Stroke Unit (HASU) and Acute Stroke Unit (ASU) at Maidstone Hospital.

The HASU is the first of three specialist units to open in Kent and Medway and is also home to a Stroke Assessment Bay - the first of its kind in Kent and Medway - where 90% of suspected stroke admissions are brought on arrival. This means patients do not need to go through the Emergency Department and can get the care they need in the right place at the right time.

With the new ASU, the Unit now has capacity to care for over 1,200 patients a year.

## June 2024 – Trust recognised for support to armed forces community

The care provided to veterans, reservists, members of the armed forces and their families was commended after the Trust was officially recognised with 'Veteran Aware' status by the Veterans Covenant Healthcare Alliance (VCHA), a group of NHS healthcare providers in England committed to providing the best standards of care for the armed forces community, based on the principles of the Armed Forces Covenant.

MTW also achieved a silver award in the Defence Employer Recognition Scheme, given to employers who have pledged to support the Armed Forces, signed the Armed Forces Covenant, promoted being Armed Forces-friendly and are open to employing reservists, veterans, cadet instructors and their partners.

## July 2024 – Nurses shortlisted in national awards

The work of nurses and nursing teams was recognised with nominations in three categories in the Nursing Times Awards. Vicky Williams, Lead Stroke Specialist Nurse at Maidstone Hospital, was shortlisted for 'Nurse Leader of the Year'. Learning Disability Liaison Nurse, Becky Hankin and Mental Capacity Act Clinical Nurse Specialist, Philippa Routs were shortlisted in the 'Learning Disabilities Nursing' category for their work developing pathways to support patients with learning disabilities, and the Infection Prevention and Control team were finalists in the 'Infection, Prevention and Control' category for their quality improvement project to prevent bloodstream infections by improving the care and management of peripheral cannulas.


## August 2024 – Virtual ward cares for 1000th patient

A milestone was reached for our virtual ward, which delivers hospital-level care in the comfort of patients' homes, as they marked their 1000th patient benefiting from the service.

Launching in 2022, the virtual ward helps reduce hospital admissions and allows certain patients to stay at home with their families while being monitored 24/7 by a centralised hub of expert clinicians near Maidstone Hospital.


Patients have commended the service for 'giving them their life back' and being able to attend important family events such as birthdays, safe in the knowledge that if they need help, our teams are on hand at the tap of a button.

## September 2024 – First patients treated at multimillion-pound surgical centre

A new, multimillion-pound orthopaedic hub opened at Maidstone Hospital.

The Kent and Medway Orthopaedic Centre has three state-of-the-art operating theatres, a 14-bed inpatient ward and a 10-bed day case ward, expanding capacity across Kent and Medway for routine orthopaedic operations.


The centre focuses on non-emergency orthopaedic surgery, helping deliver many more operations for patients from across the region, and reducing the length of time patients stay in hospital.

Bringing together these procedures in a dedicated orthopaedic centre improves quality and efficiency, and frees up space in other hospitals to focus on more complex procedures where patients need more specialist care.

## October 2024 – First patients welcomed at Fordcombe Hospital

The first patients were welcomed at Fordcombe Hospital following the Trust's purchase of the site. The hospital near Tunbridge Wells enables MTW to support the NHS across Kent and Medway by taking on a significant number of the longest waiting patients. The additional facilities the site provides have also enabled the Trust to increase capacity at our hospitals in Maidstone and Tunbridge Wells.


## November 2024 - 135,000 patients manage appointments online with patient portal

Just over a year since its launch, the Trust's patient portal had over 135,000 patients registered and nearly half a million appointment letter sheets of paper had been saved from print and post.

The portal has been helping users quickly and easily access their health information online, by viewing appointment details and letters, clinical correspondence and discharge notifications. Patients can easily request to cancel or reschedule an appointment, saving them time and avoiding calls to administrative teams.

## December 2024 - Chancellor of the Exchequer visits Maidstone Hospital

The work of staff at 'one of the top performing trusts in the country' was praised by Rachel Reeves MP, Chancellor of the Exchequer, during a visit to Maidstone Hospital.

Ms Reeves was joined on her visit by Chief Secretary to the Treasury, Darren Jones MP and heard about the innovative ways of working which enable the Trust to deliver some of the fastest access to patient care in the country. She visited the Kent and Medway Orthopaedic Centre, a new a new surgical hub at Maidstone Hospital, and her visit also included the Care Coordination Centre which uses real time data to constantly monitor the Trust's 700 beds, improving the movement of patients through our hospitals.

## January 2025 – Intensive Care Unit recognised for patient-centred care

The Intensive Care Unit (ICU) at Tunbridge Wells Hospital became the first in the UK to gain international *HU-CI and AENOR Certification of Good Practices in Humanization of Intensive Care* accreditation, showing the unit's commitment to a high standard of practice and providing person-centred care to patients and their families. Hospitals with HU-CI certification have seen a reduction in patients' length of stay in intensive care, and a decrease in symptoms of anxiety and depression. Research has also shown a fall in the number of patients discharged to a care home or rehab facility, helping them get home more quickly.

## February 2025 – Robot-assisted surgery reaches 100th patient milestone

Just weeks after robot-assisted surgery started at Maidstone Hospital, the service had already treated its 100th patient.

Following the arrival of the robot, a team of experienced surgeons, anaesthetists and theatre staff took part in a programme of training using the state-of-the-art system to ensure the highest level of patient care.

Thanks to the hard work of colleagues across the organisation, the surgical team progressed to full theatre schedules using the robot faster than any other hospital in the UK and Ireland has done over the past five years.

Robot-assisted surgery has many benefits for patients – it is less invasive, leads to less pain after the operation, and can mean a faster recovery time.

## March 2025 – Final phase of new diagnostic centre complete

The final phase of the West Kent Community Diagnostic Centre (CDC) at Hermitage Court close to Maidstone Hospital, opened its doors to patients. The Hounsfield Unit houses CT, MRI and phlebotomy services and has been named after Godfrey Hounsfield, a British electrical engineer who was awarded a Nobel Prize for his part in developing the CT scan.

Work on the CDC started in 2021 and the first building, Unit A, which offers ultrasound, X-ray, respiratory and cardiology tests, was opened by then-Secretary of State, Victoria Atkins MP in 2023. It has so far delivered 80,000 diagnostic tests.

The Hounsfield Unit will significantly increase these numbers, with a further 78,000 tests forecast to take place there each year.

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

Key risks are identified by the Board of Directors through the Board Assurance Framework (BAF). At the end of 2024/25, the most significant risks to achieving the organisation's strategic objectives as identified by the Board are outlined in Table 1, as reviewed by the Board of Directors on 27th March 2025. Risks are scored using a risk matrix with 1 to 5 scores for both the consequence (1 being negligible and 5 being catastrophic) and likelihood (1 being rare and 5 being almost certain). The highest risk score is therefore 25. In addition, the Senior Risk Owner allocates a level of assurance on the effectiveness of the controls, which is overseen by the relevant Board level Committee: None, Limited, Adequate or Reasonable.

Table 1: Board Assurance Framework (BAF)

| Strategic Objective | Current Risk Score | Target Risk Score | Principal Risk | Senior Risk Owner (SRO) | Board Level Committee | SRO assurance rating. |
|---|---|---|---|---|---|---|
| People | 12 | 8 | Failure to attract and retain a culturally diverse workforce may prevent the organisation from achieving its ambition to be an inclusive employer | Chief People Officer | People and Organisational Development | Limited |
| Patient Safety and Clinical Effectiveness | 15 | 8 | If we do not reduce the number of significant avoidable harm events our patients are at risk of poor clinical outcomes | Chief Medical Officer | Quality Committee | Limited |
| Patient Access | 5 | 6 | If the Trust does not meet its constitutional patient access standards there may be delays in care for our patients, financial implications and reputational damage | Chief Operating Officer | Quality Committee<br>Finance and Performance Committee | Adequate |
| Patient Experience | 12 | 4 | PR 4: Failure to provide compassionate, effective, responsive and safe care may negatively impact the experience of care for patients, their families and carers and may affect the reputation of the organisation | Chief Nurse | Quality Committee | Limited |
| Systems and Partnerships | 15 | 4 | If we do not work effectively as a system, patients that are no longer | Executive Director of Planning, Strategy | Finance and Performance | Limited |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | fit to reside will remain within MTW for longer which may result in poorer clinical outcomes and reduced flow through our hospitals. | and Partnerships | | |
| Sustainability | 16 | 8 | Failure to deliver the Trust financial plan resulting from the system being in financial recovery | Chief Finance Officer | Finance and Performance | Limited |

The BAF is used by the Board of Directors and its sub-committees to track progress in seeking assurance that appropriate controls are in place and actions are being taken to mitigate the key risks to the achievement of the Trust's strategic objectives. Further details of how the Board gains assurance that there are effective arrangements in place for internal control and risk management to patient safety, service quality, safeguard public investment and the Trust's assets, are included in the Annual Governance Statement (AGS).

The processes outlined in the AGS ensure that the BAF is a living document, representing the risks of greatest concern to the Board of Directors.

In addition to the BAF, the Trust maintains a Trust Risk Register which is overseen by the Risk and Regulation Oversight Group and reviews significant, cross-cutting operational risks in the organisation. These risks are reviewed by the relevant Board level committees. The Trust Risk Register covers a range of operational risks:

- Clinical capacity constraints across a number of services
- Quality issues including infection prevention and control, falls and deteriorating patients
- Workforce issues including staffing shortages
- Estates issues including fire safety and other statutory compliance/infrastructure
- Management of the Private Finance Initiative (PFI) contract for the Tunbridge Wells hospital
- IT prioritisation and cyber security
- Equality, diversity and inclusion from both a patient and staff perspective.

## How the Trust measures performance

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

efforts towards achieving common goals which will, in turn, deliver exceptional care to patients.

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

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

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

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

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

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

The content of the Integrated Performance Report is discussed at meetings of the Executive Team Meeting and Trust Board (with specific Strategic Themes discussed at the relevant Trust Board sub-committees). At the latter, the person responsible for each domain is asked to highlight key issues of note, and explain areas of under/ failing performance. Performance against the Trust's agreed objectives is measured and monitored via the Strategy Deployment Review process, which is described in more detail in the "Annual Governance Statement for 2024/25" later in this Annual Report. In addition to this, the Trust continues to use nationally-published information (where available), to compare performance. This includes national staff and patient surveys and national clinical audits.

Details of the Trust's accountability issues are outlined within the "Annual Governance Statement for 2024/25" which includes any significant internal control issues reported for the financial year; details of any personal data-related incidents are included within the "Information Governance" section of the Annual Governance Statement for 2024/25; and details of any finance related accountability issues would be reported via the "Financial Performance 2024/25". Only four significant issues were identified in the year 2024/25.

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

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

## Development and Performance Overview

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

In July 2024 there was a refocus of the Strategy Deployment Review (SDR) process to support the delivery of the Financial Improvement Programme across the organisation. We merged the six financial recovery workstreams into our existing SDR governance structure and temporarily amended some of the Vision and Breakthrough Objectives, as well as adding some new Financial Breakthrough Objectives.

- Trust wide vacancy rate – vision target to get to 8% by end Jan – this has been achieved and is currently around 6.5%.
- Reduce moderate and severe harm - The reduction in the rate of incidents causing patients moderate or higher harm has not yet met the revised target and management of the deteriorating patient remains the break through objective.
- To achieve the Trust RTT target– the Trust continues to provide system support to other Trusts across Kent and Medway which has an impact on performance related to long waiting patients. The performance is currently below the Trust target and therefore remains a focus.
- To reduce the number of complaints or concerns each month to 36 – The number of overall complaints has generally reduced close to the target however can experience variation.

- Delivery of the financial plan – Delivery of the financial position continues to experience special cause variation of an improving nature and variable achievement of the target. The Trust has implemented its financial recovery plan.
- Reduction in total pay spend – vision to meet internally set financial recovery target. This has not yet been achieved and will remain a key focus in 25/26 as part of the drive to deliver a balanced financial plan.
- To reduce the overall temporary staffing spend as a percentage of total pay spend to 8.5% - this metric has shown significant improvement however further progress is required in 25/26.
- To reduce agency spend as a percentage of pay spend to 3.2% - this has been achieved consistently for over six months.
- Improve capped theatre utilisation to 85% - this metric has shown significant improvement to around 83% and will remain a priority in 25/26.
- Achieve the national target of 49% of all outpatient appointments that are either new or follow-up with a procedure – this has been consistently achieved with the latest position at 52.7%.
- Achieve 10% reduction in non-elective length of stay – this metric is currently not achieving the target and will continue to be a focus.
- Improve accuracy of coding – this metric has demonstrated improvement and is now being transitioned to business as usual.
- Reduce non-pay spend – this metric has demonstrated improvement and will continue to be part of the financial improvement programme for 25/26.

## Performance Analysis

Key to the Performance Analysis:

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

## People:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Vision | Well Led | Reduction in Total Pay Spend | 39,442 | 40,329 | Mar-25 |  |  |
| Financial Breakthrough Objective | Well Led | Overall Temporary Staff Spend as a % of Total Spend | 8.5% | 10.6% | Mar-25 |  |  |
| | Well Led | Agency Spend as a % of spend – target of 3.2% | 3.2% | 1.8% | Mar-25 |  |  |

## Patient safety & Clinical Effectiveness:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Vision | Safe | Reduction in rate of patient incidents resulting in Moderate+ Harm per 1000 bed days (data runs one month behind) | 1.50 | 1.69 | Feb-25 |  |  |
| Breakthrough Objective | Safe | Number Moderate+ Harms Attributed to the Potential Mismanagement of Deteriorating Patients (data runs one month behind) | 2.1 | 5 | Feb-25 |  |  |
| Financial Breakthrough Objective | Safe | % Capped Theatre utilisation | 85.0% | 81.7% | Mar-25 |  |  |
| | Safe | Rate of all Outpatients that are either New or FUP with a procedure (Nat Target min 49%) | 49.0% | 51.6% | Mar-25 |  |  |

## Patient Access:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Vision | Responsive | Achieve 10% Reduction in Non-Elective LOS (including Zero LOS & Excluding Type 5) | 5.9 | 7.0 | Mar-25 |  |  |
| Financial Breakthrough Objective | Responsive | Conversion rate from ED (Excluding Type 5 and including Direct Admissions) | 16.0% | 15.1% | Mar-25 |  |  |

## Patient Experience:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Vision | Caring | To reduce the overall number of complaints or concerns each month | 36 | 58 | Mar-25 |  |  |
| Breakthrough Objective | Caring | To reduce the number of complaints and concerns where poor communication with patients and their families is the main issue affecting the patients experience. | 24 | 25 | Mar-25 |  |  |
| Financial Breakthrough Objective | Caring | Reduction in agency spend (specific to B5 RMNs and B3 HCSW) | 190000 | 191112 | Mar-25 |  |  |

## Systems:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Financial Breakthrough Objective | Effective | Depth of Coding - Average Number of Codes per Elective Episode (Data runs one month behind) | 6.1 | 4.7 | Feb-25 |  |  |

## Sustainability:

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Vision | Well Led | Delivery of financial plan, including operational delivery of capital investment plan (net surplus(-)/net deficit (+) £000) | 2,803 | 4,509 | Mar-25 |  |  |
| Financial Breakthrough Objective | Well Led | Reduce non-pay spend | 17,233 | 22,701 | Mar-25 |  |  |

| | CQC Domain | Metric | Trust Target | Most Recent Position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| Constitutional Standards | Responsive | Achieve the Trust RTT Trajectory (Excluding SYS) | 81.2% | 74.2% | Mar-25 |  |  |
| | Responsive | Access to Diagnostics (<6weeks standard) | 99.1% | 89.4% | Mar-25 |  |  |
| | Responsive | A&E 4 hr Performance | 84.8% | 85.2% | Mar-25 |  |  |
| | Responsive | Cancer - 31 Day First (New Combined Standard) - data runs one month behind | 96.0% | 97.6% | Feb-25 |  |  |
| | Responsive | Cancer - 62 Day (New Combined Standard) data runs one month behind | 85.0% | 85.3% | Feb-25 |  |  |
| | Responsive | Cancer - 28 Day Faster Diagnosis Compliance (data runs one month behind) | 75.0% | 80.9% | Feb-25 |  |  |

### Vision Goals / Targets 2023/24

| Strategic Theme | CQC Domain | Metric | Trust Target | Most recent position | Period | Variation | Assurance |
|---|---|---|---|---|---|---|---|
| **People** | **Well-Led** | Reduce the Trust wide vacancy rate to 8% | 8% | 4.96% | Mar 24 |  |  |
| **Patient safety & Clinical Effectiveness** | **Safe** | Reduction in rate of patient incidents resulting in Moderate+ Harm per 1000 bed days (data runs one month behind) | 0.90 | 1.75 | Mar 24 |  |  |
| **Patient Access** | **Responsive** | Achieve the Trust RTT Trajectory | 75.8% | 75.1% | Mar 24 |  | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Patient Experience** | **Caring** | To reduce the overall number of complaints or concerns each month | 36 | 38 | Mar 24 |  |  |
| **Systems** | **Effective** | Decrease the number of occupied bed days for patients identified as no longer fit to reside (NFTR), (shown as rate per 100 occupied bed days) | 3.50 | 2.03 | Mar 24 |  |  |
| **Sustainability** | **Well-Led** | Delivery of financial plan, including operational delivery of capital investment plan | 864 | -3429 | Mar 24 |  |  |

## Breakthrough Objectives 2023/24

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

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Sustainability** | **Well-Led** | Reduce the amount of money the Trusts spends on premium workforce spend | 1255 | 1725 | Mar 24 |  |  |

### Constitutional Standards 2023/24

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

## Adoption of the 'going concern' basis

The DHSC Group Accounting Manual (GAM) requires the management of the Trust to consider the following public sector interpretation of IAS 1 in respect of applying the going concern assumption when preparing its accounts. In para 4.18 it states: ''For non-trading entities in the public sector, the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern". Para 4.24 states that "DHSC group bodies must therefore prepare their accounts on a going concern basis unless informed by the relevant body or DHSC sponsor of the intention for dissolution without transfer of services of function to another entity". Para 4.20 says: "A trading entity needs to consider whether it is appropriate to continue to prepare its financial statements on a going concern basis where it is being, or is likely to be, wound up".

The Executive Team Meeting, and Trust Board have assessed the Trust's ability to continue for the foreseeable future in the light of the GAM guidance and have prepared the 2024/25 accounts on a 'going concern' basis following consideration of the following:

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

- National NHS Provider/Commissioner Planning guidance has been issued to Integrated Care Systems by NHSE that outlines the process and framework for funding arrangements within which NHS Commissioners and Providers will operate during 2024/25. Systems submitted initial plans in March 2025 with the final plan submissions made at the end of April 2025.

- The Trust has submitted its 5-year capital plan to the ICB which manages the overall resource level within the patch with final plans updated and submitted in April 2025.

- The Trust is an active participant and fully engaged in financial planning with both ICS/ICB designate leads as well as locally within the West Kent Health and Care Partnership (HCP) locality and the Provider Collaborative.

- The Trust expects to have signed contracts in place for the provision of healthcare services in 2025/26. The Trust contracts will be held with the local commissioning bodies for patient care in Kent & Medway, Sussex, Surrey Heartlands and South East London. In line with changes in national guidance where specialised services are being delegated to local ICBs to commission, all regional contracts for Specialised Commissioning, Public Health and Health and Justice will now be novated into Host ICB contracts with effect from 1st April 2025. A small number of services will be retained as NHSE specialised services and will continue to be commissioned directly with NHSE. The planned financial regime provides certainty for income and cash flows for the full financial year 2024/25.

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

For these reasons, the Trust has prepared its 2024/25 annual accounts using the going concern basis in line with the GAM guidance.

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## Equality and Performance

### Public Sector Equality Duty

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

We do this by regularly reviewing and updating our policies, developing and supporting our staff networks and ensuring that actions arising from the Workforce Race Equality Standard

(WRES), the Workforce Disability Equality Standard (WDES) and the Gender Pay Gap are prioritised. The coming year will see the introduction of ethnicity pay gap reporting as part of the WRES.

**Equality, Diversity and Human Rights**

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

**Equality of service delivery**

MTW have continued to develop our approach to understand and reduce health inequalities. We continue to profile patients accessing various categories of care (emergency, elective, day case and outpatient) by factors of age, sex, ethnicity and deprivation (using indices of their area of residence). This has helped shape the recently published Experience of Care Strategy and our on-going engagement with our communities.

**Activities the Trust is undertaking to promote equality of service delivery**

The Trust has focussed on identifying and targeting 'at risk' populations in conjunction with partner organisations including NHS Kent and Medway, local government organisations and the voluntary sector to reach and discuss the challenges with local communities. We have progressed the plan to develop the approach outlined last year and have specifically focussed on parity in physical and mental health, tackling inequalities with staff and expanding our work with charities and other public sector partners & educational establishment such as Job Centre Plus and Mid Kent College.

The Experience of Care Strategy was launched in 2024. It recognises health inequalities and outlines our ongoing commitment to improve the experience for all our patients and carers, and this includes a focus on addressing health inequalities over the next five years.

The Chief Nurse has continued to focus on a corporate project that will deliver a Mental Health Strategy for the Trust.

Two strategies in particular seek to support our staff and offer solutions to address inequalities. These are the Our People Our Culture and strategies and they identify three main programmes of work, staff engagement and growth; equality, diversity and personalisation; and health and well-being. As part of the equality, diversity and personalisation programme the organisation is prioritising monitoring and setting targets to reduce the WRES, WDES and gender pay gaps. The Trust has a range of inclusive networks including a Women's network, DisAbility Network, MTW Proud and a Cultural and Ethnic Minorities network

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

## Financial performance in 2024/25

For the financial year 2024/25 the Trust reported a surplus of £0.2m, which was £0.2m favourable to plan. The Trust's reported finance performance is shown for the last six years in the graph below. The Trust has now delivered a surplus position for the last seven years in succession.

At the end of 2023/24 the Trust took over the operating of Fordcombe Hospital, which increased both expenditure and income. There was a six-month transition period with staff transferring to MTW employment under TUPE from October 2024.

The Trust also opened the Kent and Medway Orthopaedic Centre in September 2024, therefore there was an increase in income and operating costs.


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

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

| Statement of Comprehensive Income | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **Income** | 513.1 | 564.2 | 623.9 | 680.3 | 740.6 | 831.0 |
| **Operating expenses** | -491.8 | -550.3 | -591.4 | -661.4 | -736.1 | -814.0 |
| **Operating surplus / (deficit):** | 21.2 | 13.9 | 32.5 | 18.9 | 4.5 | 17.0 |
| **Finance income** | 0.3 | 0 | 0 | 0.7 | 1.4 | 1.3 |
| **Finance expense** | -15.7 | -14.7 | -14.5 | -16.3 | -50.5 | -28.8 |
| **PDC dividend charge** | -0.6 | -1.3 | -3.4 | -5.1 | -3.1 | -3.2 |
| **Net finance costs** | **-16.1** | **-16.0** | **-17.9** | **-20.7** | **-52.2** | **-30.7** |
| **Other gains / (losses)** | 0.1 | 0 | 0 | 0 | -0.1 | 0.1 |
| **Surplus / (deficit) for the year before technical adjustments** | **5.2** | **-2.1** | **14.5** | **-1.7** | **-47.8** | **-13.6** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Technical adjustments** | 2.4 | 2.4 | -14.3 | 1.9 | 53.1 | 13.8 |
| **Surplus / (deficit) for the year after technical adjustments** | **7.6** | **0.3** | **0.2** | **0.2** | **5.3** | **0.2** |

The Trust received income of £831.0m in 2024/25 and incurred £814.0m of operating expenses which generated an operating surplus of £17.0m. The Trust had net financial costs of £30.7m which was made up of financial income of £1.3m and finance expenses of £28.8m and PDC dividend charge of £3.2m. The finance expenses remain higher than in years before 2023/24 as a result of the change to the measurement of PFI liabilities using IFRS 16 principles that was implemented in 2023/24. For 2024/25 the remeasurement value was £12.4m. The cumulative impact in 2023/24 of the national accounting policy change was a one-off adjustment. After other gains of £0.1m this gave a deficit of £13.6m, however the performance position was restated by technical adjustments of £13.8m which resulted in a £0.2m surplus. The technical adjustments included the impairments and the restatement of the PFI position to an "off balance sheet" approach under the former UK GAAP basis, which was a national policy change for 2024/25, to enable a consistent reporting approach across the NHS.

**Income**

The Financial regime for 2024/25 continued with a contract value with fixed and variable tariff elements. The Trust has a contract on National Standard Terms and Conditions and has operated in line with national guidance. The variable tariff element gave the Trust the opportunity to receive additional income directly related to additional elective activity.

The Trust's income was £831.0m which mainly consisted of patient care income of £755.1m from other NHS organisations.

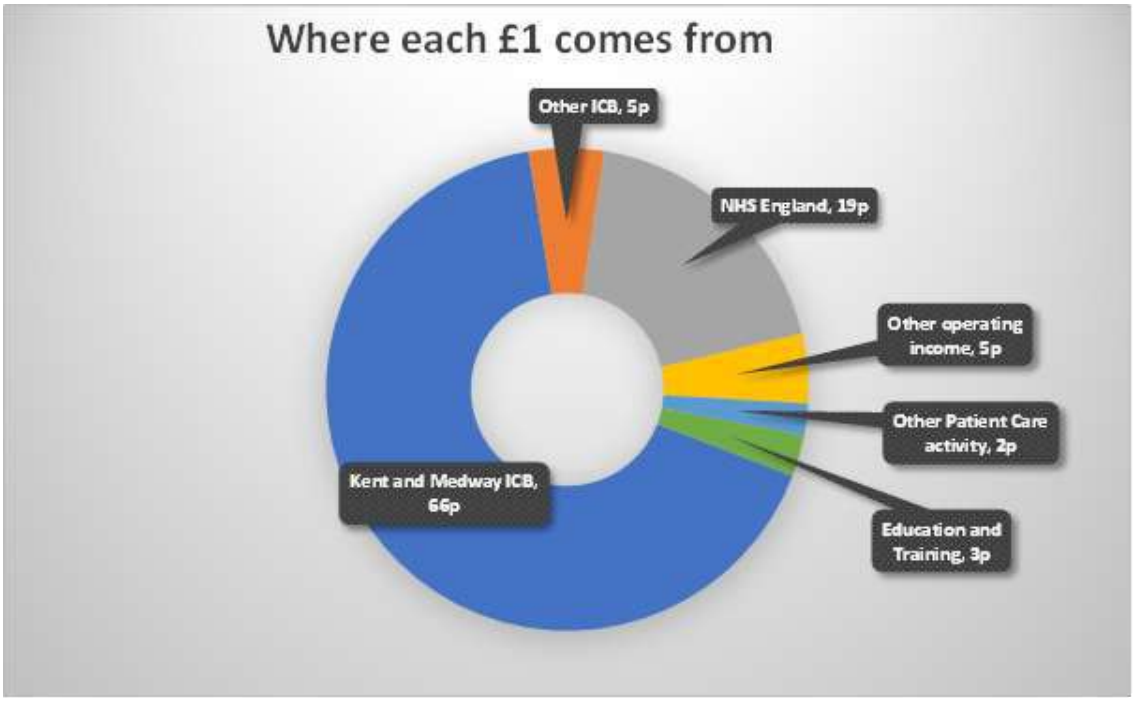
The majority (90%) of the Trust's income is from Integrated Care Boards or NHS England. The contracts were uplifted from previous years to reflect inflation and the pay award in line with national guidance of £20.6m. The Trust also received growth and increasing capacity allocation of £12.5m, there was a reduction in income for convergence.

The Trust received £550.6m from Kent and Medway Integrated Care Board, this included additional funding of £20.1m for the Kent and Medway Orthopaedic Centre, West Kent Community Diagnostic Centre and the Hyper Acute Stroke Unit.

There is a further £14.3m of patient care income from other sources such as local authority, overseas visitors and private patients. The Trust received £61.7m other income, including Education and Training £23.0m, provision of services to other NHS organisations £22.5m, provision of services to other public sector organisations £7.0m, commercial activities such as car parking, catering and accommodation rental £5.8m, and Research and Development £1.8m.

In November 2024 the Trust became the host for the West Kent HCP Commissioning Team which increased income and expenditure by £1.5m. This is funded from Kent and Medway Integrated Care Board.

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **Income - Patient Care Activity** | -448.3 | -490.7 | -573.5 | -625.5 | -680.0 | -755.1 |
| **Op Inc from Pat Care Activity** | -7.2 | -5.4 | -7.4 | -8.1 | -8.8 | -14.2 |
| **Other Operating Income** | -57.6 | -68.1 | -43.0 | -46.6 | -51.8 | -61.7 |
| **Total Income** | **-564.2** | **-623.9** | **-680.3** | **-680.3** | **-740.6** | **-831.0** |




**Operating expenses and finance costs**

| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|
| | £m | £m | £m | £m | £m | £m |
| **Pay - Medical** | 94.0 | 102.3 | 109.0 | 116.5 | 134.1 | 147.4 |
| **Pay - Nursing** | 83.6 | 90.9 | 99.4 | 113.8 | 118.8 | 132.2 |
| **Pay - Other Staff** | 82.2 | 90.2 | 98.7 | 115.8 | 120.7 | 134.8 |
| **Pay - Admin and Clerical staff** | 39.7 | 45.3 | 52.3 | 61.5 | 64.7 | 75.4 |
| **Pay - Other** | 0.5 | 14.1 | 15.3 | 17.0 | 18.5 | 31.2 |
| | | | | | | |
| **Pay Total** | **299.9** | **342.8** | **374.6** | **424.5** | **456.7** | **521.0** |
| | | | | | | |
| **Clinical Negligence** | 17.6 | 19.1 | 18.9 | 18.5 | 19.1 | 23.2 |
| **Drugs & Medical Gases** | 55.0 | 52.9 | 60.7 | 68.4 | 73.0 | 77.7 |
| **Premises** | 26.3 | 31.7 | 37.4 | 31.4 | 33.0 | 38.1 |
| **Purchasing healthcare from non-NHS** | 15.8 | 6.4 | 20.1 | 22.6 | 23.0 | 29.4 |
| **Clinical Supplies and services** | 39.9 | 50.7 | 48.9 | 46.4 | 53.6 | 60.7 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Other Non-Pay, Finance Costs and Impairments** | 40.6 | 48.9 | 30.9 | 47.3 | 105.3 | 67.3 |
| **Depreciation** | 13.0 | 13.8 | 17.8 | 23.7 | 26.1 | 28.7 |
| **Total Expenditure** | **508.2** | **566.3** | **609.3** | **682.8** | **789.7** | **846.1** |

**Pay**

The Trust's expenditure in 2024/25 was £846.1m, the majority of the spend was on pay costs which were £521.0m in total. This was an increase of £64.3m compared to the previous year, £28.6m relates to pay inflation and 2023/24 backpay for junior doctors was £1.3m. The Trust has recruited additional staff to support new services such as the Kent and Medway Orthopaedic Centre £6.0m. The Trust also transferred £3.9m staff from the Fordcombe Hospital and £2.1m West Kent HCP staff and Kent and Medway Pathology Network staff both from Kent and Medway ICB. Agency spend reduced by £5m from £17m in 2023/24 to £12m in 2024/25. There was also a reduction in in bank temporary staffing of £4m. However substantive pay increased by £20.2m as a result of improved recruitment and retention. Pay other in 2024/25 was £31.2m which included £29.2m pension cost employer contributions (6.3%) paid by NHS England on the Trust's behalf and £2.0m apprenticeship levy.

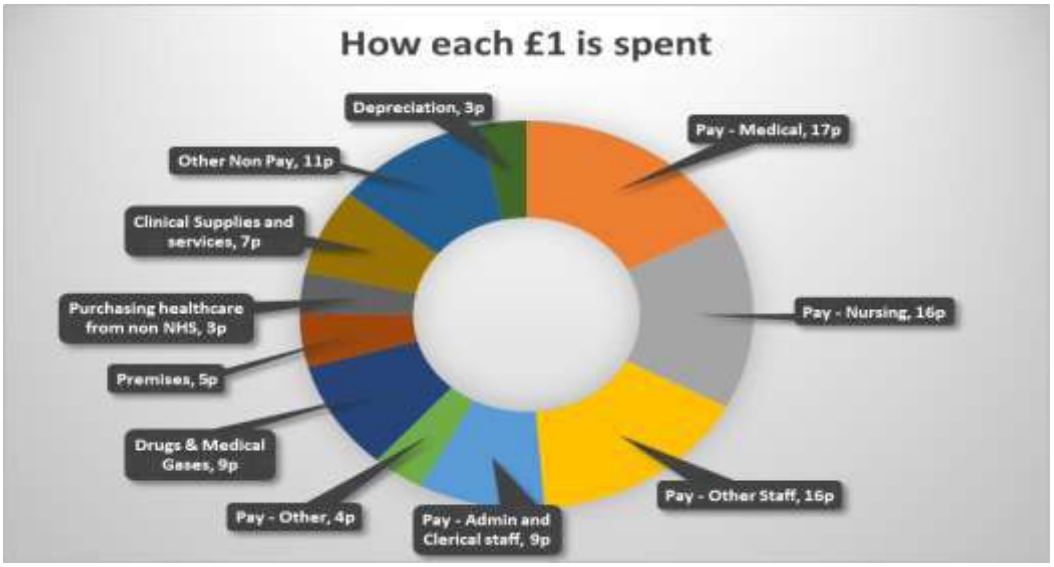
**Non-Pay**

The Trust spend on drugs was £77.7m which increased by £4.1m in line with activity increases in both elective and non-elective activity as well as chemotherapy and radiotherapy.

There was an increase in purchasing healthcare from non-NHS of £6.4m, this related to the Fordcombe activity which in the first half of the year was reported as a purchased service.

There was a significant reduction in other non-pay, finance costs and impairments of £38.0m compared to the previous year. This was mainly a result of a decrease in impairments of fixed assets between years of £17.4m to £8.0m and decrease in finance costs of £22.0m related to a reduction in the PFI liability remeasurement based on annual RPI.

Other non pay (not otherwise included on the face of the table), finance costs and impairments was £67.3m which was a reduction of £38m from 2023/24. The main elements of this reduction were: 1) the reduction between years of £22m relating to the IFRS 16 measurement of the PFI liability – this was new in 2023/24 and included the initial recognition under IFRS 16 prinicples. For 2024/25 the remeasurement was limited to the annual RPI impact (£12.4m). 2) A reduction in impairments resulting from the independent valuation assessment of the Trust's owned Land and Property assets. The reduction was a net value of £17.4m between years.




**Cost Improvement Programme (CIP)**

The Trust had an external (NHSE) savings target for 2024/25 of £37.3m. The Trust delivered savings of £34.3m which was £3m adverse to plan. This continued the increase in CIP delivery year on year. £19.1m was recurrent and £15.2m was non-recurrently delivered.

CIP schemes included closing escalation wards as a result of improvements to patient flow, reductions in agency usage, procurement savings and improvements to income recording.


**Capital expenditure including IFRS 16 capitalised leases**

During the year the Trust made gross capital investments of £50.5m, comprising £29.4m of purchased and donated capital, and £21.1m of IFRS 16 remeasurements of existing leases (for inflationary uplifts and rent reviews) and new leases.

**Purchased and Donated Capital**

Significant elements of the capital programme in 2024/25 were:

- £2.51m – the Kent & Medway Orthopaedic Centre (KMOC) sited at Maidstone Hospital was completed in August 2024 – the final element was funded by internal resources.

- £5.64m – the Community Diagnostic Centre (The Hounsfield Unit) was opened in February 2025. This was funded by a combination of National, System and Internal resources in 2024/25.
- £7.1m of estates developments, including Maidstone Hospital backlog schemes (£1.5m), Cross-site developments (£3m), Lifecycle works for Tunbridge Wells Hospital (£1.3m - provided through the PFI contract), and Trust wide enabling works e.g. to install new equipment (£1.3m)
- £5.4m of medical equipment replacement including a CT simulator (£750k), x-ray equipment (£430k), endoscopy automated cleaning/disinfection systems (£639k), surgical power tools (£273k) and patient monitoring systems (£225k)
- £0.46m – Security CCTV and access controls have been replaced and/or upgraded across all Trust sites.
- £7.77m of IT developments and replacements including infrastructure, networking and storage, as well as replacement devices (£4.3m), Frontline Digitisation (£2.7m) and private patient system (£683k).
- £0.28m – Donated equipment and build, there was a significant donation of £170k to refurbish and improve the helipad on the Maidstone site.

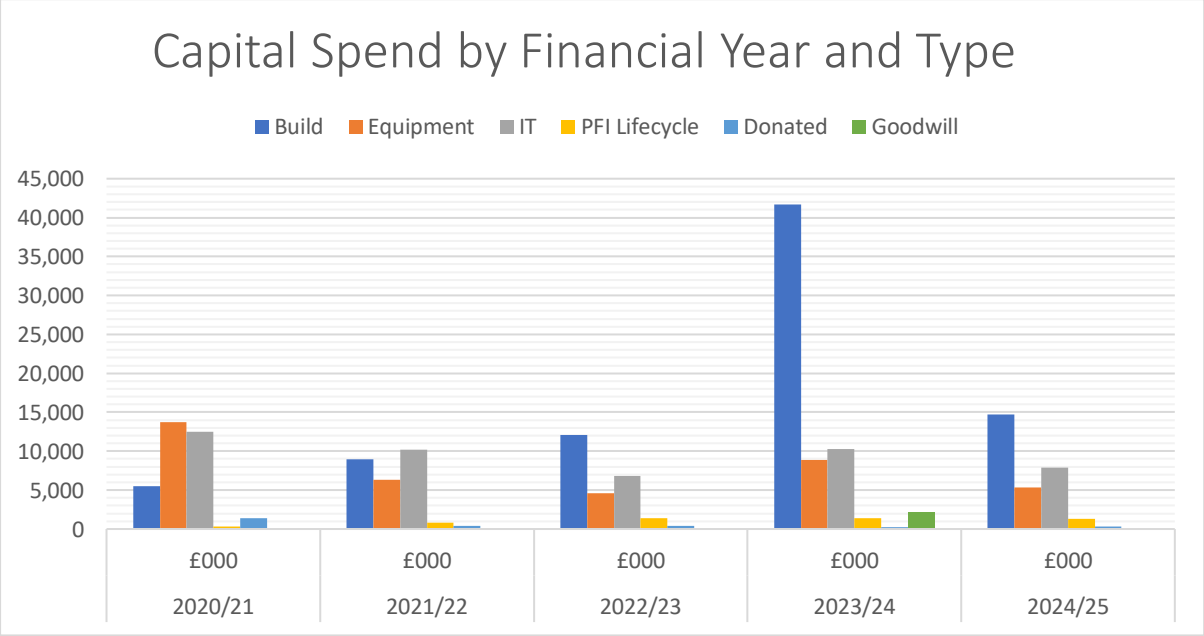
**IFRS 16 Leased Capital**

The Trust reported IFRS 16 capitalisations and remeasurements of £21.1m at year end. The most significant elements were:

- The completion of the Kent & Medway Medical School Student Accommodation and Education building at TWH with an initial capitalised IFRS 16 value of 17.3m

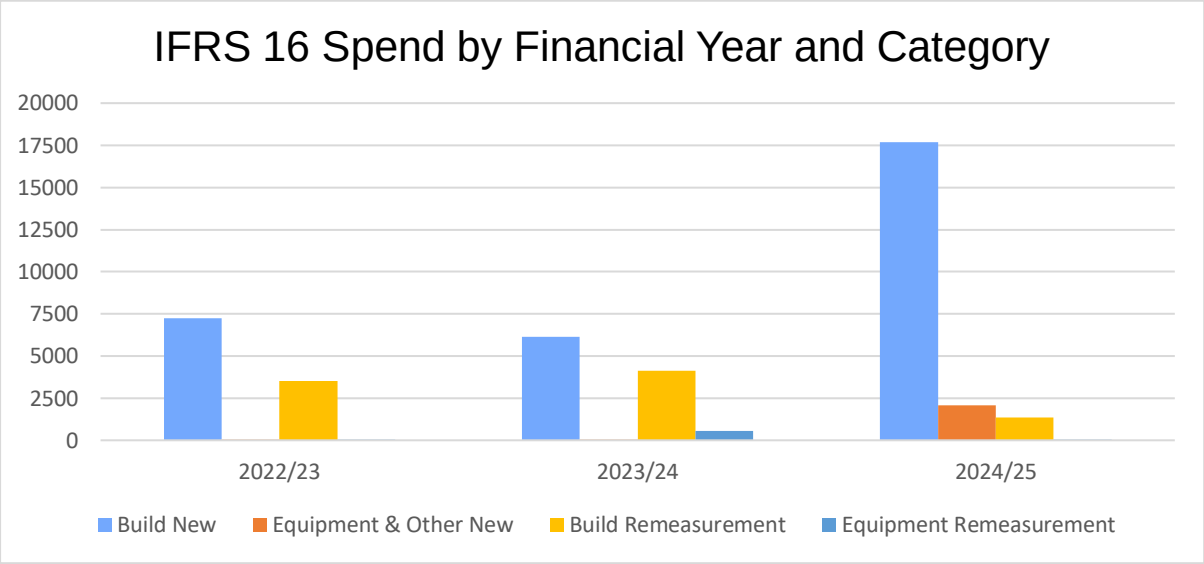
£1.4m of lease remeasurements resulting from rent reviews of existing leases – the most significant element was £1.2m for Springwood Road Maidstone staff residences (Block B).

**Capital expenditure trends**



The table above shows the growth in the Trust's purchased capital spending over the last five years, as the result of significant amounts of national capital programme funding. The mix of spend over the period has changed – the replacement of significant diagnostic and radiotherapy equipment in the middle years, together with the more recent implementation of Frontline Digitisation IT system (linked to EPR).

More recently there have been significant developments in additional buildings, e.g. Community Diagnostic Centre (The Hounsfield Unit) at Hermitage Court, near Maidstone Hospital, and the new Kent and Medway Orthopaedic Centre on the Maidstone site. In addition, the Trust purchased the Fordcombe hospital in 2023/24 with building refurbishment elements in its fixed assets and a repertoire of equipment assets.




The majority of the Trust's spending on IFRS 16 leased capital over the three years since it was introduced as a new accounting policy into the NHS has been on property leases – most of which relate to staff accommodation or off-sited Trust services. In 2024/25 the new lease build included the Kent & Medway Medical School Accommodation and Education block on the Pembury site.

A significant element of the annual IFRS 16 impact relates to annual rent reviews of the larger property leases, usually attached to an external index e.g. RPI. Increases in the rental liability are capitalised when they occur.

**Balance Sheet trends**

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

| Borrowing costs | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 |
|---|---|---|---|---|---|
| **Current loans - DHSC** | 985 | 983 | 983 | 970 | 244 |
| **Current capital loan - Salix** | 443 | 461 | 376 | 107 | 35 |
| **Current IFRS 16 Lease Liabilities** | n/a | n/a | 4,942 | 5,024 | 5,394 |

| | | | | | |
|---|---|---|---|---|---|
| **Current PFI contract obligation** | 5,402 | 5,688 | 5,992 | 10,495 | 10,841 |
| **Long term loans – DHSC** | 5,432 | 4,458 | 3,484 | 2,520 | 2,280 |
| **Long term capital loan - Salix** | 949 | 571 | 195 | 88 | 52 |
| **Long term IFRS 16 Lease Liabilities** | n/a | n/a | 56,495 | 62,006 | 75,971 |
| **Long term PFI contract obligation** | 176,771 | 171,082 | 165,091 | 264,000 | 265,110 |
| | | | | | |
| **Total borrowing obligations** | **189,982** | **183,243** | **237,558** | **345,210** | **359,927** |

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

In 2022/23 the accounting for leases changed in the NHS, with the implementation of IFRS 16 requiring leases with a life longer than one year, and an underlying asset value of £5k or more, to be capitalised rather than the prior accounting which led to many of these leases being treated as revenue costs. The conversion of the initial leases plus additional leases taken on during the year increased the lease liabilities by £61.4m. This value has increased year to year to a 2024/25 value of £81.4m. This is driven both by rent review increases that append to a number of the arrangements (e.g. annual indexation with RPI), and also in 2024/25 with the completion of the new Kent & Medway medical student accommodation and education facility at TWH (capitalised addition of £17.1m). The terms of the leases range from 2 years to 48 years.

In 2023/24 there was a further impact of IFRS 16 principles, in terms of remeasuring the finance liabilities associated with PFI obligations. This accounts for the significant increase in the longstanding PFI liabilities between 2022/23 and 2023/24 of £103.4m. The underlying PFI contract has not changed, and the cash payments would be the same under either accounting regime. But the change of approach has increased the finance liabilities on the balance sheet.

**The Trust's statutory duties**

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

**External Finance Limit (EFL)**

EFL is no longer required to be reported from 2024/25.

**Capital Resource Limit (CRL)**

The Trust is expected to manage its capital expenditure within its agreed capital resource level (CRL). The CRL includes the capitalised IFRS 16 additions and remeasurements. The Trust's overall charge to the CRL for 2024/25, after adjustments for donated assets and disposals, was £49.9m (2023/24 £71.8m). This was in line with the Trust's CRL.

The following table shows the trend on CRL levels over the previous five years including 2024/25:

| Capital Resource Trends | 2020/21 £m | 2021/22 £m | 2022/23 £m | 2023/24 £m | 2024/25 £m |
|---|---|---|---|---|---|
| Charge against CRL | 32.0 | 26.2 | 35.6 | 71.8 | 49.9 |
| Capital Resource Limit | 32.4 | 26.6 | 36.8 | 71.8 | 49.9 |
| | | | | | |
| **Under/(Over) spend against CRL** | **0.4** | **0.4** | **1.2** | **0.0** | **0.0** |

The Trust has consistently remained within its Capital Resource Limit.

**Break-even duty**

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

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

The Trust reported a surplus of £0.16m for 2024/25 against the break duty, after technical adjustments (e.g. impairments).

The table below shows the break-even duty trend for the last 6 years. Since the Trust's last posted a deficit position in 2017/8, the cumulative break-even position has been reduced by 65%, and its percentage of operating income has reduced to close to 2.5%.

| Break-even duty performance | 2019/20 £000 | 2020/21 £000 | 2021/22 £000 | 2022/23 £000 | 2023/24 £000 | 2024/25 £000 |
|---|---|---|---|---|---|---|
| | | | | | | |
| **Break-even duty in-year** | 7,587 | 330 | 231 | 678 | 8,323 | 161 |
| | | | | | | |
| **Break-even duty cumulative position** | (30,359) | (30,029) | (29,798) | (29,120) | (20,797) | (20,627) |
| | | | | | | |
| **Operating income** | 513,056 | 564,196 | 623,891 | 680,301 | 740,565 | 831,035 |
| | | | | | | |
| **Cumulative break-even percentage of operating income** | **(5.9%)** | **(5.3%)** | **(4.8%)** | **(4.3%)** | **(2.8%)** | **(2.5%)** |

**Accounting Issues**

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

**External Auditors**

The Trust's External Auditors are Grant Thornton UK LLP. Their charge for the year was £180,000 excluding VAT (in 2023/24 this was £135,875 excluding VAT). In addition, the Trust paid a fee of £12,000 excluding VAT for additional work undertaken related to the Fordcombe hospital acquisition. Grant Thornton UK LLP did not undertake any non-audit work for the Trust in 2024/25.

The Audit and Governance Committee reviews the independence and effectiveness of the audit process with feedback questionnaires to each member of the Committee each year. The outcomes of these assessments are discussed with the External Auditors. A separate Auditor Panel, comprising the AGC members, reviews the approach to External Audit contracts, including retenders and appointments of the auditors. A joint system-wide tender process was undertaken for the Kent & Medway ICS in 2024/25 and Grant Thornton were appointed auditors for 2025/26 onwards for a period of three years, with options to extend.

**Looking forward to 2025/26**

In 2025/26 we face a financial challenge across the Kent and Medway system and the Trust will be working to deliver its largest ever Cost Improvement Programme of £49 million and £23 million of savings from work across Kent and Medway System.

The Trust has gone through a business planning process including a financial plan. The Trust will have signed contracts in place for the provision of healthcare services in 2025/26. The Trust contracts will be held with the local commissioning bodies for patient care in Kent & Medway, Sussex, Surrey Heartlands and South East London. In addition, regional contracts for Specialised Commissioning, Public Health and Health and Justice will be agreed, signed and effective from April 2025. These will be included in host ICB contracts.

NHS England commissioned services are being delegated to ICB commissioning on a population basis. The planned financial regime provides certainty for income and cash flows for the full financial year 2025/26. The contracts continue the variable element linked to elective activity that was introduced in 2023/24 however this will be at a capped level which the Trust must manage within.

The Trust is planning to deliver a break-even position in 2025/26. The plan includes increased funding for inflation and growth and a contingency of £2.5m. The plan also reflects the additional income and expenditure related to a full year opening of the Kent and Medway Orthopaedic Centre. The Trust has committed to investment in Maternity services following CQC feedback and the full year impact of robotic assisted surgery to support the future sustainably of surgical services at the Trust.

| **Statement of Comprehensive Income** | **2025/26** (plan) £m |
|---|---|
| Income | 806.5 |
| Operating expenses | (788.2) |
| **Operating surplus / (deficit):** | **18.3** |
| **EBITDA%** | **7.4%** |
| Finance income | 1.2 |

| | |
|---|---|
| Finance expense | (26.4) |
| PDC dividend charge | (5.0) |
| **Net finance costs** | **(30.2)** |
| Other gains / (losses) | 0.0 |
| **Surplus / (deficit) for the year before technical adjustments** | (11.9) |
| Technical adjustments | 11.9 |
| **Surplus / (deficit) for the year after technical adjustments** | **0.0** |

Capital allocations and expenditure are managed at the ICS system level. This includes both mainstream capital and also IFRS 16 leased capital, which are now managed within the same overall system allocation.

For 2025/26 the Trust's planned system control total for capital, both purchased and leased, is £12.26m comprising £5.79m of purchased capital and £6.47m of leased capital, including £3.18m of expected rent review remeasurements. In addition there is some awarded national funding included in the plan which amounts to £3.45m. The Trust will also require capital resource for the contractually committed PFI Lifecycle costs (£2.37m) for TWH.

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## Research and Innovation

The past 12 months has seen significant growth in research and innovation activity at MTW. The 2024/25 year closed with a research portfolio of 131 studies open studies, with 74 actively recruiting patients and a further 57 in the patient follow up phase. Research studies open include hosted NIHR trials (both commercial and non-commercial) and a rapidly growing number of MTW clinician-led studies.

The focus for the Research and Innovation department over the past year has been the adoption of new technology to modernise and streamline research processes. February 2025 saw the launch of a new electronic research document management system, making the MTW research approval and governance processes more efficient and 100% paperless. The system supports faster research trial set up and brings financial savings through eliminating costs linked to archiving, staff time and non-pay items.

In the summer of 2024, MTW activity was added to an NHS data sharing platform for research, promoting the trust to a large number of international sponsors to boost commercial research opportunities. MTW has been approached by companies through the platform offering places on national and international trials.

New technology adoption corresponded with an increase in commercial partner interest in running trials at MTW. The number of studies opened increased during 2024 from 2023 levels, as did the breadth. The trust achieved a number of 'firsts' in research opportunities for patients, including opening its first hosted oncology trial into brain cancer. To support research growth, a number of new research delivery teams were formed in neo-natal care, respiratory medicine and stroke services.

Clinical teams, working alongside research delivery staff, were often recognised as the highest national recruiters to studies, especially in our accident and emergency,

ophthalmology, ITU, maternity, digestive diseases and oncology departments. Our A&E, maternity and ITU staff were asked by research sponsors to advise and support other NHS providers on research recruitment and delivery.

In addition to setting up research trials and providing clinical research support, the Research and Innovation department also provided a number of training and research experience activities for staff and students during 2024/25. The team welcomed the first two cohorts of F2 doctors into their research placements during 2024 as part of the foundation doctor training programme. Working with research-experienced consultants in oncology and cardiology, doctors undertook research training as an introduction to academic medicine to support their clinical academic career. A number of training events and journal clubs were introduced for Advanced Clinical Practitioners, research active consultant groups and allied health professionals to boost staff research knowledge and capability.

MTW opened its first Research Charity fund in 2024. Contributions are instrumental in pump-priming new research and grassroots projects for first-time researchers, building the next generation of clinical researchers.

The appointment of research-experienced clinical staff across a number of specialties saw a corresponding increase in the number of research proposals designed and led by MTW staff. To support clinicians in both their clinical and academic careers, discussions were held with the University of Kent to secure formal affiliations for staff and closer working arrangements. From this, a number of exciting opportunities were created, including applications to appoint academic clinical fellows at MTW, the development of collaborative research programmes and greater university involvement in developing MTW's research growth.

MTW secured additional research funding in the summer of 2024 most notably, £120,000 NIHR funding to support research delivery staff. Funding was also secured to promote public and patient-led research, and to pump-prime new areas of research delivery including a new metastatic breast cancer research clinic for the population of Kent and Medway, due to open in the summer of 2025.

MTW staff also worked with academic and industry partners to mutually support each other's research funding applications. This partnership secured funds to research MTW's virtual ward service as a possible blueprint for NHS provision and provided future opportunities for staff to work with the School of Engineering at the University of Kent.

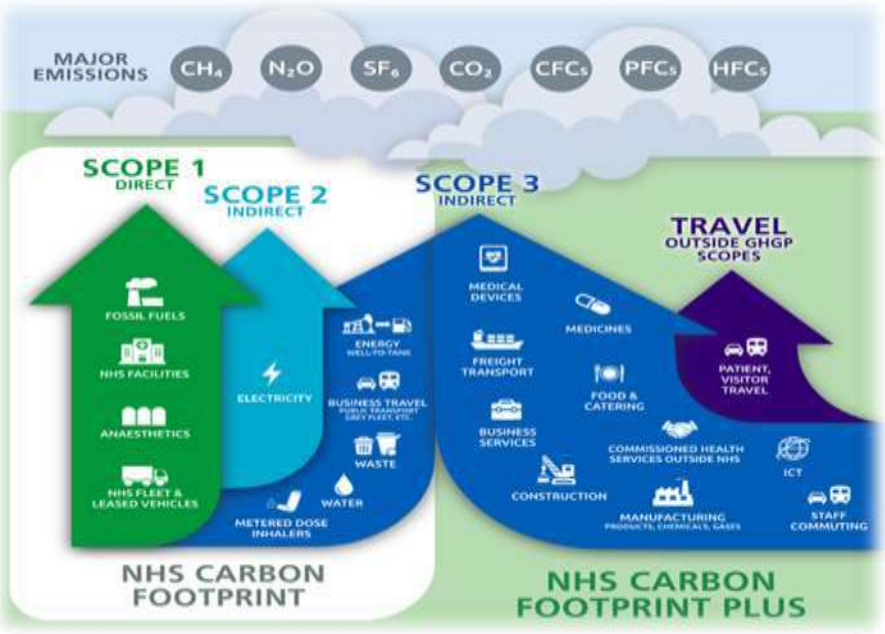
Looking forward to 2025/26, the focus will be on developing a new research strategy for 2026-2030. This strategy will build on and continue the progress in research activity seen in 2025/26.

## Sustainability

As an NHS organisation, and as a spender of public funds, we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability means spending money well, using natural resources efficiently and building healthy, resilient communities. By making the most of social, environmental and economic assets, we can improve health both in the immediate and long term, even amid rising costs of natural resources.

The NHS Long Term Plan addresses emissions and environmental sustainability adhering NHS Trusts to adopt best practice efficiency standards and reinforced our ongoing commitment to this agenda. This commitment was further strengthened by the Health and Care Act 2022 which embedded net zero into legislation and the Delivering a Net Zero National Health Service report, published in July 2022, which outlines the NHS's comprehensive strategy to achieve net zero carbon emissions. As the largest public sector emitter of carbon emissions, the health system has a duty to respond to meet the targets which are entrenched in law.

The NHS has committed to be net zero by 2040 for its direct emissions (NHS Carbon Footprint) and by 2045 for emissions it influences (NHS Carbon Footprint Plus).




**Task Force on climate related financial disclosures (TCFD)**

The NHS has adopted a phased approach to incorporating the TCFD recommendations into its sustainability reporting requirements for NHS bodies. This phased approach includes the disclosure requirements of the governance, risk management and metrics and targets pillars for 2024/25 and MTW is working towards compliance of the tiers as evidenced in this report.

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

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

In response to the NHS net zero carbon emissions commitment and to embed sustainability within the Trust, MTW published its first Green Plan in 2023 following Trust Board approval. The plan was subsequently reviewed in 2024. The Green Plan outlines objectives and targets to guide the Trust towards achieving net zero carbon. MTW's sustainability mission statement, as detailed in the Green Plan is as follows:

"The provision of sustainable and resilient healthcare and buildings to ensure healthy people and places in Maidstone and Tunbridge Wells NHS Trust".

The Trust has a dedicated sustainability lead to monitor the implementation of this Green Plan and to lead the agenda. The Green Plan identifies key areas of focus to support our sustainability goals. The Green Committee comprises representatives from all departments and services and will play a vital role in driving our sustainability performance. The Green Committee meet quarterly to monitor and update progress, and report our movement throughout the year to the Board.

In addition to this, the established Green Champion Network identify initiatives at a grass roots level within the Trust and lead on the implementation of projects that we are running.

In July 2024, MTW appointed a permanent Sustainability Manager who plays a leading role in building on the progress of previous years in establishing sustainability as a key part of the business of our Trust.

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

MTW actively encourages our suppliers to complete the Evergreen Sustainable Supplier Assessment, which supports progress towards the NHS Net Zero Supplier Roadmap. This assessment includes specific requirements on addressing modern slavery, and progression through its maturity levels reflects a supplier's efforts in upholding ethical labour standards.

We also align with PPN 02/23: Tackling Modern Slavery in Government Supply Chains, which helps understand where suppliers are at and where they should be in terms of responsible supply chain practices. In line with this policy, we do require suppliers to complete a Modern Slavery Assessment Tool (MSAT). This helps us identify and help manage risks associated with high-risk supply chains and be transparent with our suppliers through engagement and communication.

MTW is committed to delivering sustainable procurement in line with the NHS Supplier Roadmap. We ensure that a minimum of 10% social value is incorporated into all tenders, focusing on environmental and social commitments that extend beyond the core requirements of the contract.

Where goods or services are deemed critical to the Trust's operations, these social value commitments are embedded into Key Performance Indicators (KPIs) and are subject to ongoing monitoring, measurement, and contract management. This approach ensures that sustainability and social responsibility remain central throughout the lifecycle of our contracts.

We are proud to have recruited a Social Value & Sustainable Sourcing Specialist to our procurement team who will take a lead in ensuring that all procured services deliver value for money and align to our net zero trajectory and commitments.

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

**Adaptation**

Adaptation is the process of adjusting our systems and infrastructure to continue to operate effectively while the climate changes. Climate change brings new challenges to our organisation, both in direct effects to the healthcare estates, but also to patient health. Examples of recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods, droughts etc. Our board approved Green Plan address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events.

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

**Green Space and Biodiversity**

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

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

**Partnerships**

The NHS policy framework already sets the scene for commissioners and providers to operate in a sustainable manner. Crucially for us as a provider, evidence of this commitment will need to be provided in part through contracting mechanisms. We have regular engagement with the NHS Kent and Medway Integrated Care Board (ICB).

**Performance**

Since the 2007 baseline year, the NHS has undergone a significant restructuring process and one which is still on-going. In the last year, the Trust has continued to expand and commission new areas such as the Kent and Medway Orthopaedic Centre (KMOC) which has resulted in a continually expanding operational footprint, providing additional services and thus an increased workforce.

In this year’s report, the approach used to calculate the floor space has been refined to reflect a more consistent measure. As a result, the 2023/24 figure has been recalculated for improved accuracy.

| Context info | 2007/08 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Floor Space ($m^2$) | 109,896 | 138,533 | 138,533 | 138,533 | 138,533 | 134,083 | 133,111 | 134,371 | 135,396 | 131,539 | 140,541 |
| Number of Staff | 3,969 | 4,678 | 5,130 | 5,022 | 5,153 | 5,313 | 5,866 | 6,220 | 6,626 | 7,160 | 7,636[1] |

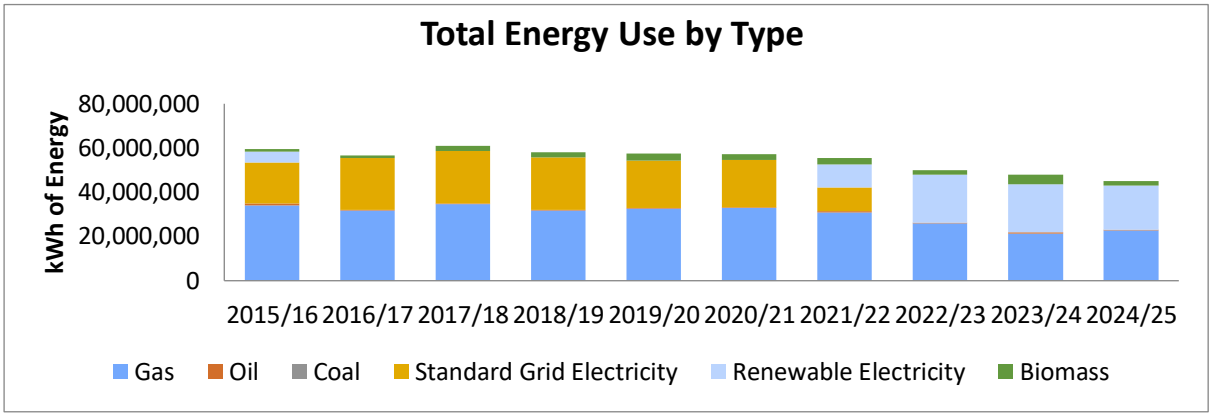
## Energy

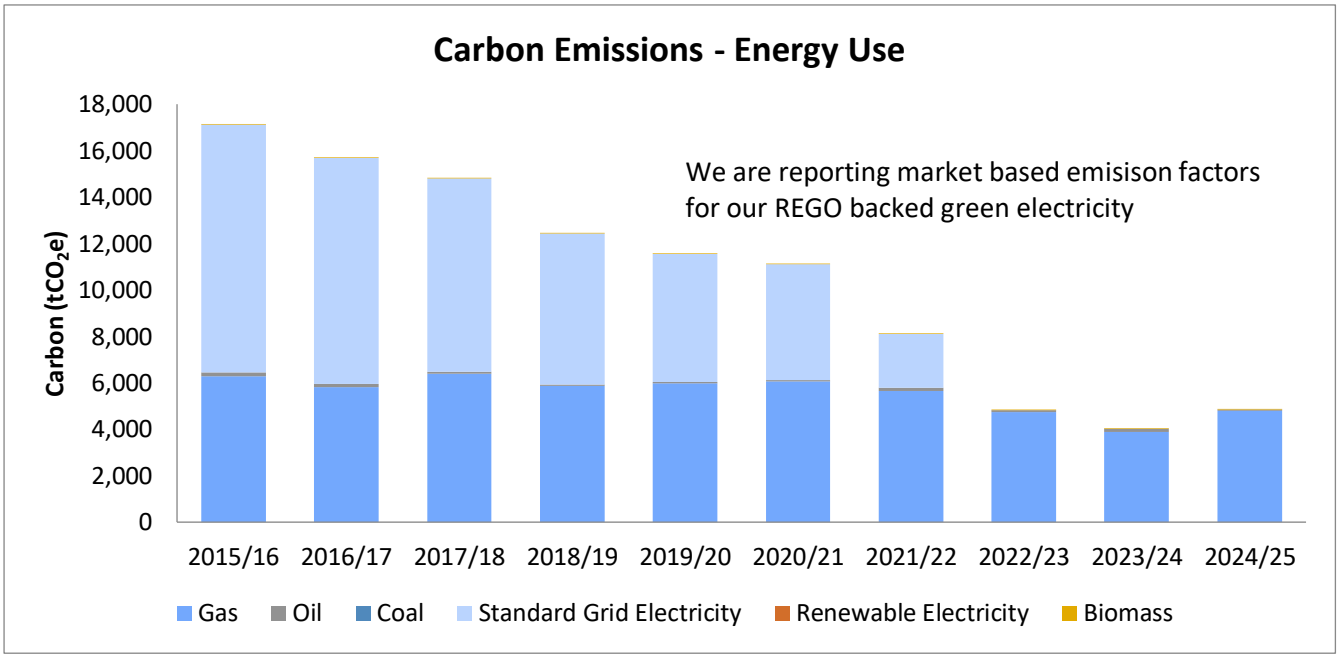
Managing energy is one aspect of reducing carbon emissions. The Trust spent £6,335,765 on energy in 2024/25, this is an increase on energy spend from last year. In the previous energy contract, we benefited from exceptionally competitive energy prices. However, with the conclusion of this agreement, we have experienced a price increase due to transitioning to a new supplier. While the new contract reflects a higher cost, it remains a competitive and reasonable rate compared to current market conditions.

| Resource | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gas | Use (kWh) | 34,139,781 | 31,605,108 | 34,671,340 | 31,855,591 | 32,475,249 | 32,920,550 | 30,821,471 | 25,991,178 | 21,310,743 | 25,864,900 |
| | $tCO_2e$* | 6,284 | 5,804 | 6,385 | 5,860 | 5,971 | 6,053 | 5,645 | 4,735 | 3,898 | 4,772 |
| Oil | Use (kWh) | 635,116 | 532,926 | 313,362 | 280,800 | 273,640 | 224,294 | 521,694 | 346,712 | 448,146 | 257,731 |
| | $tCO_2e$* | 172 | 147 | 86 | 78 | 70 | 58 | 134 | 88 | 115 | 66 |
| Coal | Use (kWh) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | $tCO_2e$* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Standard Grid Electricity | Use (kWh) | 18,564,756 | 23,456,861 | 23,799,662 | 23,661,820 | 21,578,000 | 21,452,491 | 10,917,054 | 0 | 0 | 0 |
| | $tCO_2e$* | 10,673 | 9,748 | 8,319 | 6,482 | 5,515 | 5,001 | 2,318 | 0 | 0 | 0 |
| Renewable Electricity | Use (kWh) | 4,892,105 | 0 | 0 | 0 | 0 | 0 | 10,437,727 | 21,505,961 | 21,866,712 | 22,134,341 |
| | $tCO_2e$* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Biomass | Use (kWh) | 1,301,508 | 1,092,859 | 2,044,204 | 2,362,000 | 3029000 | 2701000 | 2,677,000 | 2,055,000 | 4,435,200 | 2,163,000 |
| | $tCO_2e$* | 14 | 12 | 22 | 25 | 32 | 28 | 28 | 22 | 47 | 24 |
| Total Energy kWh | | 58,231,758 | 55,594,895 | 58,784,364 | 58,160,211 | 57,355,889 | 57,298,335 | 55,374,946 | 49,898,851 | 48,060,801 | 50,419,972 |
| Total Energy $tCO_2e$ | | 20,833 | 19,062 | 17,838 | 14,934 | 11,556 | 11,112 | 8,097 | 4,823 | 4,013 | 4,863 |
| Total Energy Spend | | £3,919,681 | £3,835,790 | £4,535,611 | £4,912,381 | £4,762,269 | £4,263,339 | £7,025,269 | £4,762,269 | £4,722,459 | £6,335,765 |

The biomass boiler did not operate at full capacity throughout the reporting period. The system was non-operational for a portion of the year, due to the need for repair work and awaiting necessary replacement parts. Oil consumption figures reported for the year are based on estimates due to discrepancies identified in the measurement systems.

[1] Based on December 2024 information




The Trust has experienced significant growth with the addition of new buildings at various locations. As a result, overall energy consumption has increased. However, electricity consumption has remained consistent, largely due to widespread implementation of energy-efficient lighting. The Trust has moved to a 100% renewable energy contract for electricity, allowing us to report a zero emissions factor for electricity used since 1st October 2021.

**Paper**

Staff are encouraged to improve practices by printing only when necessary and printing using black and white instead of colour. Paper consumption has remained consistent with the previous reporting year. It is important to note that the staff numbers within the Trust have grown during this period. Efforts are underway to digitise more paper-based processes. The shift to a paperless NHS can be supported by staff reducing paper usage at all levels. This not only reduces the environmental impact of paper, but reduces cost of paper and disposal and can help improve data security.

| Paper | | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|
| Volume used | Tonnes | 61 | 90 | 62 | 68 | 48 | 80 | 72 | 72 |
| Carbon emissions** | $tCO_2e$ | 58 | 85 | 58 | 64 | 45 | 75 | 68 | 67 |

### Travel

We can improve local air quality and reduce carbon emissions by designing our travel and services with sustainability in mind. The Trust has a clear policy on healthy travel and promotes sustainable travel options to our stakeholders (staff, patients and the public).

| Category | Mode | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Patient and visitor own travel ** | miles | 36,538,472 | 41,979,942 | 46,022,302 | 450,683,559 | 45,317,097 | 42,344,366 | 34,190,245 | 44,174,138 | 38,874,251 | 37,284,080 |
| | $tCO_2e$ | 10,721 | 12,368 | 13,248 | 128,769 | 12,644 | 11,479 | 9,268 | 12,144 | 10,425 | 10,015 |
| Staff commute ** | miles | 4,493,769 | 4,929,930 | 4,824,221 | 4,824,221 | 5,105,793 | 5,637,226 | 5,977,420 | 6,367,586 | 6,880,770 | 7,338,292 |
| | $tCO_2e$ | 1,625 | 1,782 | 1,719 | 1,779 | 1,765 | 1,948 | 1,650 | 1,758 | 1,899 | 1,971 |
| Business travel and fleet ** | miles | 1,319,789 | 1,037,636 | 1,059,360 | - | 569,989 | 265,695 | 735,082 | 635,651 | 449,804 | 848,622 |
| | $tCO_2e$ | 477 | 375 | 377 | - | 197 | 92 | 243 | 111 | 121 | 159 |

During the reporting period, we have observed an increase in mileage across staff commute, business travel and fleet usage. The increase in staff commute aligns with the growth in the workforce. Fleet mileage has increased, driven by the acquisition of an additional site and the associated rise in travel requirements for this location. The overall carbon metric for business travel and fleet usage has decreased compared to 2023/24. This reduction could be an indicative of a shift towards lower-emission vehicles. The Trust has made significant strides in sustainable travel including:

- investing in lower-emission vehicles
- promoting the salary sacrifice scheme for staff, which includes electric cars
- making public transport more accessible with free bus travel on several local routes
- providing a free park and ride service as of January 2025, available for staff, patients, and visitors

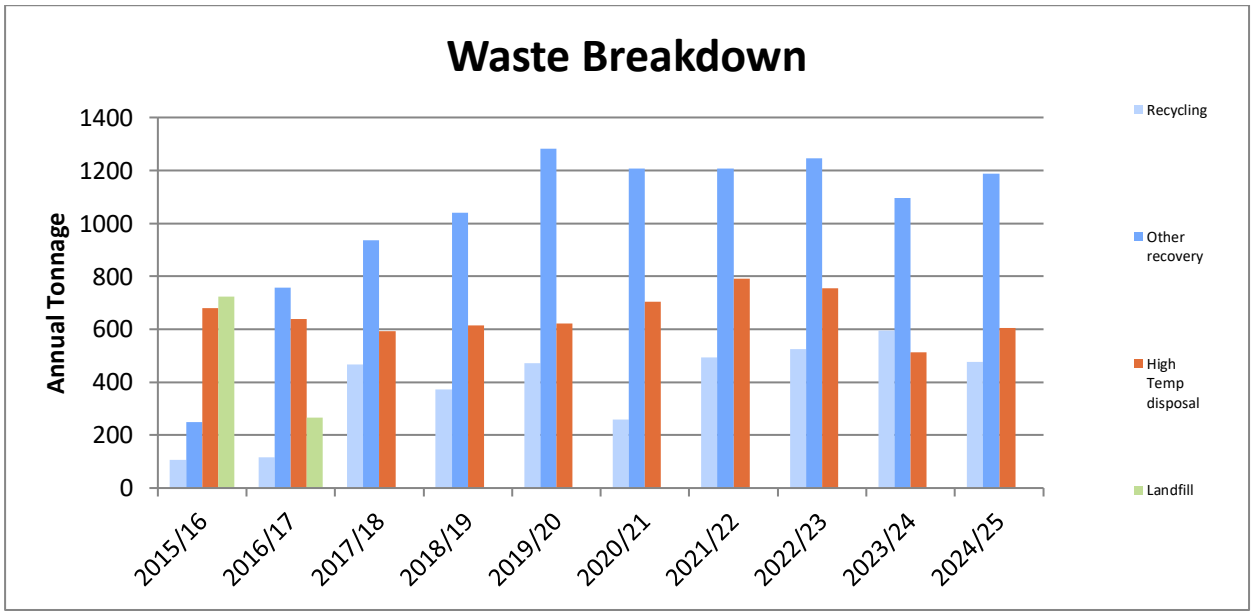
### Waste

In March 2023, NHS England introduced the Clinical Waste Strategy, outlining its ambition to transform the management of clinical waste by eliminating unnecessary waste, exploring reuse options, and ensuring waste is processed efficiently and sustainably.

While the Trust's recycling tonnage has decreased, segregating waste according to the NHS Clinical Waste Strategy will help reduce high-temperature disposal waste and increase other recovery waste. This approach lowers energy demand, environmental impact and costs.

Building on existing initiatives, such as promoting reuse and reducing single-use items in the canteens, the Trust has made several successful changes this year. Along with conducting a review of waste processes to improve segregation in line with the NHS Clinical Waste Strategy, the Trust has appointed a new waste contractor, introduced a walking aid reuse scheme, commenced food waste recycling and is updating the Waste Policy. Additionally, reusable theatre caps will soon be implemented. Several initiatives were introduced late in the year, and as a result, their full impact will be reflected in next year's report.

| Waste | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Recycling ** | tonnes | 107 | 115 | 468 | 372 | 472 | 258 | 494 | 524 | 596 | 476 |
| | $tCO_2e$ | 2 | 2 | 7 | 8 | 10 | 5 | 10 | 11 | 12 | 10 |
| Other recovery** | tonnes | 248 | 756 | 937 | 1040 | 1281 | 1206 | 1208 | 1245 | 1097 | 1188 |
| | $tCO_2e$ | 16 | 16 | 15 | 15 | 27 | 25 | 25 | 26 | 23 | 25 |
| High Temp disposal ** | tonnes | 679 | 639 | 592 | 614 | 621 | 704 | 792 | 755 | 512 | 606 |
| | $tCO_2e$ | 149 | 141 | 190 | 192 | 137 | 155 | 175 | 167 | 113 | 134 |
| Landfill** | tonnes | 724 | 265 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | $tCO_2e$ | 177 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Waste | tonne | 1758 | 1775 | 1997 | 2026 | 2374 | 2168 | 2494 | 2524 | 2205 | 2269 |
| Total Waste** | tCO2e | 333 | 241 | 211 | 215 | 174 | 186 | 211 | 203 | 148 | 169 |




High temperature disposal refers to the incineration of clinical waste, a process that currently does not involve energy recovery. The Trust sends domestic and offensive waste to an 'energy from waste' facility, which is classed as "Other recovery". Energy from waste cannot be classed as recycling, as recycling involves converting used items into raw materials to produce new products. Energy from waste focuses on recovering the embedded energy within a product, which is a lower-tier option in the waste hierarchy. The waste hierarchy prioritises actions in the following order: reduce (the amount of waste being produced); reuse

(items in their existing form); recycle (into new products); recover (the embedded energy); or dispose (through landfill).

### Water

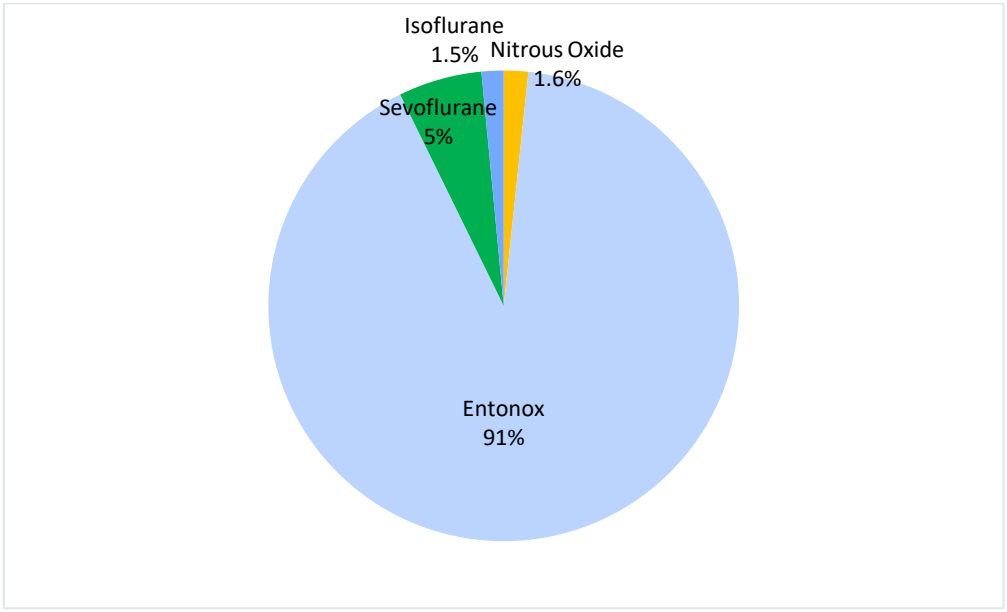
Water usage has increased compared to the previous reporting period; however, it remains lower than levels observed in earlier years. The large decrease in water consumption in 2023/24 was partially due to the closure of some accommodation units. The carbon emissions stated below include the provision of water and those associated with sewerage and water treatment.

| Water | | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Mains Water | $m^3$ | 205,246 | 209,205 | 225,383 | 211,936 | 237,616 | 219,389 | 234,950 | 211,746 | 177,822 | 185,688 |
| | $tCO_2e$** | 216 | 220 | 237 | 223 | 250 | 231 | 247 | 223 | 187 | 195 |
| Water & Sewage Spend | | £582,869 | £661,990 | £761,100 | £758,895 | £959,889 | £768,234 | £835,040 | £734,156 | £816,638 | £856,402 |

### Anaesthetic Gases

As a Trust we recognise that anaesthetic gases are significant contributors to climate change, and that some gases are much more harmful than others. We are very proud to have decommissioned the nitrous oxide manifold gas pipeline systems at both Maidstone and Tunbridge Wells Hospitals, making us the first Trust in the region to completely remove these manifolds. Whilst the use of nitrous oxide remains in some areas, we have transitioned to point-of-use cylinders and there has been a significant reduction, 81%, in nitrous oxide use in this year. The Trust has also ceased the use desflurane in line with national guidance.

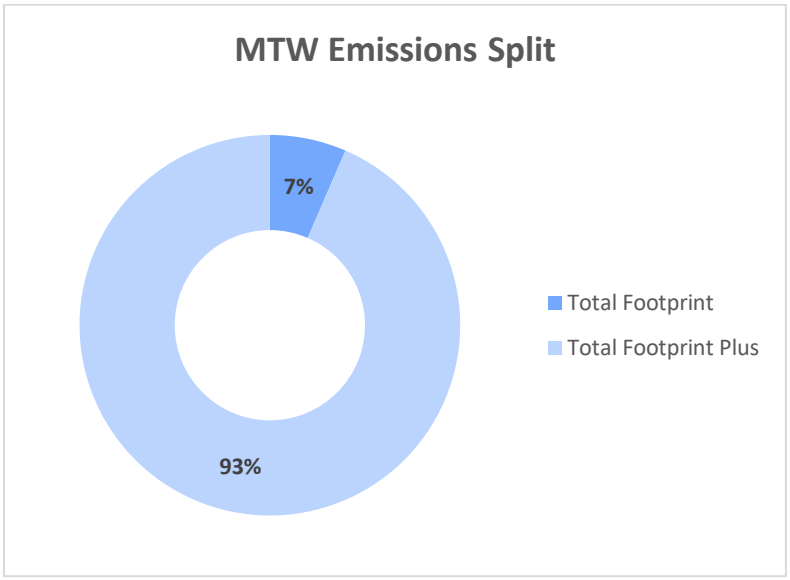
During the review of the carbon footprint data, it was identified that previous reports likely underreported Entonox usage. In 2024/25 our total anaesthetic gases accounted for 957.5 tCo2e. This represents a more accurate representation of the carbon footprint related to the Trusts anaesthetic gas usage.



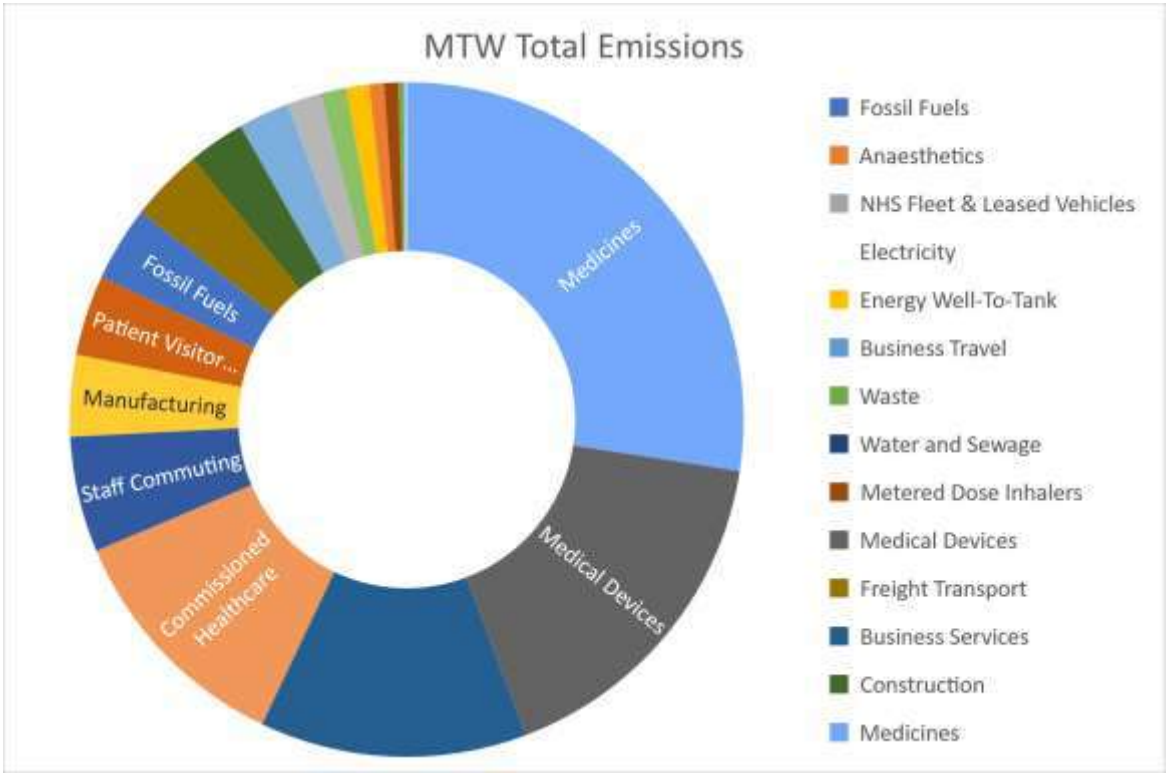
**Modelled Carbon Footprint**

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

Measuring supply chain emissions is an evolving process, with methodologies improving on an annual basis as more data becomes available. Figures reported are always indicative and not precise, however the proportions of the total footprint are largely accurate. The data captured for the carbon footprint plus was reviewed this year, and has been adjusted to ensure greater accuracy.



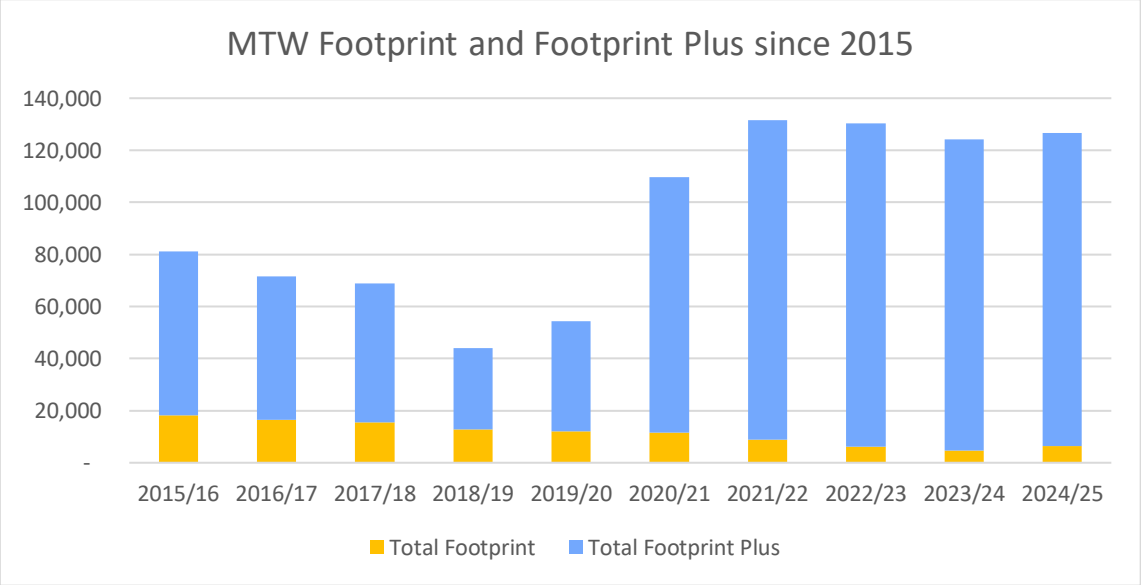

The above chart shows that the majority of the emissions associated with the Trust are based within the supply chain.



The above chart shows the components of the entire carbon footprint and footprint plus of the Trust in 2024/25. It is apparent that the largest components are from supply chain emissions associated with medicines, medical devices, business services and commissioned healthcare.

We are committed to working with our supply chain partners and the wider NHS community to reduce the emissions associated with our supply chain as much as possible.

**Emissions Trajectory**




This graph illustrates both our carbon footprint and footprint plus using the current analytical methodologies. We acknowledge that emissions associated with our supply chain have grown in recent years. This is partially due to increased operational output and expenditure, rising costs and partially attributed to new data being available for analysis.

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

*Carbon calculations are derived using the UK Government GHG Conversion Factors (DEFRA).
****** Calculations in this table follow the methodology used in the original report and has been included to maintain consistency and ensure uniformity in data comparison. Metrics are subject to review; further details are available on request.

Miles Scott

Chief Executive Officer

19th June 2025

# Accountability report 2024-25



## Our Board Members

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

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

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

### Dr Annette Doherty OBE FRSC
Chair of the Trust Board

Dr Annette Doherty OBE FRSC joined as Chair at the Trust in May 2024. Annette trained as a chemist at Imperial College London. She has 35 years of international experience working within the pharmaceutical sector, including at Warner-Lambert, Pfizer and most recently GSK where she was Senior Vice President, Global Head of Product Development and Clinical Supply. She has been directly involved in the research, development and launch of over 30 new medicines in respiratory, infectious diseases, cancer, and inflammatory conditions.
She has been a Non-Executive Director (NED) at Cambridge University Hospitals NHS Foundation Trust since 2017 where she currently chairs the Performance Committee.
Dr Doherty is also a trustee at a number of charities including St John Ambulance and the Royal Society of Chemistry and is a Member of the Tonbridge Grammar School Academy Trust. She is also a Council Member of Innovate UK, which is a part of UK Research and Innovation (UKRI).
She is a Fellow of the Royal Society of Chemistry (FRSC) and became President of the Royal Society of Chemistry in July. The Society is a charity focussing on education, research and policy to advance the chemical sciences.
In 2009, she was awarded an OBE in recognition of her services to the pharmaceutical sector.

## Miles Scott
Chief Executive

Miles joined as Chief Executive at the Trust in January 2018.
As the Trust's "Accountable Officer", Miles is responsible for the overall development and performance of the Trust. In addition to being a Board member, he attends several Board sub-committees. Miles has over 35 years' experience in the NHS encompassing acute, community and mental health services, the Department of Health and the King's Fund. Miles is actively involved in the Kent and Medway Integrated Care System (ICS), chairing a number of key committees, which includes the Kent and Medway Cancer Alliance; and the Kent and Medway Pathology Network. Miles is also the Senior Responsible Owner (SRO) for the West Kent Health and Care Partnership (HCP), and a National Delivery Advisor for UEC and Co-Chair of the NHSE SE Learning & Improvement Network. Prior to joining MTW Miles worked as Improvement Director at NHS Improvement. He was previously Chief Executive of St George's University Hospitals Foundation Trust (2011 to 2016) and prior to that Chief Executive at Bradford Teaching Hospitals NHS Foundation Trust (2005 to 2011) and Harrogate and District NHS Foundation Trust (2001 to 2005). Miles is married to Abbie and has two children. He lives in south west London with his family.

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## Sean Briggs
Chief Operating Officer

Sean joined as Chief Operating Officer at the Trust and Board member in 2018, and left the Trust in September 2024. Sean joined the Trust as Chief Operating Officer designate in November 2018 and became the substantive Chief Operating Officer and member of the Trust Board on 3 December 2018. Sean has a broad experience working within a variety of healthcare settings but has spent most of this time in the acute setting in hospitals such as St George's NHS Foundation Trust and Epsom and St Helier Hospital, where he held a number of senior managerial roles. Sean is passionate about improving clinical engagement and patient care across the Trust and has a strong track record in improving hospital operational performance whilst delivering a number of high profile clinical strategic changes, most notably the development of the 24/7 Thrombectomy service at St George's.

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## Maureen Choong
Non-Executive Director / Senior Independent Director

Maureen joined the Board in August 2017 as an Associate Non-Executive Director, and was then appointed as a substantive Non-Executive Director in November 2017. She is a Registered Nurse with over 40 years of clinical and leadership experience in the NHS, prior to her retirement in 2016 from her role as Clinical Quality Director with the NHS Trust Development Authority and NHS Improvement. Since her retirement in 2016 Maureen has been a special adviser to the CQC. Her previous roles included Deputy Chief Nurse with NHS London and both clinical and Director roles in NHS trusts.

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## Karen Cox

Associate Non-Executive Director

Karen joined the Trust as a Non-Executive Director in June 2019 and left the Trust in June 2024. Karen is currently Vice-Chancellor and President of the University of Kent, a position she has held since August 2017. She graduated from King's College London with a BSc (Hons) and her Registered General Nurse (RGN) qualification in 1991. She has held a number of clinical posts in Oxford, Southampton, Gloucestershire and Nottingham, specialising in Oncology and Community Health Care (District Nursing). Karen completed her PhD at the University of Nottingham, funded by the Cancer Research Campaign and was appointed Professor in 2002. She served as the University's Head of the School of Nursing 2002 – 2007, joined the senior leadership team as a Pro Vice-Chancellor in 2008 and became Deputy Vice-Chancellor in 2013 before taking up her role as Vice-Chancellor at the University of Kent in 2017. Karen
was a board member of the Nursing and Midwifery Council (NMC) until May 2023 having served for eight years on the Council. She is also a Director of the Universities and Colleges Employers Association and was elected to the Universities UK Board for a 3-year term from August 2022.

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## Sarah Davis

Chief Operating Officer

Sarah was appointed Chief Operating Officer in September 2024, having previously been the Deputy Chief Operating Officer. Sarah started her career as a Registered Nurse and has 36 years of NHS experience working in a variety of senior nursing and operational roles. Before joining MTW in 2006, Sarah worked in a clinical role undertaking a project for the Department of Health at Kettering NHS Trust.
In a long career at MTW, Sarah has led multidisciplinary teams in the delivery of strategic projects including the Kent & Medway Orthopaedic Centre and Fordcombe Hospital, service improvement projects and achievement of key national performance targets.

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## David Highton

Chair of the Trust Board

David joined as Chair at the Trust in May 2017 and left in April 2024.
David was previously Ministerial Advisor on Private Sector Involvement and Public Private Partnership to the Minister of Public Health in Qatar. Since 2011 he was Executive Director of Corporate Development at Hamad Medical Corporation, the main public hospital provider in Qatar. Over that time, he has also been Chair of Sussex Health Care Audiology Ltd, a business delivering age-related hearing assessments in the community in Surrey, Sussex and Berkshire, and a Director of Clearview Healthcare, a Delhi-based company providing operator managed equipment services to the growing private hospital market in India. Prior to moving to Qatar, David worked in the independent health sector and was previously an NHS chief executive from 1991 to 2003, including the Chelsea and Westminster Hospital NHS Trust and the Oxford Radcliffe Hospitals NHS Trust. More recently David has been Chair of Buckinghamshire Healthcare NHS Trust since 2022 and stood down as Chair of Demelza Hospice Care for Children in 2023 after a five-year term.
Originally a Chartered Accountant, David worked in publishing, property services, the brewing industry, an industrial starches business and in the City, before joining the NHS as a Finance Director in 1990. David, who is married and has a grown-up family, has strong links with Kent, having spent his childhood himself in Meopham and Sittingbourne, and currently lives in Maidstone and in Witney in Oxfordshire.

## Richard Finn

Associate Non-Executive Director / Vice-Chair

Richard Finn joined the Trust Board in November 2019. He is currently Managing Director of Richard Finn Ltd, an international management consultancy, where he specialises in providing advice on change, organisation development, governance and leadership. Previously he was Managing Director at Penna PLC, a Director at Crane Davies and Marketing Director at Henley Distance Learning, a division of Henley Management College. Richard has a London BSc (Econ) and Cert Ed (FE), an MA in Management from the University of Kent and CDir from the Institute of Directors. He has been a Fellow of the Chartered Institute of Personnel and Development, Institute of Directors and the Chartered Institute of Marketing.
Since 2019 Richard has been Chair of the Detling Community Interest Company. In November 2023 he also became a Trustee of Demelza Children's Hospice. Richard was a member of the Kent Business Advisory Board from 2014 to 2020 and Chairman of Kent Music from 2007 to 2017. He was a member of the Nominations and Governance & Audit Committees of the Lord's Taverners until 2023 and as a Liveryman of the City of London, was Chairman of the Pro-Bono Committee of the Livery Company of Management Consultants. Richard has lived all hismarried life in Kent and currently lives in Detling.

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## Neil Griffiths

Non-Executive Director / Vice-Chair

Neil joined the Trust Board as an Associate Non-Executive Director in June 2018, appointed as a substantive Non-Executive Director on 14 February 2019, and has been Chair of the Finance & Performance Committee since March 2019. He was appointed Deputy Trust Chair in January 2022.
His career has included both public and private sector leadership roles in and around hospitals in the UK. He was previously a Board member and Deputy Chief Executive at University College London Hospitals NHS Foundation Trust, a leading acute academic hospital provider in the UK. Neil's other career experience includes helping lead the team and development of the McKinsey Hospital Institute (MHI) in the UK. This was part of a global initiative for McKinsey & Company to develop analytical tools and performance improvement support for hospitals. Neil is currently Managing Director of TeleTracking Technologies in the UK, a global leader in the provision of services and technology, supporting healthcare organisations improve productivity and patient flow. Neil has been a local resident for 15 years, is married with two children and lives in Tunbridge Wells.

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## John Hammond

Associate Non-Executive Director

John joined the Trust as an Associate Non-Executive Director in February 2025.
John Hammond is Professor of Interprofessional Practice at Canterbury Christ Church University's School of Allied and Public Health Professions and joined the Trust Board in January 2025.
John has a wealth of academic, clinical and research experience. In his clinical career he specialised in musculoskeletal physiotherapy and pain, and his academic focus includes interprofessional working and social justice. His research interests also include issues of social justice including gender, sexual orientation, ethnicity, disability and allyship. John is co-chair of the UK National Association of Educators in Practice and an associate editor of the Physiotherapy journal.

## Jo Haworth

Chief Nurse

Jo joined the Trust as Chief Nurse in August 2021.
Jo Haworth joined the Trust Board in August 2021. She has been qualified as a Registered General Nurse for over 20 years. Jo initially specialised in Emergency Nursing at The Royal London Hospital where she worked for over 15 years. Jo has since held a number of senior nursing leadership positions in a wide range of clinical services, including community and mental health services across London. Latterly she was the Deputy Chief Nurse at King's College Hospital NHS Foundation Trust. Jo has a particular interest in the connection between mental and physical health and is passionate about improving this for patients.

## Rachel Jones

Director of Strategy, Planning and Partnerships

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

## David Morgan

Non-Executive Director

David joined the Trust Board in August 2019. His career has been spent in natural resources, chemicals and technology. He worked for Johnson Matthey plc for twenty years – including ten years as an executive director – and has served on the boards of a number of other companies in the UK and internationally. He has recently retired as chair of Nova Pangaea Technologies Limited, a biofuels business. He was previously chair of Nordgold plc a gold mining company, deputy chair of an energy technology company, SFC Energy AG, and the senior independent director at the Royal Mint. David is a chartered accountant, having qualified with KPMG, and chairs the Trust's Audit and Governance and Charitable Funds Committees. Away from work David volunteers as a mentor to staff and students at Imperial College, London who are looking to start their own businesses, having previously chaired the advisory board of the Department of Chemistry at Imperial. David has lived in Kent for over twenty years and is married with three sons.

## Sara Mumford

Chief Medical Officer / Director of Infection Prevention and Control

Dr Sara Mumford is a Consultant Microbiologist and Director of Infection Prevention and Control. She became the Trust's Medical Director in January 2024. She attends the Trust Board and a number of Board subcommittees and also leads the Trust's infection prevention strategy. Sara was awarded Senior Fellowship of the Faculty of Medical Leadership and Management in July 2023. Sara joined the Trust in 2007, and has previously been the Trust's Deputy Medical Director. She has also worked as Consultant Microbiologist at East Kent Hospitals University NHS Foundation Trust and as a Consultant in Communicable Disease Control (CCDC) at Kent Health Protection Unit.

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## Steve Orpin

Deputy Chief Executive / Chief Finance Officer

Steve joined the Trust in April 2014 as Director of Finance.
Steve Orpin is the Trust's Deputy Chief Executive and, as Chief Finance Officer, is also responsible for providing information and advice to the Trust relating to all financial management issues. Steve joined the Trust in April 2014 as Director of Finance from Medway NHS Foundation Trust, where he had been Deputy Director of Finance; including a 12-month spell as Director of Finance. Steve has held various positions within the Finance function in a number of NHS organisations across London and the South East in a NHS career spanning over 30 years. He is a Fellow of the Chartered Association of Certified Accountants and holds an MBA. In addition to his role on the Board, Steve attends several Board sub-committees.

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## Helen Palmer

Chief People Officer

Helen joined the Trust as the Chief People Officer in September 2024. Helen has over 25 years' experience of leading People and Organizational Development departments at large multinational organizations, beginning her career in the staffing industry.
She was previously the Chief People Officer at the World Resources Institute and prior to that spent 10 years at Kelly Services holding a variety of People and OD posts, including the VP of International HR and Global lead of Employee Experience. Before joining Kelly Services, Helen spent 13 years at Reed progressing her career through the Learning and Development, People Partner and Talent Acquisition fields.
Helen is passionate about employee engagement and experiences, creating inclusive, compassionate and high-performing cultures where people can thrive. She is motivated to create high performing People teams that support organizations to be their best, and make a difference in people's lives.
Helen lives in Kent with her husband and daughter.

## Emma Pettitt-Mitchell

Non-Executive Director

Emma joined the Trust Board in June 2018 as an Associate Non-Executive Director and was appointed as a substantive Non-Executive Director in August 2019. Emma is a highly experienced senior executive with over 21 years' experience with one of the largest retailers (UK and globally) and FTSE 100 company. Uniquely, Emma has worked extensively as a director in both the private and public sector, previously working for Kent County Council. She is also an experienced executive and team coach. Emma lives in Kent with her husband and three children. In addition to her role on the Trust Board, Emma chairs the People and Organisational Development Committee, and is part of the Remuneration and Appointments Committee.

## Sue Steen

Chief People Officer

Sue joined the Trust in April 2021 as Chief People Officer and left the Trust in September 2024.
Sue has over 30 years' experience of working in the public and not-for-profit sector, starting her career as a graduate trainee in Local Government with Coventry City Council.
She was previously Deputy Chief Executive, People and Organisational Strategy, at St John in New Zealand where she lived for four years. Prior to this she was the Director of Corporate Services at the National Crime Agency and previously Director of Human Resources and Governance at South Western Ambulance NHS Foundation Trust.
Sue has a Human Resources and Organisational Development background and is passionate about employee engagement, building high performing teams and creating positive working environments where people can thrive.
She is motivated by working in public and health related services that make a difference in people's lives.

## Jo Webber

Associate Non-Executive Director

Jo joined the Trust as a Non-Executive Director in November 2019. Jo Webber joined the Trust Board at the end of November 2019. Jo has a degree in Human Biology, is a Registered Nurse with a specialist District Nursing qualification and has a Masters degree in Primary Health Care. She has held board level operational and clinical management posts in Community Health and Primary Care Trusts. In 2004 Jo moved to the NHS Confederation, working for eight years analysing the impact of new health policy on health and social care and working nationally to influence its development and delivery. She was a Trustee of the Burdett Trust for Nursing for nine years, giving grants to support nursing research and leadership development and was Chair of In Control, a national charity working for an inclusive society supporting people with disabilities to live independently. She has a keen interest in improving joint working and integration within and between the NHS and other local organisations to better deliver services for patients and their carers. In addition to her role on the Trust Board, Jo is Vice-Chair of the Quality Committee and a member of the Charitable Funds Committee.

## Wayne Wright

Non-Executive Director

Wayne joined the Trust Board in January 2022. He has worked in some of the most celebrated corporate entities as well as fast-growing, medium-sized businesses at senior and board levels. His experience is in the building of businesses from the bottom up with a clear understanding of the strategic elements essential in driving successful growth. With a scientist background he is named on nine patents. Wayne has investments in healthcare businesses in the UK and US, and for the last 20 years has led [W]sq solutions, a small boutique entrepreneur coaching organisation that works with fast-growing businesses in accelerating growth and profitability. His corporate and turnaround experience for venture capitalists and the serving of those high growth businesses have created learning and principles that have been packaged into his book, The Ten Commandments of Business Growth and discussed in depth through his new breakthrough online course for business leaders and their executive teams 'Business Growth, Strategy and Execution Course'. Wayne is active in the Maidstone community where he has lived for over 20 years with his wife and grown up family. He currently owns Maidstone Warriors Basketball Club, the largest youth basketball club in the Kent region and active in his local church, The Vine, which has a strong reputation in the Maidstone community and schools for supporting those in financial and physical need.

## Alex Yew

Associate Non-Executive Director

Alex joined the Trust Board in March 2023. He is currently an Associate Non-Executive Director on the Performance and Investment Committee of the Kent and Medway Integrated Care Board (ICB) and a Non-Executive Director of various other private and non-profit organisations. Prior to embarking on a non-executive, portfolio career, Alex spent more than 25 years working internationally as a lawyer, banker and investor. Alex was born in Malaysia, worked in Singapore and in the City, and has lived in Kent for the last 20 years.

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

The Board is currently comprised of the Trust Chair, Chief Executive, six other Executive Directors, four other Non-Executive Directors and four Associate Non-Executive Directors

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

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

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

All Trust Board members receive inductions on joining the Board of directors and are subject to an annual review of their performance and contribution to the management and leadership of the Trust. The Chair ensures that the directors continually update their skills, knowledge and familiarity with the trust to fulfil their role on the board through regular appraisal, which considers whether they are they are receiving the necessary information in a timely manner and feel able to appropriately challenge board recommendations, by making full use of their skills and experience gained both as a director of the trust and in other leadership roles. Examples of this include; completion of mandatory training (which includes EDI training), informal and formal staff engagement, such as the staff awards, tea rounds on wards, attending patient engagement events, deep dives in committees, FTSU and meetings with executive colleagues. The trust has a board development programme in place and the directors attend courses as appropriate to their needs. The Trust has appropriate insurance cover in place to cover the risk of legal action against any of its directors through NHS Resolution.

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

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

**Key responsibilities**

### Chief Executive

The Chief Executive leads the NHS' work Regionally and Nationally to improve health and insure high quality care for our communities. As the Accountable Officer for the Trust, they are responsible for the overall development and performance of the Trust.

### Chair of the Trust Board

The Chair has a unique role in leading the NHS trust board. The role combines the duty to lead effective governance, consistent with the Nolan principles and NHS values, with securing a long-term vision and strategy for the organisation. Fundamentally, the chair is responsible for the effective leadership of the board. They are pivotal in creating the conditions necessary for overall board and individual director effectiveness.

### Senior Independent Director

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

The Senior Independent Director is a non-executive director appointed by the Board of Directors. The Senior Independent Director will be available to members of the Board and staff if they have concerns that contact through the usual channels of Chair, Chief Executive, Director of Finance and Trust Secretary has failed to resolve or where it would be inappropriate to use such channels. In addition to the duties described their role, the Senior Independent Director has the same duties as the other Non-Executive Directors.

### Vice-Chair

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

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

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

### Register of Interests

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

### How to Contact the Board of Directors:

| | |
|---|---|
| **Post:** | **Maidstone Hospital**<br>**Hermitage Lane**<br>**Maidstone**<br>**Kent, ME16 9QQ** |
| **Switchboard:** | **01622 729000** |
| **Email:** | **mtw-tr.communications@nhs.net** |

## The Board of Directors

The Board of Directors comprises full-time Executive and part-time Non-Executive Directors, the latter selected for their knowledge, areas of relevant expertise and experience. All directors meet the Fit and Proper Persons Requirements.

The role of the Board of Directors is to provide effective and proactive leadership of the NHS foundation trust; to set the strategic aims of the Trust, ensuring the quality, safety and effectiveness of the services provided; and to ensure that the Trust is well-governed in all aspects of its activities.

The section below demonstrates the balance, completeness and relevance of the skills, knowledge and expertise that each of the directors bring to the Trust.

The Trust Board meets every month (except for August) in public (a 'Part 1' meeting). In 2024/25 all but three of the meetings were held in person, the Trust continues to hold its Board meetings in person. The agenda and reports for all 'Part 1' Trust Board meetings are available via the Trust's website, and members of the public are able attend, in person or virtually and are invited to submit questions, in advance of the meeting, in relation to any of the agenda items.

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

The Trust Board and Committees have an evaluation programme in place and in line with the Trust Board's Well-led review by Deloitte LLP in 2023 and the internal evaluation, improvements were made, which included; A programme of develop for the Board of Directors, amendments to the Committee forward programs to include deep dives in the Finance and Performance, People and Organisational Development Committees and Quality Committees and the introduction of patient experience and staff experience stories to the Trust Board. Subgroups of the Quality Committee were reviewed and consolidated to the; Patient Safety Oversight Group, Experience of Care Group, Patient Outcomes Group, Risk and Regulation Oversight Group and Quality Improvement, Research and Innovation (QIRI) Group, to streamline the reporting structure and to ensure that the Quality Committee receives the appropriate assurances.

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

**The Audit & Governance Committee**
The committee's primary role is to oversee the governance and assurance process and the effectiveness of the risk management system and the control environment, including the

Trust's financial systems and annual financial statements. It considers any matters concerning the external auditors, the adequacy of the Trust's internal audit arrangements and the Counter Fraud function. The Committee also undertakes a detailed review of the Trust's Annual Report and Accounts, and is the Trust's Auditor Panel (in accordance with Schedule 4, Paragraph 1, of the Local Audit and Accountability Act 2014).

Membership of this committee is made up of Non-Executive Directors and was chaired by David Morgan for the entire reporting period. The Committee met on 14th May, 15th July, 7th November (Main Committee) and 7th November (as Auditor panel) in 2024 and on 5th March in 2025.

**Charitable Funds Committee**

This Committee's objective is to ensure that the Maidstone and Tunbridge Wells NHS Trust Charitable Fund is managed efficiently and effectively in accordance with the directions of the Charity Commission, relevant NHS legislation and the wishes of donors, which includes reviewing, and agreeing the Charitable Fund Annual Report and financial accounts, for approval by the Trust Board. The Committee meets at least three times a year and is made up of Executive and Non-Executive Directors, The Head of Financial Management, the Chair of the Charitable Management Committee, the Trust Secretary and was chaired by David Morgan for the entire reporting period. The Committee met on 17th July and 20th November in 2024 and on 12th March in 2025.

**Finance and Performance Committee**

The Committee's role is to provide the Trust Board with assurance on the effectiveness of financial management, treasury management, investment and capital expenditure and financial governance. It provides an objective assessment of the financial position and standing of the Trust, and advice and recommendations on all key issues of financial management and performance. In addition, the Committee receives assurance on Information Technology (IT) performance and IT-related business continuity. The Committee meets every month, is made up of Executive and Non-Executive Directors, and was chaired by Neil Griffiths for the entire reporting period.

**Quality Committee**

The aim of the Committee is to consider and obtain assurance on the effectiveness of the Trust's structures, systems and processes to enable delivery of the Trust's objectives relating to quality of care. On alternate months, the Committee meets in the form of a 'deep dive', with a reduced membership, to enable a small number of subjects to be scrutinised in greater detail. The Committee meets every month, is made up of Executive and Non-Executive Directors and was chaired by Maureen Choong for the entire reporting period.

**Remuneration and Appointments Committee**

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

would only consider an executive member of the Board leaving their employment, in accordance with the terms of their contract of employment and following completion and agreement of a risk assessment. The Committee is chaired by the Chair of the Trust Board, and is made up of Non-Executive Directors, but others may attend by invitation of the committee. The Committee met on 3rd October 2024 and 16th January 2025. The Committee will meet three time a year going forward.

**Executive Team Meeting**

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

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

## Attendance Summary

**Trust Board meetings**

A total of 14 Trust Board meetings were held in 2024/25, including a Trust Board 'Away Day' in June 2024; an Extraordinary meeting in June 2024 to approve the Annual Report and Accounts for 2023/24; and a Seminar in February 2025.

| Board member **(NV=Non-voting)** | 25 Apr. 2024 | 30 May 2024 | 5 June 2024 (Away Day) | 25 June 2024 (Extraordinary) | 27 June 2024 | 25 July 2024 | 26 Sep. 2024 | 31 Oct. 2024 | 30 Nov. 2024 | 19 Dec. 2024 | 30 Jan. 2025 | 27 Feb. 2025 | 27 Feb. 2025 (Seminar) | 27 March 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **David Highton** | ✓ | | | | | | | | | | | | | |
| **Annette Doherty** | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Sean Briggs** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | | | | | |
| **Maureen Choong** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| **Karen Cox (NV)** | ✓ | ✓ | | | | | | | | | | | | |
| **Sarah Davis** | | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Richard Finn (NV)** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ |
| **Neil Griffiths** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **John Hammond (NV)** | | | | | | | | | | | | ✓ | ✓ | ✓ |
| **Jo Haworth** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Rachel Jones (NV)** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **David Morgan** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sara Mumford** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| **Steve Orpin** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Helen Palmer** | | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Emma Pettitt-Mitchell** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | |
| **Miles Scott** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Sue Steen (NV)** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | | |
| **Jo Webber (NV)** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Wayne Wright** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Alex Yew** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ |

### Audit and Governance Committee meetings

A total of six Audit and Governance Committee meetings were held in 2024/25, including one Audit and Governance Committee as Auditor Panel meeting in November 2024.

| Committee member | 16 May 2024 | 25 June 2024 | 15 July 2024 | 7 Nov. 2024 | 7 Nov. 2024 (Auditor Panel) | 5 Mar. 2025 |
|---|---|---|---|---|---|---|
| **David Morgan (Chair)** | ✓ | ✓ | ✓ | | | ✓ |
| **Maureen Choong (Vice-Chair)** | ✓ | ✓ | ✓ | ✓ | ✓ | |
| **Neil Griffiths** | | ✓ | ✓ | | | ✓ |
| **Wayne Wright** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

### Charitable Funds Committee meetings

A total of three Charitable Funds Committee meetings were held in 2024/25.

| Committee member | 17 July 2024 | 20 Nov. 2024 | 12 Mar. 2025 |
|---|---|---|---|
| **David Morgan (Chair)** | ✓ | ✓ | ✓ |
| **Steve Orpin** | ✓ | ✓ | ✓ |
| **Kate Lawrence (Head of Financial Services)** | | ✓ | ✓ |
| **Jo Webber** | | | ✓ |
| **Rachel Jones** | ✓ | ✓ | ✓ |
| **Mel Norbury (Interim Trust Secretary)** | ✓ | | |
| **Louise Thatcher (Trust Secretary)** | | ✓ | ✓ |

### Finance and Performance Committee meetings

A total of 12 Finance and Performance Committee meetings were held in 2024/25, including one Extraordinary meeting in August 2024.

| Committee member | 23 Apr. 2024 | 28 May 2024 | 25 Jun. 2024 | 23 Jul. 2024 | 27 Aug. 2024 | 24 Sep. 2024 | 29 Oct. 2024 | 26 Nov. 2024 | 17 Dec. 2024 | 28 Jan. 2025 | 25 Feb. 2025 | 25 Mar. 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Neil Griffiths (Chair)** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Miles Scott** | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Sean Briggs** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | | | | |
| **Steve Orpin** | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **David Highton** | ✓ | | | | | | | | | | | |
| **David Morgan** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Richard Finn** | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Sarah Davis** | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

### People and Organisational Development Committee meetings

A total of 11 People and Organisational Development Committee meetings were held in 2024/25, including six 'deep dive' and five 'main' meetings.

| Committee member | 19 Apr. 2024 | 24 May 2024 | 21 Jun. 2024 | 19 Jul. 2024 | 20 Sep. 2024 | 25 Oct. 2024 | 22 Nov. 2024 | 13 Dec. 2024 | 24 Jan. 2025 | 21 Feb. 2025 | 21 Mar. 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Emma Pettitt-Mitchell (Chair)** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Richard Finn (Vice Chair)** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | |
| **Karen Cox** | ✓ | | | | | | | | | | |
| **Steve Orpin** | | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | | | |
| **Sue Steen** | ✓ | | | ✓ | ✓ | | | | | | |
| **Helen Palmer** | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Jo Haworth** | | ✓ | | ✓ | | | ✓ | ✓ | ✓ | ✓ | |
| **Derek Harrington (Director of Medical Education)** | N/A | | N/A | | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A |
| **James MacDonald (Deputy Medical Director)** | N/A | | N/A | | N/A | | N/A | ✓ | N/A | ✓ | N/A |
| **Wayne Wright** | N/A | | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A |

### Quality Committee meetings

A total of 12 Quality Committee meetings were held in 2024/25, including six 'deep dive' and six 'main' meetings.

| Committee member | 10 Apr. 2024 | 28 May 2024 | 12 Jun. 2024 | 10 Jul. 2024 | 14 Aug. 2024 | 12 Sep. 2024 | 16 Oct. 2024 | 13 Nov. 2024 | 04 Dec. 2024 | 15 Jan. 2025 | 13 Feb. 2025 | 19 Mar. 2025 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Maureen Choong (Chair)** | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ |
| **Jo Webber (Vice-Chair)** | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Wayne Wright** | | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ |
| **Jo Haworth** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ |
| **Sean Briggs** | ✓ | ✓ | | ✓ | ✓ | ✓ | | | | | | |
| **Sarah Davis** | | | | | | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| **Helen Callaghan (Director of Quality Governance)** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| **Sara Mumford** | | ✓ | ✓ | | ✓ | ✓ | | | ✓ | | ✓ | ✓ |
| **Carrie Parmenter (Patient Safety Manager)** | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | | ✓ |
| **Sarah Flint (Chief of Service, Women's Children's and Sexual Health)** | N/A | ✓ | N/A | | N/A | | N/A | | | | | |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Danny Lawes (Chief of Service, Surgery)** | N/A | | N/A | | N/A | | N/A | | | | | |
| **Laurence Maiden (Chief of Service, Medicine & Emergency Care)** | N/A | | N/A | ✓ | | | | | | | | |
| **Ritchie Chalmers (Chief of Service, Core Clinical Services)** | N/A | | N/A | | N/A | | N/A | ✓ | | | | |
| **Philippa Moth (Chief of Service, Cancer Services)** | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A | | | | | |
| **Sally Foy (Divisional Director of Nursing & Quality (DDNQ), Medicine & Emergency Care)** | N/A | | N/A | | N/A | | N/A | | | | | |
| **Sharon Page (DDNQ, Surgery)** | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A | ✓ | | | | |
| **Rachel Thomas (Director of Maternity)** | N/A | ✓ | N/A | ✓ | N/A | ✓ | N/A | ✓ | | | | |
| **Emma Sutton (Divisional Head of Quality and Governance, Core Clinical Services** | N/A | | N/A | ✓ | | ✓ | N/A | ✓ | | | | |
| **Hannah White (DDNQ, Cancer Services)** | N/A | | N/A | ✓ | N/A | | N/A | ✓ | | | | |
| **Simon Webster (Chief of Service, Medicine & Emergency Care)** | | | | | | | N/A | | | | | |

**Key**

✓ Attended the meeting

Has not yet joined / left the Trust, or are no longer a member of the Committee

Apologies were received

## Emergency planning, response and recovery

### Introduction

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

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

### Training and Exercising

During the year a number of exercises have been carried out including managing the effects of a wildfire at TWH, unexploded world two bombs, business continuity disruptions including water failures and hazardous materials.

In addition, our regular communications exercises continue using our alerting systems.

During the year the Trust held a multi-agency live exercise as part of commissioning the new Kent & Medway Orthopaedic Centre. This exercise involved a fire and evacuation in partnership with Kent Fire & Rescue Service, South East Coast Ambulance Service and Kent Police.

### Planning

This year there have been a large number of public events across the patch including concerts and festivals to established events like the County Show have all received input from the team. The Team continue to support and play an active part in the Kent Resilience Forum.

### Response

The team have been involved in a number of incidents including diesel spills, adverse weather and VIP visits.

### Partnership

The team have taken part in schools' events to promote emergency planning and also other training events with partners from all blue light services and our colleagues from the various helicopter providers. The team have been working on the new improved helipad provision at Maidstone.

## Remuneration and Staff Report

### NHS national staff survey

The final year of our People and Culture Strategy continues to deliver the vision to create an inclusive, compassionate and high performing culture where staff can thrive and be their best selves at work. Encouraging engagement, motivation and recognition under compassionate leadership is helping to drive behavioural change and improvements to staff experience.

Our 2024 National Staff Survey results shows an increase in staff feeling recognised and rewarded, feeling safe and healthy at work and ultimately in recommending MTW as a place to work. Our staff ranked MTW as one of the top ten Acute Trusts in the country and the second-best Trust in the South East region to work for.

46% of our staff completed the survey which is a 1% decrease from the previous year, though an increase in actual numbers from 3469 to 3640. 20% of bank staff also completed the survey which remains the same as the previous year.

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

In 2024, we have seen more staff believe there the Trust demonstrates a compassionate culture with a health and safety climate.

Scores have increased in all areas of working flexibly which can be directly attributed to the focussed work of the flexible working project within the People Promise Exemplar Programme. 54% of staff feel MTW is committed to helping them balance work and home life (up 2% from 2023); 57% achieve a good work life balance (up 2% from 2023); 70% feel they can talk openly with their manager about flexible working and 60% are satisfied with opportunities for flexible working (up 2% from 2023).

Patient care remains a top priority and 75% of staff would recommend the Trust to family and friends.

We continue to focus on retaining our talented and committed staff with hybrid and flexible working, supporting leaders to develop skills in Kindness and Respect and creating further opportunities for staff voice which makes real change.

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

| People Promise Theme | 2024 | | 2023 | | 2022 | |
|---|---|---|---|---|---|---|
| | Trust Score | Benchmarking Score | Trust Score | Benchmarking Score | Trust Score | Benchmarking Score |
| | | | | | | |
| **We are compassionate and inclusive** | 7.36 | 7.21 | 7.38 | 7.24 | 7.23 | 7.18 |
| **We are recognised and rewarded** | 6.01 | 5.92 | 6.00 | 5.94 | 5.75 | 5.72 |
| **We each have a voice that counts** | 6.84 | 6.67 | 6.84 | 3.70 | 3.70 | 6.65 |
| **We are safe and health** | 6.24 | 6.09 | 6.19 | 6.08 | 5.93 | 5.88 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **We are always learning** | 6.06 | 5.64 | 6.07 | 5.62 | 5.63 | 5.35 |
| **We work flexibly** | 6.39 | 6.24 | 6.30 | 6.20 | 6.13 | 6.00 |
| **We are a team** | 6.78 | 7.12 | 6.80 | 6.75 | 6.59 | 6.64 |
| **Staff engagement** | 7.13 | 6.84 | 7.11 | 6.91 | 6.91 | 6.80 |
| **Morale** | 6.19 | 5.93 | 6.14 | 5.90 | 5.84 | 5.68 |

**Employee benefits**

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

**Staff numbers and costs (subject to audit)**

| Average[2] staff numbers | Permanently employed (WTE) [3] | Other (WTE) | Permanently employed (expenditure) (£000s) | Other (expenditure) (£000s) |
|---|---|---|---|---|
| Medical and dental | 1,099 | 22 | 143,284 | 4,070 |
| Ambulance staff | 11 | 0 | 829 | 0 |
| Administration and estates | 2,245 | 10 | 94,077 | 1,307 |
| Healthcare assistants and other support staff | 1,407 | 33 | 50,590 | 1,644 |
| Nursing, midwifery and health visiting staff | 2,262 | 59 | 128,820 | 3,425 |
| Nursing, midwifery and health visiting learners | 0 | 0 | 0 | 0 |
| Scientific, therapeutic and technical staff | 736 | 24 | 44,349 | 1,682 |
| Healthcare Science Staff | 250 | 0 | 15,678 | 11 |
| Social Care Staff | 0 | 0 | 0 | 0 |
| Other - Redundancy and Special Payments | 0 | 0 | 38 | 0 |
| Apprenticeship levy | 0 | 0 | 1,963 | 15 |
| Employers Pension Contribution 9.4% | 0 | 0 | 29,232 | 0 |
| Total | 8,010 | 148 | 508,860 | 12,154 |
| Staff engaged on capital projects (excluded | 31 | 0 | 1,579 | 0 |
| Total Including staff engaged on capital | 8,041 | 148 | 510,439 | 12,154 |

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

**The analysis of staff costs by main elements of costs:**

| Analysis of staff costs | 2024/25 Permanently employed | 2023/24 Permanently employed |
|---|---|---|
| | (£000s) | (£000s) |
| **Salaries and wages** | 392,973 | 345,206 |
| **Social security costs** | 41,546 | 37,566 |
| **Apprenticeship levy** | 1,963 | 1,561 |
| **Pension cost - employer contributions to NHS pension scheme** | 44,697 | 38,899 |
| **Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)** | 29,232 | 16,873 |
| **Pension cost - other*** | 28 | 36 |
| **Total** | 510,439 | 440,141 |

[2] The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year.
[3] This excludes any staff on unpaid leave (and therefore does not equate to the WTE reported within the Sustainability Report)

**Exit packages (subject to audit)**

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

| Exit package cost band (including any special payment element) | *Number of compulsory redundancies | *Cost of compulsory redundancies | Number of other departures agreed | Cost of other departures agreed | Total number of exit packages | Total cost of exit packages | Number of departures where special payments have been made | Cost of special payment element included in exit packages |
|---|---|---|---|---|---|---|---|---|
| | Whole numbers only | £000s | Whole numbers only | £000s | Whole numbers only | £000s | Whole numbers only | **£000s** |
| **Less than £10,000** | 1 | 10 | 24 | 83 | 25 | 93 | 1 | **3** |
| **£10,000 - £25,000** | None | None | 7 | 98 | 7 | 98 | 2 | 25 |
| **£25,001 - £50,000** | None | None | 1 | 27 | 1 | 27 | None | **0** |
| **£50,001 - £100,000** | None | None | 0 | 0 | None | 0 | None | **0** |
| **£100,001 - £150,000** | None | None | 0 | 0 | None | 0 | None | **0** |
| **£150,001 - £200,000** | None | None | 0 | 0 | None | 0 | None | **0** |
| **>£200,000** | None | None | 0 | 0 | None | 0 | None | **0** |
| **Total** | 1 | 10 | 32 | 208 | 33 | 218 | 3 | **28** |

| Exit packages – disclosures (excluding compulsory redundancies) | Number of exit package agreements 2024/25 | Total value of agreements (£000s) | Number of exit package agreements 2023/24 | Total value of agreements (£000s) |
|---|---|---|---|---|
| **Voluntary redundancies including early retirement contractual costs** | 0 | 0 | 0 | 0 |
| **Mutually agreed resignations (MARS) contractual costs** | 0 | 0 | 0 | 0 |
| **Early retirements in the efficiency of the service contractual costs** | 0 | 0 | 0 | 0 |
| **Contractual payments in lieu of notice** | 29 | 180 | 15 | 98 |
| **Exit payments following Employment Tribunals or court orders** | 0 | 0 | 0 | 0 |
| **Non-contractual payments requiring HMT approval *** | 3 | 28 | 1 | 12 |
| **Total** | 32 | 208 | 16 | 110 |
| | | | | |
| **Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary** | **0** | **0** | **0** | **0** |

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

### Staff turnover

Staff turnover at the year-end 24/25 was 10.3% (23/24: 11.5%). This may differ to the Cabinet Office (CO) guidance for calculating turnover in the UK Civil Service due to differences in recording Doctors in Training rotating between Trusts, policies on secondments between NHS entities, treatment of certain staff exercising pension flexibilities under the NHS Pension Scheme and the use of Whole Time Equivalent figures.

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## Learning, Education and Development 2025

The Trust is committed to the ongoing development of its staff. Each hospital site has an Education / Academic Centre, providing dedicated staff teaching space, access to technology and resources and a library which offers 24/7 access to computers and quiet study space.

MTW-Learning is a learning platform utilised by all staff to support their training needs - both online learning, access to resources and training materials and content, and the booking of face-to-face sessions. It has been developed to meet the growing requirements of the Trust as well as supporting staff to access training and development and wellbeing opportunities.

All staff have an annual appraisal conversation which includes an opportunity for reflection, the co-creation of a SMART objectives linked to the Trusts strategic objectives, the development of a personal development plan and a focus on wellbeing.

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

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

There has been a significant amount of work focused on continuing to develop apprenticeship opportunities within the Trust with over 330 staff being part of a programme in 2024/25 with an associated investment of over £1.1m made via the apprenticeship levy to support these learners. The team have also supported the development of learners in our partner organisation SECamb, local Primary Care practices and pharmacies.

We were awarded the NHS England Bronze Work Experience Quality Standard Award in December which recognises the consistently high standards we achieve in planning, delivering and evaluating work experience on our oversubscribed programme. In 2024/25 276 people undertook a successful work experience placement.

In September 2024 we also welcomed a new cohort through the NHS Graduate Management Training Scheme as part of our ongoing expansion of the scheme at MTW to

grow and develop our future leadership talent. These individuals will be supported to learn to lead teams in a variety of placements across the system and to drive change by developing the skills they need for a successful career within the NHS.

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

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

**Library & Knowledge Services 2025**

Maidstone and Tunbridge Wells NHS Trust (MTW) hosts two libraries (LKS) for staff and learners at MTW, Kent and Medway NHS and Social Care Partnership Trust (KMPT), and those studying in, or working for, the NHS in the local health economy. Our services support medical and clinical education, clinical practice and service development, as well as R&D, Management decision-making, CPD and professional interest.

They provide expertise for evidence searches, high-quality evidence digests, literature reviews and current awareness. They offer training in a range of skills including in-depth searching, academic study skills, health literacy, and critical appraisal. They negotiate and manage access to a range of digital and physical resources.

Knowledge and Library Services can generate significant financial and economic benefits, releasing the time of clinicians and managers to focus on healthcare.

2024/25 has seen some significant developments to the Library & Knowledge Services (LKS) at MTW, with much investment in improving and updating our physical book stock as well as reviewing our e-provision. We have made good progress in converting our existing stock for use with RFID security systems on both sites and expect this to go live in Spring 2025, and have made changes to the supply of tools such as our point-of-care databases.

Users of our services confirm that the knowledge and information we supply have a direct impact on patient care as well as underpinning research activities, education and CPD, and we have delivered some exciting projects in liaison with MTW IT colleagues to improve access to information and better mobilise knowledge with national tools like the LibKey Nomad browser extension.

We have worked to understand our user needs, focussing on both stock and space as the Kent and Medway Medical School reaches capacity upon entering its 5th year of operation. We have invested in renewing our seating, desks and library layout to support increases in students, and anticipate demands continuing, if not increasing, as new accommodation for the school opens adjacent to our Tunbridge Wells Library in the spring of 2025.

We continue to invest in our own teams' CPD to drive developments in our own services, and are pleased that this has led to team members attaining professional registration, completing programmes of study, and contributing to the published scholarly literature, sharing learning and expertise with peers nationwide.

Our clinical librarians have run a total of 114 training sessions over the course of the year, supporting more than 700 local NHS staff and students by delivering critical appraisal,

evidence searching, study skills, health literacy and introductions to the libraries and to resources such as the nationally procured Knowledge and Library Hub.

Following an extended trial, we upgraded our point of care tool from Up-to-Date, DynaMed, which we have been able to make available at both MTW and KMPT. This now gives all staff, trainees and undergraduates working at either Trust access to two clinical decision support tools (DynaMed complements BMJ Best Practice which is supplied nationally). Staff from across both organisations made 28,000+ pages views from BMJ Best Practice in 2024, and viewed over 2,000 topics in DynaMed from September to December 2024.

In 2025 we will be looking at options to integrate point-of-care tools with clinical systems at the Trusts we serve, offering context sensitive information at a click, and also investigating the AI functions within the tools that are now being offered.

Approximately 20% of the evidence searches undertaken by our Clinical Librarians are for direct patient care or for changes to clinical guidelines or policies. We subscribe to a number of databases that contain patient information that can be adapted for use by clinical teams. 68% of respondents to our impact survey reported that the evidence search we performed for them contributed directly to informed decision making, direct patient care, or service development and delivery.

2025 will bring opportunities to further develop our services, using the national Quality Improvement and Outcomes Framework process during the Spring to create aspirational goals, benefitting the organisations and teams we serve. Financial challenges across the health economy make it even more critical for decisions to be underpinned with sound evidence and information, and for organisations to mobilise knowledge, sharing expertise and reducing waste. We are looking ahead to develop the team, capacity and skills to build on the positive year we have had in 2024.

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## Fair and inclusive recruitment

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

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

| Age | Staff (head count) | | Trust Board Members | |
|---|---|---|---|---|
| **Less than or equal to 20 years** | 67 (66) | 0.8% (0.8%) | 0 (0) | 0% (0%) |
| **21 to 25** | 524 (494) | 6.1% (6.2%) | 0 (0) | 0% (0%) |

| | | | | |
|---|---|---|---|---|
| **26 to 30** | 1080 (1049) | 12.7% (13.1%) | 0 (0) | 0% (0%) |
| **31 to 35** | 1239 (1204) | 14.5% (15.4%) | 0 (0) | 0% (0%) |
| **36 to 40** | 1229 (1066) | 14.4% (13.4%) | 0 (1) | 0% (5.9%) |
| **41 to 45** | 926 (875) | 10.9% (11.0%) | 1 (0) | 5.9% (0%) |
| **46 to 50** | 1000 (976) | 11.7% (12.2%) | 1 (1) | 5.9% (5.9%) |
| **51 to 55** | 995 (955) | 11.7% (12.0%) | 5 (6) | 29.4% (35.3%) |
| **56 to 60** | 824 (734) | 9.7% (9.2%) | 3 (3) | 17.6% (17.6%) |
| **61 to 65** | 498 (435) | 5.8% (5.5%) | 3 (1) | 17.6% (5.9%) |
| **66 to 70** | 108 (84) | 1.3% (1.1% | 2 (3) | 11.8% (17.6%) |
| **71 years or over** | 43 (41) | 0.5% (0.5%) | 2 (2) | 11.8% (11.8%) |

| **Gender** | **Staff (head count)** | | **Trust Board Members** | |
|---|---|---|---|---|
| **Male** | 2112 (1966) | 24.8% (24.6%) | 8 (9) | 47.1% (52.9%) |
| **Female** | 6421 (6013) | 75.2% (75.4%) | 9 (8) | 52.9% (47.1%) |
| **Grand total** | 8533 (7979) | - | 17 (17) | - |

| **Ethnic group** | **Staff (head count)** | | **Trust Board Members** | |
|---|---|---|---|---|
| **A White – British** | 4234 (4012) | 49.6% (50.3%) | 11 (14) | 64.7% (82.4%) |
| **B White – Irish** | 59 (52) | 0.7% (0.7%) | 1 (1) | 5.9% (5.9%) |
| **C White - Any other White background** | 540 (497) | 6.3% (6.2%) | 1 (0) | 5.9% (0%) |
| **C2 White Northern Irish** | 2 (1) | < 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **C3 White Unspecified** | 9 (1) | 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **CA White English** | 19 (5) | 0.2% (< 0.1%) | 0 (0) | 0% (0%) |
| **CB White Scottish** | 1 (0) | < 0.1% (0%) | 0 (0) | 0% (0%) |
| **CE White Cypriot (non specific)** | 1 (0) | < 0.1% (0%) | 0 (0) | 0% (0%) |
| **CF White Greek** | 0 (1) | 0% (< 0.1%) | 0 (0) | 0% (0%) |
| **CH White Turkish** | 1 (2) | < 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **CK White Italian** | 0 (1) | 0% (< 0.1%) | 0 (0) | 0% (0%) |
| **CP White Polish** | 8 (6) | 0.1% (0.1%) | 0 (0) | 0% (0%) |
| **CU White Croatian** | 1 (1) | < 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **CX White Mixed** | 2 (1) | < 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **CY White Other European** | 26 (6) | 0.3% (0.1%) | 0 (0) | 0% (0%) |
| **D Mixed - White & Black Caribbean** | 17 (15) | 0.2% (0.2%) | 0 (0) | 0% (0%) |
| **E Mixed - White & Black African** | 26 (24) | 0.3% (0.3%) | 0 (0) | 0% (0%) |

| | | | | |
|---|---|---|---|---|
| **F Mixed - White & Asian** | 53 (45) | 0.6% (0.6%) | 0 (0) | 0% (0%) |
| **G Mixed - Any other mixed background** | 59 (50) | 0.7% (0.6%) | 0 (0) | 0% (0%) |
| **GA Mixed - Black & Asian** | 1 (1) | < 0.1% (< 0.1%) | 0 (0) | 0% (0%) |

| Ethnic group | Staff (head count) | | Trust Board Members | |
|---|---|---|---|---|
| **GC Mixed - Black & White** | 1 (1) | < 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **GD Mixed - Chinese & White** | 0 (1) | < 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **GE Mixed - Asian & Chinese** | 3 (1) | < 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **GF Mixed - Other/Unspecified** | 3 (5) | < 0.1% (0.1%) | 0 (0) | 0% (0%) |
| **H Asian or Asian British - Indian** | 880 (775) | 10.3% (9.7%) | 0 (0) | 0% (0%) |
| **J Asian or Asian British - Pakistani** | 126 (118) | 1.5% (1.5%) | 0 (0) | 0% (0%) |
| **K Asian or Asian British - Bangladeshi** | 46 (37) | 0.5% (0.5%) | 0 (0) | 0% (0%) |
| **L Asian or Asian British - Any other Asian background** | 391 (369) | 4.6% (4.6%) | 1 (1) | 5.9% (5.9%) |
| **LA Asian Mixed** | 9 (9) | 0.1% (0.1%) | 0 (0) | 0% (0%) |
| **LB Asian Punjabi** | 3 (0) | <0.1% (0%) | 0 (0) | 0% (0%) |
| **LE Asian Sri Lankan** | 7 (0) | 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **LF Asian Tamil** | 5 (1) | 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **LG Asian Sinhalese** | 1 (0) | <0.1% (0%) | 0 (0) | 0% (0%) |
| **LH Asian British** | 5 (2) | 0.1% (< 0.1%) | 0 (0) | 0% (0%) |
| **LJ Asian Caribbean** | 2 (0) | <0.1% (0.1%) | 0 (0) | 0% (0%) |
| **LK Asian Unspecified** | 12 (5) | 0.1% (0.1%) | 0 (0) | 0% (0%) |
| **M Black or Black British - Caribbean** | 42 (26) | 0.5% (0.3%) | 1 (1) | 5.9% (5.9%) |
| **N Black or Black British - African** | 467 (374) | 5.5% (4.7%) | 0 (0) | 0% (0%) |
| **P Black or Black British - Any other Black background** | 26 (28) | 0.3% (0.4%) | 0 (0) | 0% (0%) |
| **PB Black Mixed** | 2 (0) | <0.1% (0%) | 0 (0) | 0% (0%) |
| **PC Black Nigerian** | 67 (18) | 0.8% (0.2%) | 0 (0) | 0% (0%) |

| | | | | |
|---|---|---|---|---|
| **PD Black British** | 5 (2) | 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **PE Black Unspecified** | 2 (2) | <0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **R Chinese** | 69 (66) | 0.8% (0.8%) | 0 (0) | 0% (0%) |
| **S Any Other Ethnic Group** | 218 (194) | 2.6% (2.4%) | 0 (0) | 0% (0%) |
| **SA Vietnamese** | 0 (0) | 0% (0%) | 0 (0) | 0% (0%) |
| **SB Japanese** | 3 (3) | <0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **SC Filipino** | 79 (30) | 0.9% (0.4%) | 0 (0) | 0% (0%) |
| **SD Malaysian** | 4 (1) | < 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **SE Other Specified** | 4 (2) | < 0.1% (<0.1%) | 0 (0) | 0% (0%) |
| **Z Not Stated / Undeclared** | 991 (1188) | 11.6% (14.9%) | 2 (0) | 11.8% (0%) |
| **Total** | 8533 (7979) - | | 17 (17) | - |

## Equality, Diversity and Inclusion (EDI)

We believe that everyone deserves to be treated with fairness, civility, dignity and respect. Our commitment to Equality, Diversity and Inclusion is at the heart of everything we do as we continue to create an environment where everyone feels welcome, respected and able to contribute fully. We want our staff to have equal opportunities to make the most of their talents as we celebrate a wide range of backgrounds, experiences and perspectives within our workforce and in the communities that we serve.

We are in our final year of delivering our EDI strategy, the progress of which is monitored by the EDI Steering Group which in turn provides assurance to the Board.

The Trust is committed to supporting initiatives to not only improve staff experience but boost innovation, collaboration and organisational success by:

- Developing and investing in our staff networks to foster a more inclusive, supported and connected workplace
    - DisAbility network, MTWProud, Cultural and Ethnic Minorities Network, parental responsibility group, neurodiversity support group, clinically extremely vulnerable support group, menopause support group. We have recently re-launched our senior women's network to include all women, trans and non binary people at all levels of the organisation; launched a new Living with Cancer support group; a new Men's Health support group for sharing advice and experiences relating to physical and mental health; and an Armed Forces network

- Ensuring our minority staff are represented in decision making groups such as the EDI Steering Group, Health and Wellbeing Committee, Staff Impact Council and participating in stakeholder panels in the recruitment of senior staff within the organisation
- Developing and delivering a range of workshops to empower our leaders to recognise the impact of bias in recruitment decisions; the importance of cultural competence in a multi nationality workforce; and understanding the lived experiences of others to advocate for minority groups
- Focussing on utilising inclusive recruitment practices to address the gap in global majority representation in bands 8b and above
- Launching a third cohort of Reverse Mentoring which has extended mentoring opportunities to staff from the LGBTQIA+ community along with staff from ethnically diverse backgrounds and those with long term health conditions.

**Our LGBTQIA+ community**

We are committed to creating an environment where our LGBTQIA+ staff feel respected, supported and valued. Everything we do is designed to promote a more inclusive and equitable workplace that improves staff satisfaction, creativity and retention.

Our LGBTQIA+ network, MTW Proud, has gone from strength to strength with the appointment of a new committee – supporting the Chair is a Rainbow Correspondent and a Trans Support Coordinator and our Chief People Officer as a brand-new Executive Sponsor.

The network provides a platform for addressing concerns specific to the LGBTQIA+ community, with pastoral support for all members. The network is open to all LGBTQIA+ staff and allies, providing a safe space for all. They meet on a bi-monthly basis and host educational & social events throughout the year:

- Celebrated LGBT History Month with a weekly feature on Activism and Social Change – highlighting the individuals and movements that have fought for LGBTQIA+ rights across history
- Hosted the third MTW Pride event, visiting the majority of our sites over two days to talk about the network.
- Joined other local NHS organisations in Canterbury and Margate Pride events walking under the banner “Pride in our NHS”.
- Regularly attend Department meetings and inclusion events for staff to sign the Rainbow Badge pledge and talk about the importance of pronouns and gender inclusive language.

**Our staff with long term health conditions and disabilities**

We are committed to supporting staff with long term health conditions, those with disabilities and anyone who acquires a disability during their employment with us. We are focussed on ensuring equity and inclusion in the recruitment and retention of people with disabilities, how we ensure our policies, processes, training and culture enables disabled staff to flourish.

The DisAbility Network offers a safe space for staff to connect, share experiences and offer peer to peer support. It serves as a platform where members can openly discuss and address specific concerns related to disability and long-term chronic health conditions.

Through the support and engagement of the members, the Network works towards influencing positive change for a more inclusive and equitable culture by removing potential barriers and empowering abilities.

Over the last year they have:

- Hosted stands during Disability History Month to promote the network and discuss how best to support staff with long term health conditions to flourish at work
- Promoted the benefits of using the staff health passport and supported line managers and staff to share their stories at the EDI Steering Group and in network meetings
- Begun an open dialogue with staff and managers around reasonable adjustments and have committed to making 2025-2026 the focus of easy and meaningful adjustments in the workplace
- Organised external guest speakers to attend network meetings on topics such as navigating ADHD
- Created a parking map for our Hospital sites showing accessible parking spaces
- Improved the accuracy of information regarding disability declaration rates on ESR
- Submitted the first Neurodiversity Employment Index which has provided us with benchmarking areas of good practice and improvements required

**Our black and ethnic minority staff**

MTW boasts a diverse workforce, with over 25% of our employees coming from ethnic minority backgrounds. We are dedicated to providing opportunities for these individuals to learn, grow, and advance in their careers within the Trust.

The Cultural and Ethnic Minorities Network (CEMN) plays a vital role in supporting staff and serves as a trusted advisor to the EDI team in implementing initiatives, such as the third cohort of the Reverse Mentoring Programme.

Over the last year, they have:

- Held their Annual General Meeting in September 2024 and elected a new CEMN Committee (including an ally) to lead the Network for the next two years, 2024-2026.
- Developed a strategy with 3 strategic priority areas
    - Network leadership Development
    - Collaborative EDI Schemes
    - Celebrations and Engagement
- Continued to support staff across MTW from a well-being and career development viewpoint. Taking on several roles, including workplace colleague, EDI recruitment representative, mentor, informal mediator with managers, and expert in cultural awareness conversations.
- Worked with Senior leaders across MTW to promote and influence EDI in MTW policies and processes, supporting several committees.
- Collaborated with the Organisational Development team to create, procure, and implement a coaching development programme for women of colour across Kent and Medway. This programme concluded in a celebration event with participants developing the “Coaching in Colour” community of practice.

- Hosted two Black History Month events
    - MTW's Hidden Heroes Event: Six MTW staff members were presented with the MTW's Hidden Heroes Award. Recognising their contribution to promoting equality diversity, and inclusion at MTW, working within their roles going over and beyond.
    - Another BHM event in collaboration with the Chief Nurse where internationally educated staff at MTW shared their stories in their own words and celebrated their heritage.
- Built system-wide capacity mentoring the KMPT BAME Network to design and lead the Kent and Medway ICS Black History Month events
- Hosted speaker events within MTW with keynote speakers from the private, public, and voluntary sectors
- Supported listening events with our Chief Nurse.
- Supported the third cohort of the reverse mentoring programme, promoting network members to step up as mentors to senior MTW leaders.

### Staff sickness absence

| **Figures converted by the Department of Health and Social Care (DHSC) to best estimates of required data items** | | | **Statistics produced by NHS Digital** | |
|---|---|---|---|---|
| Average FTE 2024 | Average FTE days lost to Cabinet Office definitions | Average Sick Days per FTE | FTE Days Available | FTE Days Lost to Sickness Absence |
| 7,416 | 70,127 | 9.5 | 2,706,976 | 113,762 |

Source: NHS Digital - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse

Period covered: January to December 2024
Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.
The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

### Trade Union Facility Time

Under the Trade union (Facility Time Publication Requirements) Regulations 2017, there is a legal requirement to publish this information. The Trust data for the financial year April 2024 to March 2025 is outlined below, and this is also published on the Trust's website, in line with the regulation requirements. Maidstone & Tunbridge Wells NHS Trust regards the active participation of Trade Unions in its work as an important part of its approach to staff engagement.

### Trade union facility time data:

### Your organisation

- Maidstone and Tunbridge Wells NHS Trust
- 1 April 2024 to 31 March 2025

### Employees in your organisation

- 5,001 to 9,999 employees

**Trade union representatives and full-time equivalents**

- Trade union representatives: 36
- FTE trade union representatives: 34.91

**Percentage of working hours spent on facility time**

- 0% of working hours: 24 representatives
- 1 to 50% of working hours: 20 representatives
- 51 to 99% of working hours: 2 representatives
- 100% of working hours: 0 representatives

**Total pay bill and facility time costs**

- Total pay bill: £521m
- Total cost of facility time: £60053.20
- Percentage of pay spent on facility time:

**Paid trade union activities**

- Hours spent on paid facility time: 2966
- Hours spent on paid trade union activities: 0

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## Health and Safety at Work

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

- The number of non-patient safety incidents reported in 2024/202 increased. There were 3969 incidents reported compared with 2829 in 2023/2024, an increase of approx. 40%

- At the end of March 2025, the number of reports to the Health and Safety Executive under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013 increased by three to 25 in 2024/25. Improvements have been made to the RIDDOR reporting process including improved communication with the affected person and concise investigation to establish learning.

- 2024/25 has seen the acquisition of Wells Health Fordcombe Hospital, Sevenoaks Urgent Care Unit, opening of the student medical accommodation at Tunbridge Wells Hospital and the Kent and Medway Orthopaedic Centre (KMOC) at Maidstone Hospital. The transition and completion of risk assessments and health and safety training has been in joint collaboration.

- Work is in progress to transfer the Health and Safety audits and risk assessments onto InPhase, this will enable all risk assessments to be held in a central database. The transfer is currently in the formatting stage with plans to go live in June 2025.

- All wards across Maidstone and Tunbridge Wells Hospital Trust have worked hard to complete the environmental ligature risk assessments. Work is now in progress in conjunction with the Head of Mental Health to implement a policy to complement the risk assessments, and also with the Estates team to ensure high-risk ligature points are removed.

- The health and safety team has welcomed the joining of the Lead Moving and Handling Advisor & Training Co-ordinator and Health and Safety Manager. The team are working towards the objectives of the Health and Safety Strategy Plan for 2024/2027.

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## "Senior Managers" remuneration

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

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

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

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

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

Termination arrangements are applied in accordance with statutory regulations as modified by Trust or National NHS conditions of service agreements, and the NHS pension scheme. The Remuneration and Appointments Committee will agree any severance arrangements following appropriate approval from NHSE and HM Treasury as appropriate. The figures

included in the tables below show details of salaries, allowances, pension entitlements and any other remuneration of the Trust's 'Senior Managers' i.e. non-recurrent awards etc.

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

### Salaries and allowances for the year ending 31st March 2025 (subject to audit)

Comparatives for the year ending 31st March 2024 are shown in brackets below the figure for 2024/2025 (unaudited)

| Name and title<br><br>(alphabetical by surname)<br><br>N.B. Dates of service are for the full 2024/25 year unless otherwise disclosed | (a)<br><br>Salary (bands of £5,000) | (b)<br><br>Taxable expense payments and other benefits in kind, to the nearest £100 | (c)<br><br>Annual performance-related pay and bonuses (bands of £5,000) | (d)<br><br>Long-term performance-related pay and bonuses (bands of £5,000) | (e)<br><br>All pension-related benefits (bands of £2,500) | (f)<br><br>TOTAL (columns a - f)<br><br>(bands of £5.000) |
|---|---|---|---|---|---|---|
| | £000 | £ 000 | £000 | £000 | £000 | £000 |
| | | | | | | |
| **Sean Briggs, Chief Operating Officer (left 15/09/2024)** | 70-75 | 0 | N/A | N/A | 17.5-20 | 85-90 |
| | (150-155) | 0 | (N/A) | (N/A) | (35-37.5) | (190-195) |
| **Maureen Choong, Non-Executive Director** | 10-15 | 0 | N/A | N/A | 0 | 10.15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Karen Cox- Associate Non-executive Director (left 25.06.24) ±** | 0 | 0 | N/A | (N/A) | 0 | 0 |
| | (0) | (0) | (N/A) | (N/A) | (0) | (0) |
| **Sarah Davis, Chief Operating Officer (appointed 30.09.2024)** | 150-155 | (0) | (N/A) | (N/A) | 30-32.5 | 180-185 |
| | (0) | (0) | (N/A) | (N/A) | (0) | (0) |
| **Annette Doherty, Chair of the Trust Board (joined 20.05.2024) ɤ** | 45-50 | 200 | (N/A) | (N/A) | (0) | 45-50 |
| | (0) | (0) | (N/A) | (N/A) | (0) | (0) |
| **Richard Finn, Associate Non-Executives Director** | 10-15 | 0 | N/A | N/A | 0 | 10-15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Neil Griffiths, Non-Executive Director** | 15-20 | 0 | N/A | N/A | 0 | 15-20 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **John Hammond Associate Non-Executive Director (joined 03.02.2025)** | 0-5 | 0 | N/A | N/A | 0 | 0-5 |
| | (0) | (0) | (N/A) | (N/A) | (0) | (0) |
| **Joanna Haworth Chief Nurse** | 155-160 | 0 | N/A | N/A | 17.5-20 | 175-180 |
| | (145-150) | (0) | (N/A) | (N/A) | (0) | (145-150) |
| **David Highton, Chair of the Trust Board (left 30.04.24)** | 0-5 | 0 | N/A | N/A | 0 | 0-5 |
| | (45-50) | (0) | (N/A) | (N/A) | (0) | (45-50) |
| **Rachel Jones, Director of Strategy, Planning and Partnerships** | 145-150 | 0 | N/A | N/A | 17.5-20 | 160-165 |
| | (135-140) | (0) | (N/A) | (N/A) | (0) | (135-140) |
| **Peter Maskell, Medical Director (left 31/12/2023)** | 0 | 0 | N/A | N/A | 0 | 0 |
| | (160-165) | (0) | N/A | (N/A) | (0) | (160-165) |
| **David Morgan, Non-Executive Director** | 10-15 | £0 | N/A | N/A | 0 | 10-15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Sara Mumford, Chief Medical Officer Ψ** | 240-245 | 0 | N/A | N/A | 367.5-370 | 610-615 |
| | (215-220) | (0) | (N/A) | (N/A) | (0) | (215-220) |
| **Stephen Orpin, Deputy Chief Executive and Chief Finance Officer** | 205-210 | 0 | N/A | N/A | 0 | 205-210 |
| | (195-200) | (0) | (N/A) | (N/A) | (0) | (195-200) |
| **Helen Palmer, Chief People Officer (joined 23.09.2024)** | 75-80 | (0) | (N/A) | (N/A) | 17.5-20 | 95-100 |
| | (0) | (0) | (N/A) | (N/A) | (0) | (0) |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Emma Pettitt, Mitchell, Non-Executive Director** | 10-15 | 0 | N/A | N/A | 0 | 10-15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Miles Scott, Chief Executive** | 285-290 | 0 | N/A | N/A | 0 | 285-290 |
| | (275-280) | (0) | (N/A) | (N/A) | (0) | (275-280) |
| **Sue Steen, Chief People Officer (left 06/10/2024)** | 75-80 | 0 | N/A | N/A | 55-57.5 | 130-135 |
| | (150-155) | (0) | (N/A) | (N/A) | (37.5-40) | (190-195) |
| **Jo Webber Associate Non-Executive Director** | 10-15 | 0 | N/A | N/A | 0 | 10-15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Wayne Wright, Non-Executive Director** | 10-15 | 0 | N/A | N/A | 0 | 10-15 |
| | (10-15) | (0) | (N/A) | (N/A) | (0) | (10-15) |
| **Alex Yew, Associate Non-Executive Director Ω** | 5-10 | 0 | N/A | N/A | 0 | 5-10 |
| | (5-10) | (0) | (N/A) | (N/A) | (0) | (5-10) |

Λ £ hundreds are used for taxable expense payments, and other benefits (column (b)). All other columns are in £ thousands

Ψ Dr Sara Mumford held clinical roles in the Trust alongside her responsibilities as a Senior Manager. Dr Mumford receives Clinical Excellence Awards (CEA), these are reported within the Salaries column. Dr Mumford has been serving as Chief Medical Officer since September 30, 2024, but remains Director of Infection Prevention and Control. Dr Mumford opted out of the pension scheme in August 2022 and re-joined in April 2024. This has affected the in-year values reflected for 2024/2025.

± Karen Cox does not receive renumeration from the Trust

Ω Alex Yew is a joint appointment with Kent and Medway ICB.

Ɣ Annette Doherty has received taxable expenses related to travel costs.

## Pension benefits for the year ending 31st March 2025 (subject to audit)

| N.B. Dates of service are for the full 2024/25 year unless otherwise disclosed | Real increase in pension at pension age (bands of £2,500) | Real increase in pension lump sum at pension age (bands of £2,500) | Total accrued pension at pension age at 31st March 2025 (bands of £5,000) | Lump sum at pension age related to accrued pension at 31st March 2025 (bands of £5,000) | Cash Equivalent Transfer Value Λ at 1st April 2024 | Real increase in Cash Equivalent Transfer Value | Cash Equivalent Transfer Value Λ at 31st March 2025 | Employee's contribution to stakeholder pension |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Helen Palmer, Chief People Officer (Joined 23.09.2024)** | 0-2.5 | 0 | 0-5 | 0 | 0 | 9 | 18 | 0 |
| **Joanna Haworth, Chief Nurse** | 0-2.5 | 0 | 65-70 | 170-175 | 1389 | 28 | 1530 | 0 |
| **Rachel Jones Director of Strategy, Planning and Partnerships** | 0-2.5 | 0 | 60-65 | 160-165 | 1291 | 24 | 1421 | 0 |
| **Sara Mumford, Chief Medical Officer ¥** | 17.5-20 | 22.5-25 | 100-105 | 120-125 | 1517 | 365 | 2012 | 0 |
| **Sarah Davis, Chief Operating Officer (appointed 30.09.2024)** | 0-2.5 | 0 | 70-75 | 185-190 | 1520 | 13 | 1685 | 0 |
| **Sean Briggs, Chief Operating Officer (left 27.09.2024)** | 0-2.5 | 0 | 40-45 | 0 | 494 | 11 | 548 | 0 |
| **Sue Steen, Chief People Officer (left 02/10/2024)** | 2.5-5 | 0 | 20-25 | 0 | 250 | 46 | 322 | 0 |
| **Stephen Orpin, Deputy Chief Executive and Chief Finance Officer A** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Miles Scott, Chief Executive Officer A** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 2008. Please however note that the CETV values at 31/03/21 and 31/03/22 may have been calculated using different methodologies, and this may have impacted the "Real increase in Cash Equivalent Transfer Value" figure in the table.
Real Increase in CETV reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

¥ Dr Sara Mumford opted out of the pension scheme in August 2022 and re-joined in April 2024. This has affected the in-year values reflected for 2024/2025.

A Miles Scott and Steve Orpin did not make any contributions into the NHS Pension Scheme for 2024/25.

Executive directors who have benefits in the NHS Pension Scheme are entitled to early retirement benefits in line with the scheme rules applicable to all scheme members.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31st March 2025. HM Treasury published updated guidance in January 2025; this guidance has been used in the calculation of 2024 to 25 CETV figures.

## Fair Pay Disclosure (subject to audit)

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

The remuneration of the highest paid director has increased between 2023-24 and 2024-25. The median pay of other staff (which includes substantive and temporary bank staff), has also increased in line with Agenda for Change (AfC) and medical staffing pay award, including Resident Doctors.

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

**Percentage Change for the highest paid Director:**

| 2024-25 | Percentage change for highest paid director | Percentage change for employees as a whole |
|---|---|---|
| Salary and allowances | 3.60% | 6.88% |
| Performance pay/bonuses | 0% | -62.73% |

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

In the above tables, performance pay/bonuses refers to Clinical Excellence Awards (CEA) awarded to Consultants for performing 'over and above' the standard expected of their role. There was a significant reduction in the CEA Awards in 2024-25 compared with 2023-24. This reflects the national change in approach in how certain non-pensionable CEAs are awarded: the rebasing of the Consultant contract means that these awards are now reflected in their salaries as part of standard job plans.

**Pay Ratio Information:**

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

of their total remuneration against the 25th percentile, median and 75th percentile of salary components of the organisation's workforce.

The banded remuneration of the highest paid director in the financial year 2024/25 was £287,500 (2023/24 £277,500). The banded remuneration is the mid-point of the pay band within which the highest paid director's salary falls. The relationship to the remuneration of the organisation's workforce is disclosed in the pay ratio table below, which has also updated the prior year comparators.

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

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

| Year | 25th percentile total remuneration ratio | 25th percentile salary ratio | Median total remuneration ratio | Median salary ratio | 75th percentile total remuneration ratio | 75th percentile salary ratio |
|---|---|---|---|---|---|---|
| **2024-25** | 9.9:1 | 9.9:1 | 7.5:1 | 7.5:1 | 5.4:1 | 5.4:1 |
| **2023-24** | 10.2:1 | 10.2:1 | 7.7:1 | 7.7:1 | 5.5:1 | 5.5:1 |

**Annualised employee remuneration (including temporary staff):**

| 2024-25 (£) | All employees £ | Highest Paid Director £ | Ratio |
|---|---|---|---|
| **25th Percentile** | 28,985 | 287,500 | **9.9** |
| **Median (50th) percentile** | 38,487 | 287,500 | **7.5** |
| **75th percentile** | 52,809 | 287,500 | **5.4** |

| 2023-24 (£) | All employees £ | Highest Paid Director £ | Ratio |
|---|---|---|---|
| **25th Percentile** | 27,336 | 277,500 | **10.2** |
| **Median (50th) percentile** | 35,839 | 277,500 | **7.7** |
| **75th percentile** | 50,056 | 277,500 | **5.5** |

The ratio of the remuneration of the highest paid director to the median pay of all employees has decreased from 7.7: 1 last year to 7.5: 1 this year. This is a result of the individual increase being less than the general AfC and medical pay awards.

In 2024-25, 1 employee (2023-24, 3) received remuneration in excess of the highest-paid director / member. Remuneration (including the highest paid director) ranged from £17,711 to £303,000 (2023-24, £15,668 to £281,562). The employee who received remuneration in excess of the highest-paid director / member was a senior operational role via agency.

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

As part of the Review of Tax arrangements of Public Sector Appointees published by the Chief Secretary to the Treasury on 23rd May 2012, the Trust in common with all public bodies, is required to publish information in relation to the number of 'off-payroll'

arrangements meeting the specific criteria set by the Treasury. Individuals that are 'on-payroll' are subject to Pay As You Earn (PAYE), with income tax and employee National Insurance Contributions (NICs) deducted by the Trust at source. Individuals engaged to provide services to the Trust but who do not have PAYE and NICs deducted at source are 'off-payroll'.

**All off-payroll engagements as of 31st March 2025, for more than £245 per day:**

| | Number |
|---|---|
| Number of existing engagements as of 31st March 2025 | 0 |
| Of which, the number that have existed: | |
| for less than one year at the time of reporting = | 0 |
| for between one and two years at the time of reporting = | 0 |
| for between two and three years at the time of reporting = | 0 |
| for between three and four years at the time of reporting = | 0 |
| for four or more years at the time of reporting = | 0 |

If any off-payroll engagements exist they are subject to a risk-based assessment, as to whether assurance was required that the individual is paying the right amount of tax. Where necessary, that assurance has been sought.

**New off-payroll engagements between 1st April 2024 and 31st March 2025, for more than £245 per day:**

| | Number |
|---|---|
| Number of new engagements, or those that reached six months in duration, between 1st April 2024 and 31st March 2025 | 0 |
| Of which: | |
| Number not subject to off-payroll legislation | 0 |
| Number subject to off-payroll legislation and determined as in-scope of IR35 | 0 |
| Number subject to off-payroll legislation and determined as out of scope of IR35 | 0 |
| Number of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Number of engagements that saw a change to IR35 status following the consistency review | 0 |

**Off-payroll engagements of Board member / Senior Official engagements with significant financial responsibility, between 1st April 2024 and 31st March 2025:**

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

**Expenditure on consultancy staff**

The Trust's internal expenditure on consultancy staff for 2024/25 was £143k, a reduction of £136k on 2023/24.

## Patient feedback and protected characteristics

- The Trust received a total of 95,923 Friends and Family Test (FFT) survey responses during 2024/25. 6,084 were left as voice messages, 950 were submitted online, 5,398 were paper cards and 83,488 were text messages.
- The overall percentage of respondents that reported a 'very good' or 'good' experience of care was 90.4% and with 5.5% respondents reporting a 'poor' or 'very poor' experience of care.
- From the responses received 36,392 (43.7%) were from men, 44,937 (53.9%) from women and a further 1,976 (2.4%) did not confirm their gender identity.

66,781 ethnicity questions were answered:

| What is your ethnic group | No. | % |
|---|---|---|
| **Asian or Asian British** | 1144 | 1.7 |
| **Black, Black British, Caribbean or African** | 596 | 0.9 |
| **Mixed or Multiple Ethnic Groups** | 349 | 0.5 |
| **Other Ethnic Group** | 415 | 0.6 |
| **White** | 64277 | 96.3 |

## Freedom to Speak Up

In the 2024/25 period, the Freedom to Speak Up Guardians received 186 concerns, an increase from the 91 received in 2023/24, and highest number in MTW's recorded history. Prominent topics included bullying, harassment, respect, and dignity. All concerns are managed internally by the Guardian, with an escalation process available when necessary. Each concern is handled according to the preferences of the individual raising it, ensuring a tailored experience. Quarterly reports are submitted to the Trust Board, providing oversight, assurance, and a focus on trends and learning.

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

We have seen great improvements in the FTSU service over the past year, and aim to continue this trajectory to see real change within the culture of speaking up at MTW.

## Countering fraud, bribery and corruption

The Trust has a range of policies and procedures in place to identify and respond to risks of fraud, bribery and corruption, including an "Anti-fraud, bribery and corruption policy and procedure"; "Conflicts of interest policy and procedure"; "Standing Financial Instructions", "Risk management policy and procedure", "Serious Incidents (SI) policy and procedure", and the "People policies manual: Freedom to speak up: raising concerns" as well as policies relating to, for example, employee verification checks etc. Such policies are available to all

staff via the Trust's Intranet system. The Trust's local Anti-Crime Specialist (ACS) is a mandated consultee for such policies. In addition, the ACS undertakes a programme of work for the Trust which aims to prevent, deter, and detect fraudulent activity in accordance with the Government Functional Standard – Counter Fraud (GFS) as set out by the NHS Counter Fraud Authority (NHSCFA) 12 NHS Requirements. The outcomes of the work are reported to the Audit and Governance Committee, which in turn provides a summary report on its own activity to the Trust Board.

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## Statement of the Chief Executive's responsibilities as the accountable officer of the trust

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

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

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

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

Miles Scott

Chief Executive

19th June 2025

## Statement of directors' responsibilities in respect of the accounts

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

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

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

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

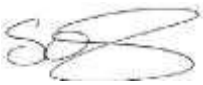
The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

**Miles Scott**

Chief Executive

19th June 2025



**Steve Orpin**

Chief Finance Officer

19th June 2025

# Annual Governance Statement for 2024/25

## Scope of responsibility

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

## The purpose of the system of internal control

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

The system of internal control integrates a number of individual controls as described in other sections of this statement, and other key policies and procedures such as the Standing Orders, identification of matters reserved to the Board, Standing Financial Instructions and Scheme of Delegation used to govern the Trust's activities, together with checks and balances provided by Board oversight, and internal and external audit reviews.

## Capacity to handle risk

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

The Board Assurance Framework (BAF) identifies the principal risks to the achievement of the Trust's strategic objectives, together with key controls and assurances and any gaps in those controls and assurances. Operational responsibility for risk management sits within the clinical divisions and corporate directorates. Each clinical division and corporate directorate are required to have processes in place by which risks are identified, evaluated and managed at a local level, and escalated as required in accordance with the Trust's policy framework.

The Trust's risk management approach focuses on enabling staff to manage risk in a way that is straightforward, supportive and proportionate to individual roles and responsibilities. The Trust commenced a risk improvement programme in 2023, which has continued through 2024 to develop effective operational risk management. This included, the implementation of a new digital risk management system, amending the workforce capacity, delivery of training through risk workshops, bespoke risk training and coaching through the risk management structures. A risk and regulation oversight group has been established to enable oversight of

risk at a Trust level which reports into the Audit and Governance Committee for onward escalation to the Board of Directors. Risk reporting has been revised to align with the revised governance structure implemented this year. The Trust also learns from good practice through a range of mechanisms, which includes clinical supervision and reflective practice, individual and peer reviews, incident reviews, after action reviews, performance management, continuing professional development programmes, clinical audit and through the Trust's Strategy Deployment process.

**The Risk and Control framework**

The Risk Management Policy and Procedure sets out the approach to managing risk within the organisation. The latest version of the Policy and Procedure was reviewed and approved by the Board of Directors in September 2024. It defines the roles, responsibilities and reporting lines in relation to risk management as well as the overall governance structure underpinning this at both Board and divisional/directorate level. It details the Trust's approach to the identification, assessment, management, monitoring and escalation of risk and a statement of the Board's risk appetite.

The Board Assurance Framework sets out the principal risks to the achievement of the Trust's strategic objectives. The Executive Director with delegated responsibility for managing and monitoring each risk is clearly identified and overseen by a Board level Committee. The BAF describes controls in place to manage each of the risks and explains how the Board is assured that those controls are in place and operating effectively. The BAF also identifies any gaps in control or assurance and the actions being taken to address these within specified timeframes.

The process of risk management starts with the systematic identification of risks which are then evaluated, graded and either managed locally (with risk control measures identified and implemented to mitigate the potential for harm), or escalated for possible inclusion in the Trust risk register. Risk identification involves examining all sources of potential risk that the Trust may be exposed to from the perspective of all stakeholders. When identifying potential risk, there are two key approaches: top down (identifying strategic risk) and bottom up (identifying operational risk) approach. Based on this assessment, the risks must be analysed in terms of likelihood and consequence. The risk is given a score, using the grading matrix:

| | CONSEQUENCE/ SEVERITY | | | | |
|---|---|---|---|---|---|
| LIKELIHOOD / PROBABILITY | Negligible 1 | Minor 2 | Moderate 3 | Severe 4 | Catastrophic 5 |
| Highly unlikely 1 | Green 1 | Green 2 | Green 3 | Green 4 | Green 5 |
| Unlikely 2 | Green 2 | Green 4 | Green 6 | Amber 8 | Amber 10 |
| Possible 3 | Green 3 | Green 6 | Amber 9 | Amber 12 | Red 15 |
| Likely 4 | Green 4 | Amber 8 | Amber 12 | Red 16 | Red 20 |
| Certain 5 | Green 5 | Amber 10 | Red 15 | Red 20 | Red 25 |

The risk is then analysed to identify the controls (currently in place) that deal with the identified risks and assess their effectiveness. Controls are the framework of processes, policies, procedures, activities, devices, practices, or other condition and/or actions that maintain and/or modify risk. They should make it less likely to happen, or reduce (mitigate) the effect if it does happen. Controls may be actions that are repeated, either regularly or in response to events, or they may be one-off actions or decisions. Once controls are identified, the assurance record will provide confidence and evidence (internal and/or

external) of the effectiveness of each control in managing the risk (that what needs to be happening is happening in practice). Assurance of the effectiveness of the controls should be provided within the electronic risk management system and are reviewed for assurance that the risk is being mitigated at risk meetings.

The Trust utilises a risk register to oversee and manage operational risk across the Trust. This allows the central Quality Governance team to monitor any change in risk scores, as well as challenge non-moving risk within the system. Thematic reviews of risk types (patient safety or people risks) are undertaken regularly and reported to the relevant risk Board level committees for assurance on control.

At an operational level, responsibility rests with each Divisional Triumvirate; the Clinical Director, the Divisional Director of Operations and the Divisional Directors of Nursing. Divisional risks are monitored and reviewed at divisional governance meetings and Corporate risks are monitored and reviewed at the Corporate Risk Review meeting. Risks may be linked or transferred between divisions if the risk affects more than one division, or the service managing the risk changes. This would be discussed at a divisional governance meeting, and the decision made, to link or transfer, articulated at the Risk and Regulation Oversight Group meeting.

All risks are monitored, reviewed and discussed at the Risk and Regulation Oversight Group, which meets every other month and red risks are reviewed every six months at the Executive Team Meeting, Board level Committees and the Trust Board.

The above meetings and associated processes are intended to facilitate a seamless risk management system from Board to ward.
The Trust's risk appetite and risk tolerance levels are set and reviewed by the Trust Board on an annual basis, or sooner, if required. The Board of Directors has previously agreed the principles regarding the level of risk which the Trust is prepared to seek, accept or tolerate in pursuit of its agreed objectives. These principles are focused on quality, finance and value for money, innovation, commercial opportunities, compliance and regulatory framework, reputation and workforce. The Board of Directors has reviewed the principles and the organisational risk appetite in December 2024:

| Risk Type | | Risk Appetite |
|---|---|---|
| Financial | We are prepared to accept some financial risk as long as appropriate controls are in place. We have a holistic understanding of VFM with price not the overriding factor. We will invest for the best possible return where we are able to put appropriate controls in place to realise the best possible return. | Open |
| Regulatory | We are prepared to accept the possibility of limited regulatory challenge. We would be open to challenge by regulators where we believe there is evidence of improved outcomes. | Cautious |
| Quality | Our preference is for risk avoidance. However, if necessary we will take decision on quality where is a low degree of inherent risk and the possibility of innovation for improved outcomes, and appropriate controls are in place. | Cautious |

| | | |
|---|---|---|
| Reputational | We want to be valued as a highly performing organisation, however, we are prepared to make decisions that may bring scrutiny with the possibility of limited reputational risk if appropriate controls are in place to limit any fallout. | Cautious |
| People | We are prepared to accept the possibility of some workforce risk if there is the potential for improved skills, capabilities and wellbeing of our staff. We recognise that innovation is likely to be disruptive in the short term with the possibility of long-term gains, we will deliver this by ensuring we take our staff with us. | Open |

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

The internal audit undertaken for 2023/24 gave an overall assessment of limited assurance. The key strategic findings were incorporated within the overall risk improvement plan. An annual audit of risk management processes was being undertaken at the time of writing this report.

As at 31 March 2024, the Trust identified through the BAF the most significant risks to the achievement of its strategic objectives as being:

- Failure to attract and retain a culturally diverse workforce may prevent the organisation from achieving its ambition to be an inclusive employer.
- If we do not reduce the number of significant avoidable harm events our patients are at risk of poor clinical outcomes.
- If the Trust does not meet its constitutional patient access standards there may be delays in care for our patients, financial implications and reputational damage.
- Failure to provide compassionate, effective, responsive and safe care may negatively impact the experience of care for patients, their families and carers and may affect the reputation of the organisation.
- If we do not work effectively as a system, patients that are no longer fit to reside will remain within MTW for longer which may result in poorer clinical outcomes and reduced flow through our hospitals.
- Failure to deliver the Trust financial plan resulting from the system being in financial recovery.

The Trust has identified the controls in place to manage these risks and the sources of assurance that the controls are effective. It has also identified any gaps in control or assurance and the associated actions being taken to address these gaps. The Board of Directors and Board level committees regularly seek assurance on the effectiveness of the controls and progress being made to address gaps in control and assurance to reduce the level of risk, where this is within the Trust's ability to do so. The BAF is also reviewed in the Strategic Deployment Review process, which monitors the progress of the Trust's breakthrough objectives, every month.

**Governance Arrangements**
Our business is managed by the Board of Directors, which exercises all the powers of the Trust, subject to any contrary provisions of the National Health Service Act 2006 and the Health & Social Care Act 2012. All directors have access to the advice of the Trust Secretary, who is responsible for advising the board of directors on all governance matters. The appointment of the Trust Secretary was a matter for the whole board and would be considered by the Board, if removal was required.

The Board remains accountable for all its functions, including those delegated to Board Committees and Executive Team Meeting, and these are clearly set out in the respective terms of reference.

**Accountability framework**

The Trust has established an accountability framework which consists of;

- Individual Directors portfolios of responsibility
- Terms of Reference for the Board and its committees • reporting lines between the Board, its committees and the executive team
- The Standing Financial Instructions and Scheme of Delegation
- Risk appetite and process for escalating risks

The framework clarifies delegated responsibility for performance, quality oversight and risk. In order to ensure the effectiveness of the accountability structure, the Board undertakes a self-assessment of its performance and effectiveness annually and its committees undertake annual reviews of effectiveness, which include evaluating their remit and responsibilities, information received, composition and function. This ensures the accountability framework is effective.

**Quality Governance**

The Board of Directors has a collective responsibility for providing high quality care to the Trust's patients and has put in place a quality (which includes clinical) governance framework to ensure that quality is an integral part of the Trust's activities. The quality governance framework is kept under regular review, having due regard to the Well-Led Framework and best practice from other organisations. The Care Quality Commission (CQC) undertook a Well-Led review of the Trust in April 2023 and rated the Well-Led domain as Good.

The Quality Committee, provides assurance to the Board on clinical governance matters, the quality of patient care and compliance with national and local standards and oversees the achievement of the Trust's Quality Priorities. This includes a focus on clinical quality improvement to ensure that the Trust learns, shares and takes appropriate action in respect of safety reporting, and prospective and proactive patient safety risk detection; information and experience from outside the Trust; external reviews of Trust activity; and the results of clinical audit. It also oversees the development of and agrees priorities for the Trust's annual Quality Account.

In April 2024 the Trust transitioned to the new Patient Safety Incident Framework (PSIRF), which replaced the previous Serious Incident Framework.

The national PSIRF advocates a co-ordinated and data-driven response to patient safety incidents. It embeds patient safety incident response within a wider system of improvement and prompts a significant cultural shift towards systematic patient safety management. Previous national frameworks have described when and how to investigate a serious

incident, PSIRF focuses on embedding continuous and sustainable learning and improvement.

As of 31 March 2025, the Trust had commissioned 41 Patient Safety Incident Investigations (PSIIs) under the new framework. These were:

| | |
|---|---|
| Failure to rescue a deteriorating patient (including significant near miss) | 21 |
| Inpatient falls (fractures / intracranial injury) | 1 |
| Maternity - Failure to rescue a deteriorating Mother or New-born infant | 4 |
| Maternity - Unexpected admission to the neonatal unit (full term babies) | 1 |
| Mismanagement or delay in the diagnosis and treatment of Sepsis (including significant near miss) | 5 |
| Patients lost to follow up (impacting on their treatment/management plans) | 1 |
| Unexpected new and significant concerning safety event or emerging theme | 4 |
| Wrong site surgery | 2 |
| Wrong route medication | 1 |
| Deaths of patients detained under MHA or MCA where death may be linked to problems in care | 1 |

Never Events and clinical and non-clinical incidents which are significant enough to be classified as Quality Incidents are identified by the Chief Nurse and Director of Governance and are reported immediately to Executive Directors, the Trust's lead commissioner and the CQC. A Patient Safety Incident Response Group, reviews Quality Incidents on a weekly basis, incidents numbers are reported in the monthly Integrated Performance Report and in the Patient Safety Oversight Group report received by the Quality Committee. Incident information is reviewed at monthly divisional governance meetings.

The Trust Board receives information regarding Patient Safety Incidents through the Quality Committee report to the Board and reviews all Patient Safety Incident Investigation.

**Information Governance**

The Trust has in place an Information Governance policy which sets out the Trust's commitment to ensuring that information is efficiently and effectively handled, managed and safeguarded. The policy establishes a robust information governance framework which includes up to date policies, procedures and accountabilities. Managers within the Trust are responsible for ensuring that the policy and its supporting standards and guidelines are built into divisional and directorate processes and that there is ongoing compliance.

The Trust complies with the requirements of the NHS Digital Data Security and Protection Toolkit for the management and control of risks to information. The current level (2023/24) of compliance with the Toolkit is 'standards met', and all previously outstanding actions have now been completed. The Trust has clear lines of responsibility and accountability for data security and protection, with effective lines of reporting to the Information Governance Committee. The next Toolkit submission for 2024/25 is due at the end of June 2025.

During 2024/25 the Trust reported eight incidents to the Information Commissioner's Office (ICO) relating to information governance, including data loss or confidentiality breach, one was downgraded. These incidents have been fully investigated and closed with satisfactory actions by the Trust.

As an NHS Organisation we have a Caldicott Guardian, a dedicated Board member who is responsible for protecting the confidentiality of people's health and care information and making sure it is used properly. We also have a Senior Information Risk Owner ('SIRO'), a dedicated Board member with responsibility for assuring the Board regarding progress against the Trust's information governance work programme and overall Information Risk matters. As part of the Trust's responsibilities under the Data Protection Act (2018), we also have a dedicated Data Protection Officer.

**Data quality and governance**

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

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

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

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

The assessment of performance data, including quality metrics, is an integral part of the Trust's performance management system. The Trust produces a monthly Integrated Performance Report which includes operational, quality, workforce and financial data and this has been subject to continued review during 2024/25. In addition to an ongoing programme of internal review and audit of data quality, in accordance with the Trust's Data Governance policy, data quality is subject to periodic audit by the Trust's internal auditors, and the review of "Data Quality of Key Performance Indicators", forms part of the Internal Audit plan, each year.

The "Data Quality of Key Performance Indicators" that was undertaken as part of the 2023/24 Internal Audit plan (issued in July 2024) gave an opinion of "Reasonable Assurance". A "Data Security and Protection Toolkit" Internal Audit review was also undertaken as part of the 2023/24 Internal Audit plan, and provided a "Substantial Assurance" opinion.

**Care Quality Commission**

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC) and has an overall rating of Requires Improvement, from its last full inspection in August 2023. The Trust received a Section 29A waring notice following an

inspection of the Maternity Services at Tunbridge Wells hospital In February 2024and has made a number of significant improvements to the Maternity Services throughout 2024/25. The Maternity Service Improvement plan consists of 197 activities and at the time of reporting, 183 were complete, seven were on track and six were overdue, but were not at risk.

The Trust had a re-inspection of the Maternity Services at Tunbridge Wells Hospital in October 2024 and were awaiting the outcome of the inspection at the time of reporting.

**Workforce strategies**

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

Systems are in place to monitor safe staffing levels across the Trust including short term strategies enabling appropriate response to day-to-day challenges for the workforce. A clear escalation process is in place, with daily huddles to review safe staffing and other operational issues. The Trust is continually enhancing and developing further safeguards.

Robust workforce governance systems continue to be utilised and embedded to ensure the Trust's compliance with legislative requirements and to enable oversight of the Trust's short, medium and long-term workforce strategies.

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

**Register of Interests including gifts and hospitality**

A register of Interests, including gifts and hospitality for decision making staff (as defined in the Trust's "Conflicts of interest policy and procedure") is held by the Trust Secretary, as required by the 'Managing Conflicts of Interest in the NHS' guidance'. As part of this, mandatory declarations for decision making staff are monitored and cross referenced against external sources of assurance, for example records held by Companies House relating to individual directorships and the Association of British Pharmaceutical Institute for transfers of value from pharmaceutical companies to individuals employed by the Trust. The results are published at least annually as required under the guidance on the trust's website https://www.mtw.nhs.uk/about-us/publications/register-of-interests-for-decision-making-staff/. This register is actively considered at appropriate Committees and Trust Board Meetings.

**NHS Pension Scheme**

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

## Involvement of Stakeholders

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

The Trust is an active member of the Kent and Medway Integrated Care Board, West Kent Health Care Partnership and Provider Collaboratives which involves multiple stakeholders including district and local authorities and the voluntary sector alongside NHS provider colleagues. Further information regarding public and patient engagement with the Trust is included in the Annual Report.

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

## Equality, Diversity & Human Rights

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

Financial viability programmes and all Trust policies are subject to equality impact assessments and ongoing monitoring ensures the efficiencies do not adversely impact on the quality-of-service delivery.

## Sustainability

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

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

As Accounting Officer, I have responsibility for ensuring economy, efficiency and effectiveness of the use of resources and I am supported by my Executive Team who have the responsibility for overseeing the day-to-day operations of the Trust. Performance in this area is monitored by the Board on a regular basis and through assurance reports from its standing committees. The Board discusses and approves the Trust's strategic and annual operational plan. The Trust submitted its operational and financial plans for 2024/25 to Kent and Medway Integrated Care Board in March 2025.

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

The key processes embedded within the Trust to ensure that resources are used economically, efficiently and effectively centre on robust budget-setting and control system which includes activity-related budgets and periodic reviews during the year are considered

by Executive Directors, the Finance & Performance Committee, and the Trust Board. The budgetary control system is complemented by standing financial instruction, a scheme of delegation and financial approval limits.

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

Internal audit services support the Trust's system of internal control providing an objective and independent opinion on the degree to which risk management, control and governance support the achievement of the Trust's agreed objectives. The Trust's internal audit plan is agreed by the Board and sets out the full range of audits across the Trust, and includes reviews of the economy, efficient and effective use of resources. Non-financial audits relating to the effectiveness of matters relating to quality, are considered by the Quality Committee. The Trust received one "Limited Assurance" opinion in 2024/25, which related to Specialty and Associate Specialty Job Planning. Following this an action plan was implemented and the improvements made, will be reviewed through a follow up audit planned in 2025/26.

**Review of effectiveness**

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

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

The Head of Internal Audit Opinion for 2024/25 (TIAA) is satisfied that, for the areas reviewed during the year, Maidstone and Tunbridge Wells NHS Trust has reasonable and effective risk management, control and governance processes in place.

My review is also informed by the work through the year of the Board of Directors and of Board committees, as described in the risk and control framework section above. I have also been informed by the work of the internal auditors during the year, working to a risk-based plan agreed by the Audit and Governance Committee, and the action plans resulting to address areas for improvement.

**Significant Internal Control Issues**

The following significant internal control issues for the Trust has been identified in 2024/25:

Three Never events were declared at the Trust in 2024/5. These related to wrong implant/ prosthesis, wrong site surgery, administration of medication by the wrong route.

## Conclusion

My review has established that Maidstone and Tunbridge Wells Hospital NHS Foundation Trust has a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives. I am satisfied that the significant internal control issues that have been identified in this review have appropriate action plans to help mitigate the associated risks and are subject to appropriate review, monitoring and escalation both internally and externally.

**Miles Scott**

Chief Executive

19th June 2025

# Annual accounts 2024-25



Maidstone and Tunbridge Wells NHS Trust

Annual accounts for the year ended 31 March 2025

## Statement of Comprehensive Income

| | Note | 2024/25 £000 | 2023/24 £000 |
|---|---|---|---|
| Operating income from patient care activities | 3 | 769,325 | 688,793 |
| Other operating income | 4 | 61,710 | 51,772 |
| Operating expenses | 7.1 | -814,070 | -736,118 |
| **Operating surplus/(deficit) from continuing operations** | | **16,965** | **4,447** |
| Finance income | 11 | 1,267 | 1,419 |
| Finance expenses | 12 | -28,780 | -50,548 |
| PDC dividends payable | | -3,199 | -3,079 |
| **Net finance costs** | | **-30,712** | **-52,208** |
| Other gains / (losses) | 13 | 144 | -73 |
| **Surplus / (deficit) for the year** | | **-13,603** | **-47,834** |
| **Other comprehensive income** | | | |
| **Will not be reclassified to income and expenditure:** | | | |
| Impairments | 8 | -2,027 | -5,246 |
| Revaluations | 18 | 3,202 | 3,329 |
| **Total comprehensive income / (expense) for the period** | | **-12,428** | **-49,751** |

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

The Trust's deficit for 2024/25 was £13.60m prior to adjustments made for the purposes of measuring NHS Trusts' financial performance. NHS England excludes the impact of certain transactions - impairments, revaluations, capital grants and the net impact of "push stock" received from DHSC bodies - for the purpose of measuring NHS Trust's financial performance. After accounting for these transactions, the Trust's adjusted financial performance surplus for the year is £0.16m as shown in the table below. This table does not form part of the Statement of Comprehensive Income and represents a note to the accounts.

| **Adjusted financial performance (control total basis):** | | |
|---|---|---|
| Surplus / (deficit) for the period | -13,603 | -47,834 |
| Remove net impairments not scoring to the Departmental expenditure limit | 7,966 | 25,368 |
| Remove I&E impact of capital grants and donations | 274 | 381 |
| Remove I&E impact of IFRIC 12 schemes on an IFRS 16 basis | 34,989 | 49,448 |
| Add back I&E impact of IFRIC 12 schemes on former UK GAAP basis | -29,574 | 0 |
| Add back I&E impact of IFRIC 12 schemes on an IAS 17 basis | 0 | -22,204 |
| Remove net impact of DHSC centrally procured inventories | 109 | 99 |
| **Adjusted financial performance surplus / (deficit)** | **161** | **5,258** |

## Statement of Financial Position

| | Note | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 14 | 12,746 | 10,964 |
| Property, plant and equipment | 16 | 381,987 | 384,646 |
| Right of use assets | 19 | 81,570 | 65,985 |
| Receivables | 21 | 2,824 | 2,939 |
| **Total non-current assets** | | **479,127** | **464,534** |
| **Current assets** | | | |
| Inventories | 20 | 11,624 | 9,283 |
| Receivables | 21 | 37,719 | 33,241 |
| Cash and cash equivalents | 23 | 13,116 | 11,985 |
| **Total current assets** | | **62,459** | **54,509** |
| **Current liabilities** | | | |
| Trade and other payables | 24 | -51,482 | -58,011 |
| Borrowings | 26 | -16,514 | -16,596 |
| Provisions | 28 | -2,786 | -1,166 |
| Other liabilities | 25 | -161 | -965 |
| **Total current liabilities** | | **-70,943** | **-76,738** |
| **Total assets less current liabilities** | | **470,643** | **442,305** |
| **Non-current liabilities** | | | |
| Borrowings | 26 | -343,413 | -328,614 |
| Provisions | 28 | -2,764 | -2,474 |
| **Total non-current liabilities** | | **-346,177** | **-331,088** |
| **Total assets employed** | | **124,466** | **111,217** |
| **Financed by** | | | |
| Public dividend capital | | 352,581 | 326,904 |
| Revaluation reserve | | 71,089 | 69,933 |
| Income and expenditure reserve | | -299,204 | -285,620 |
| **Total taxpayers' equity** | | **124,466** | **111,217** |

The notes on pages 6 to 50 form part of these accounts.

Name Miles Scott
Position Chief Executive Officer
Date 19 June 2025

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

| | Public dividend capital | Revaluation reserve | Income and expenditure reserve | Total |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Taxpayers' and others' equity at 1 April 2024 - brought forward** | **326,904** | **69,933** | **-285,620** | **111,217** |
| Surplus/(deficit) for the year | 0 | 0 | -13,603 | **-13,603** |
| Impairments | 0 | -2,027 | 0 | **-2,027** |
| Revaluations | 0 | 3,202 | 0 | **3,202** |
| Transfer to retained earnings on disposal of assets | 0 | -19 | 19 | **0** |
| Public dividend capital received | 25,677 | 0 | 0 | **25,677** |
| **Taxpayers' and others' equity at 31 March 2025** | **352,581** | **71,089** | **-299,204** | **124,466** |

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

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

**Information on reserves**

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

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

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

## Statement of Cash Flows

| | Note | 2024/25 £000 | 2023/24 £000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Operating surplus / (deficit) | | 16,965 | 4,447 |
| **Non-cash income and expense:** | | | |
| Depreciation and amortisation | 7.1 | 28,684 | 26,072 |
| Net impairments | 8 | 7,966 | 25,368 |
| Income recognised in respect of capital donations | 4 | -280 | -211 |
| (Increase) / decrease in receivables and other assets | | -7,002 | 6,157 |
| (Increase) / decrease in inventories | | -2,341 | -34 |
| Increase / (decrease) in payables and other liabilities | | -4,944 | -505 |
| Increase / (decrease) in provisions | | 1,901 | -770 |
| **Net cash flows from / (used in) operating activities** | | **40,949** | **60,524** |
| **Cash flows from investing activities** | | | |
| Interest received | | 1,267 | 1,419 |
| Purchase of intangible assets | 14.1 | -3,981 | -1,763 |
| Purchase of PPE and investment property | 16.1 | -28,122 | -47,455 |
| Sales of PPE and investment property | | 375 | 1,215 |
| Initial direct costs or up front payments in respect of new right of use assets | | -1,555 | 0 |
| Receipt of cash donations to purchase assets | | 280 | 211 |
| Acquisition of a business | 15.1 | 0 | -9,975 |
| **Net cash flows from / (used in) investing activities** | | **-31,736** | **-56,348** |
| **Cash flows from financing activities** | | | |
| Public dividend capital received | | 25,677 | 38,630 |
| Public dividend capital repaid | | 0 | -91 |
| Movement on loans from DHSC | | -964 | -974 |
| Movement on other loans | | -108 | -376 |
| Capital element of lease rental payments | | -5,085 | -5,215 |
| Capital element of PFI, LIFT and other service concession payments | | -10,969 | -9,963 |
| Interest on loans | | -123 | -164 |
| Other interest | | -5 | -3 |
| Interest paid on lease liability repayments | | -1,226 | -930 |
| Interest paid on PFI, LIFT and other service concession obligations | | -14,994 | -14,876 |
| PDC dividend (paid) / refunded | | -285 | -6,204 |
| **Net cash flows from / (used in) financing activities** | | **-8,082** | **-166** |
| **Increase / (decrease) in cash and cash equivalents** | | **1,131** | **4,010** |
| **Cash and cash equivalents at 1 April - brought forward** | | **11,985** | **7,975** |
| **Cash and cash equivalents at 31 March** | 23.1 | **13,116** | **11,985** |

## Notes to the Accounts

### Note 1 Accounting policies and other information

### Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 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.

Trust Management have assessed the Trust's ability to continue for the foreseeable future in the light if the GAM guidance. The Trust is planning to compile the 2024/25 accounts on a "going concern" basis following consideration of the following: -

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

- National NHS Provider/Commissioner Planning guidance has been issued to Integrated Care Systems by NHSE that outlines the process and framework for funding arrangements within which NHS Commissioners and Providers will operate during 2025/26. Systems are working to agree planning positions in order to submit the final set of planning returns at the end of April 2025, having submitted initial plans in March 2025.

- The Trust has submitted a draft 5-year capital plan to the ICB which manages the overall resource level within the patch, now including IFRS 16 resource, with final plans to be resubmitted at the end of April 2025 following initial submissions in March 2025.

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

- The Trust expects to have signed contracts in place for the provision of healthcare services in 2025/26. The Trust contracts will be held with the local commissioning bodies for patient care in Kent & Medway, Sussex, Surrey Heartlands and South East England. In line with changes in national guidance where specialised services are being delegated to local ICBs to commission, all regional contracts for Specialised Commissioning, Public Health and Health and Justice will now be varied into Host ICB contracts effective from April 2025. A small number of services will be retained as NHSE specialised services and will continue to be commissioned and contracted direct with NHS England. The planned financial regime provides certainty for income and cash flows for the full financial year 2025/26.

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

### Note 1.3 Interests in other entities

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

**Note 1.4 Revenue from contracts with customers**

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

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

**Revenue from NHS contracts**

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's NHS income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS). 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.

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 for Best Practice Tariff (BPT) schemes. Delivery under this scheme is part of how care is provided to patients. As such 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 BPT on non-elective services is included in the fixed element of API contracts. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

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

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2024/25 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.

Income from partially completed elective spells is assessed using national tariff information or average speciality price (un-coded episodes). The Trust has estimated a value using December and January data and has determined that this value is financially immaterial. It is in discussion with Commissioners to determine whether this is agreed as immaterial for 2023/24 and therefore not requiring an adjustment.

**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.

**Education Income**

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

**Non-Patient care services to other bodies**

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

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

**Note 1.5 Expenditure on employee benefits**

**Short-term employee benefits**

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

**Pension costs**

**NHS Pension Scheme**

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

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

The Trust participates in the National Employees Savings Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phased employer contribution rate which was 3% for 2024/25, this rate remains at 3% from April 2025.

**Note 1.6 Expenditure on other goods and services**

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

**Note 1.7 Property, plant and equipment**

**Recognition**

Property, plant and equipment is capitalised where:

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

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

*Subsequent expenditure*

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

**Measurement**

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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

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

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

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

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

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

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

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

*Depreciation*

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

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

*Revaluation gains and losses*

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

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

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

*Impairments*

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

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

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

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

**De-recognition**

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

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

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

**Donated and grant funded assets**

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

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

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

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

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

*Initial recognition*

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

*Subsequent measurement*

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

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

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

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

**Application of IFRS 16 liability measurement principles to PFI and LIFT liabilities**

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

**Useful lives of property, plant and equipment**

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

| | Min life Years | Max life Years |
|---|---|---|
| Buildings, excluding dwellings | 2 | 60 |
| Plant & machinery | 2 | 15 |
| Transport equipment | 5 | 10 |
| Information technology | 3 | 10 |
| Furniture & fittings | 10 | 20 |

When the Trust purchased the Fordcombe Hospital in March 2024 the Trust had a fair value assessment carried out which assessed both the value and the remaining life. The assets were then additioned on to the Trust's capital asset register using the fair value and their remaining lives, not on the original purchase life. The following table shows the minimum and maximum remaining life in years that these assets were set up as:

**Fordcombe Hospital**

| | Min life Years | Max life Years |
|---|---|---|
| Buildings, excluding dwellings | 0.3 | 18.7 |
| Plant & machinery | 0.1 | 14.9 |
| Information technology | 0.1 | 4.6 |
| Furniture & fittings | 0.1 | 6.5 |

**Note 1.8 Intangible assets**

**Recognition**

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

*Internally generated intangible assets*

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

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

The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;

*Software*

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

*Purchased Goodwill*

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

**Measurement**

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

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

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

*Amortisation*

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

**Useful lives of intangible assets**

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

| | Min life Years | Max life Years |
|---|---|---|
| Information technology | 2 | 7 |
| Software licences | 3 | 8 |

**Note 1.9 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 1.10 Cash and cash equivalents**

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

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

**Note 1.11 Financial assets and financial liabilities**

**Recognition**

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

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

**Classification and measurement**

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

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

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

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

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

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

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

**Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

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

In determining the level of expected credit loss the Trust reviews classes of debtors with common credit characteristics which are grouped together in calculation matrix. The expected credit loss is only applied to trade debtors. For 2024/25 the Trust has carried out its annual assessment and based on the results retained the same matrix as in 2023/24.

The assessment took a full years data relating to 2023/24 trade debtors using the total income of £16.994m and compared it with the total credits and write offs for the same year (representing realised credit risk) of £0.407m. The resulting proportion is 2.40% of realised credit risk.

Therefore the debtor categories excluding NHS, Direct Debit and overseas visitors that from 0-159 days, provide 2.40% of the value to reflect the potential credit note/write off; and for the debt of 160 days and over, the value is provided for in full (100%).

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

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

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

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

The DHSC Group Accounting Manual (GAM) advises that '24.45% of accrued (injury cost recovery) income should be included in the provision for irrecoverable debts' to reflect the average value of claims withdrawn. The manual also specifies where providers are in a position to make a reliable estimate of their own provision percentage they should use their own local information to inform the provision.

For 2023/24 the Trust had reviewed the data on receipt of income and write off levels for existing debt from 2018/19 onwards. The levels of income still being received for debt from 2018/19 onwards have led the Trust to determine that it was appropriate to move away from the previous method that was adopted to respond to the enhanced risk due to the pandemic against current data and apply the national rate to all the existing injury cost recovery debt.

Following on from the 2023/24 assessment the Trust has reviewed its estimation technique further by using the historical data back to 2018/19 for both the Maidstone and Tunbridge Wells sites and comparing the amount of write offs to the initial claim. This methodology is based on the similar approach as the credit loss allowance process. This has resulted in Maidstone requiring a provision of 22.49% and Tunbridge Wells of 17.56%.

**Derecognition**

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

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

**Note 1.12 Leases**

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

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

**The Trust as a lessee**

*Recognition and initial measurement*

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

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

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

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 4.72% applied to new leases commencing from 1st January 2024 and 4.81% to new leases commencing from 1st January 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.

**The Trust as a lessor**

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

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

*Finance leases*

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

*Operating leases*

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

**Note 1.13 Provisions**

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2025:

| | | Nominal rate | Prior year rate |
|---|---|---|---|
| Short-term | Up to 5 years | 4.03% | 4.26% |
| Medium-term | After 5 years up to 10 years | 4.07% | 4.03% |
| Long-term | After 10 years up to 40 years | 4.81% | 4.72% |
| Very long-term | Exceeding 40 years | 4.55% | 4.40% |

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2025:

| | Inflation rate | Prior year rate |
|---|---|---|
| Year 1 | 2.60% | 3.60% |
| Year 2 | 2.30% | 1.80% |
| Into perpetuity | 2.00% | 2.00% |

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.40% 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 28.2 but is not recognised in the Trust’s accounts.

**Non-clinical risk pooling**

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

**Note 1.14 Contingencies**

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

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

Contingent liabilities are defined as:

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

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

**Note 1.15 Public dividend capital**

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

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

A charge, reflecting the cost of capital utilised by the trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the 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#full-publication-update-history.

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

**Note 1.16 Value added tax**

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

**Note 1.17 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 1.18 Third party assets**

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

**Note 1.19 Losses and special payments**

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

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

**Note 1.20 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 1.21 Business Acquisition and Goodwill**

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

When the Trust first acquired control of the entity, the Trust was required to measure goodwill at the acquisition date which is the extent to which the fair value of the consideration transferred exceeds the net recognised amount (at fair value) of all the identified assets acquired. The goodwill was calculated as £2.125m (see note 14.1).

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

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

**Note 1.22 Early adoption of standards, amendments and interpretations**

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

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

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applies in 2024/25. These Standards are still subject to HM Treasury FReM adoption:

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

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 April 2025, but with prior year comparators from 1 April 2024. An insurance contract is a contract under which the entity, which is the issuer, accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. There are a range of scope exclusions from IFRS 17. The Trust has made an initial assessment of contracts to determine whether any include insurance cover as defined by the standard. As yet the Trust has not yet determined any such contracts.

**Note 1.24 Critical judgements in applying accounting policies**

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Assets relating to Land and Buildings are subject to a full onsite valuation as at 31st March 2025, completed on an “modern equivalent asset” basis. An existing use value alternative is used which assumes the assets would be replaced with a modern equivalent, i.e. not a building of identical design – but with the same service provision as the existing assets which reflects the challenges healthcare providers face when utilising NHS Estate. Under the Trust’s alternative modern equivalent asset valuation, the modern alternative hospitals are of the same service potential but on a smaller physical footprint to serve the catchment area of population.

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

**Note 1.25 Sources of estimation uncertainty**

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

Material areas including estimates within the 2024/25 accounts are as follows:

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

The carrying value of build assets valued under DRC approach was £310.24m (part of the £323.79m for land and buildings disclosed in note 16). The valuer uses the latest BCIS information closest to the date of valuation in valuing the Trust’s specialised assets. Significant changes in the BCIS indices used in the valuations would result in a significantly lower of higher carrying value of building assets held by the Trust. For example, a 10% decrease in percentage change in the building assets would result in a decrease in asset values by £31.0m over the next financial year with an estimated decrease to PDC of £0.5m.

**Note 2 Operating Segments**

Maidstone and Tunbridge Wells NHS Trust reports under a single segment of Healthcare. The Board of Directors, led by the Chief Executive, is the chief operating decision maker within the Trust. It is only at this level that the overall financial and operational performance of the Trust is measured.

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

The Trust's income is predominantly from contracts for the provision of healthcare with Integrated Care Boards and NHS England. Income from patient care services accounts for 91% of the Trust total income. Disclosure of all material transactions with related parties is included within note 36 to these financial statements. There are no other parties that account for more than 10% of total income.

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

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

| Note 3.1 Income from patient care activities (by nature) | 2024/25 £000 | 2023/24 £000 |
|---|---|---|
| **Acute services** | | |
| Income from commissioners under API contracts - variable element* | 159,882 | 135,765 |
| Income from commissioners under API contracts - fixed element* | 453,928 | 434,390 |
| High cost drugs income from commissioners | 45,589 | 40,454 |
| Other NHS clinical income | 15,638 | 10,086 |
| **Community services** | | |
| Income from commissioners under API contracts* | 48,470 | 41,193 |
| **All services** | | |
| Private patient income | 6,392 | 1,271 |
| National pay award central funding*** | 1,481 | 284 |
| Additional pension contribution central funding** | 29,232 | 16,873 |
| Other clinical income | 8,713 | 8,477 |
| **Total income from activities** | **769,325** | **688,793** |

*Aligned payment and incentive (API) contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.

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

**Increases 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.

***Additional 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.

Included within Other Clinical Income are Sexual Health contracts with Local Authorities, Overseas Patients, injury Cost Recover Scheme and bowel screening service.

The significant increase in Private Patient income relates to the Trust's acquisition of Fordcombe Hospital from Spire Healthcare Limited (31st March 2024) and the in year income reported in 2024/25.

**Note 3.2 Income from patient care activities (by source)**

| Income from patient care activities received from: | 2024/25 £000 | 2023/24 £000 |
|---|---|---|
| NHS England | 155,337 | 129,151 |
| Integrated care boards | 596,549 | 547,543 |
| Department of Health and Social Care | 0 | 0 |
| Other NHS providers | 2,340 | 2,351 |
| NHS other | 28 | 0 |
| Local authorities | 6,321 | 6,104 |
| Non-NHS: private patients | 6,392 | 1,271 |
| Non-NHS: overseas patients (chargeable to patient) | 622 | 647 |
| Injury cost recovery scheme | 929 | 745 |
| Non NHS: other | 807 | 981 |
| **Total income from activities** | **769,325** | **688,793** |
| **Of which:** | | |
| Related to continuing operations | 769,325 | 688,793 |

Additional funding was added to the Kent and Medway Integrated Care Board API contract with the Trust for investments in the Kent and Medway Orthopaedic Centre which opened in September 2024 and the acquisition of Fordcombe Hospital from Spire Healthcare (31st March 2024) when income and expenditure took effect from 1st April 2024.

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

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Income recognised this year | 622 | 647 |
| Cash payments received in-year | 277 | 378 |
| Amounts added to provision for impairment of receivables | 343 | 378 |
| Amounts written off in-year | 1 | 223 |

**Note 4 Other operating income**

| | 2024/25 | | | 2023/24 | | |
|---|---|---|---|---|---|---|
| | Contract income | Non-contract income | Total | Contract income | Non-contract income | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Research and development | 1,769 | 0 | **1,769** | 1,804 | 0 | **1,804** |
| Education and training | 21,289 | 1,686 | **22,975** | 16,497 | 1,211 | **17,708** |
| Non-patient care services to other bodies | 29,192 | 0 | **29,192** | 26,089 | 0 | **26,089** |
| Receipt of capital grants and donations and peppercorn leases | 0 | 280 | **280** | 0 | 211 | **211** |
| Charitable and other contributions to expenditure | 0 | 347 | **347** | 0 | 190 | **190** |
| Revenue from operating leases | 0 | 170 | **170** | 0 | 164 | **164** |
| Other income | 6,977 | 0 | **6,977** | 5,606 | 0 | **5,606** |
| **Total other operating income** | **59,227** | **2,483** | **61,710** | **49,996** | **1,776** | **51,772** |
| **Of which:** | | | | | | |
| Related to continuing operations | | | **61,710** | | | **51,772** |

Non patient care income has increased during the year as a result of: 1) Increase in income associated with hosting of the Kent and Medway Pathology Network - £2.9m; 2) the Trust has taken on the hosting of the Healthcare Partnership (HCP) team and associated health inequalities funding - £1.1m; 3) Reduction in NHSE funding digital projects (£0.4m).

Other income has increased between years by £1.4m which is due to the increase in car parking charges and the inclusion of backdated income associated with the HMRC legal case against Northumbria NHS Foundation associated with car parking income.

Within Charitable and other contributions to expenditure - In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. From 2024/25 the DHSC are no longer providing this equipment so the value in the above table is nil (2023/24: £190k).

Included within the Charitable and other contributions to expenditure is a reclassification for 2024/25 to include income from Macmillan Cancer Support charity who sponsor nurses for the Trust, for 2024/25 this was £0.35m. For 2023/24 this income is included within non-patient care services to other bodies with a value of £0.25m.

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

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end | 963 | 1,799 |
| Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods | 104 | 908 |

**Note 5.2 Transaction price allocated to remaining performance obligations**

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

| Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised: | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| within one year | 600 | 2,700 |
| after one year, not later than five years | 0 | 600 |
| **Total revenue allocated to remaining performance obligations** | **600** | **3,300** |

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

**Note 5.3 Fees and charges**

The following disclosure is of income from charges to service users where the full cost of providing that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Income | 7,197 | 4,176 |
| Full cost | -7,480 | -5,127 |
| **Surplus / (deficit)** | **-283** | **-951** |

**Analysis of service charges and costs:**

| **Car Parking:** | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Income | 3,957 | 2,144 |
| Full cost | -3,784 | -2,492 |
| Surplus/(deficit) | **173** | **-348** |

| **Accommodation:** | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Income | 2,276 | 2,032 |
| Full cost | -2,327 | -2,635 |
| Surplus/(deficit) | **-51** | **-603** |

| **Catering:** | 2024/25 |
|---|---|
| | £000 |
| Income | 964 |
| Full cost | -1,369 |
| Surplus/(deficit) | **-405** |

The financial objective and performance against the objective for the car parking met its target for the financial year. Our main objectives is to meet the running cost of the car parks and to fund the multi-storey car parks across both sites. A review was carried out during the year and the tariffs were increased on all car park charges.

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

Included within the 2024/25 reported position for car parking is income of £1.4m of output VAT repayable to the Trust following the legal case between HMRC and Northumbria NHS Foundation Trust. Similarly input cost recovery previously undertaken of £0.7m has been charged as repayable within the costs

The financial objective for the accommodation is to cover the operational costs - this is being achieved by incrementally increasing the rent. The Trust subsidises International Educated Nurses as part of their relocation package.

The financial objective for the catering is to cover operational costs with the exception of staff wellbeing offers of specific free food, e.g. fresh fruit. The values for 2023/24 were not included last year as costs were under the threshold for inclusion.

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

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

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

**Note 6.2 Operating lease income**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **Lease receipts recognised as income in year:** | | |
| Minimum lease receipts | 170 | 164 |
| **Total in-year operating lease income** | **170** | **164** |

**Note 6.3 Future lease receipts**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Future minimum lease receipts due in:** | | |
| - not later than one year | 127 | 181 |
| - later than one year and not later than two years | 88 | 181 |
| - later than two years and not later than three years | 88 | 143 |
| - later than three years and not later than four years | 88 | 143 |
| - later than four years and not later than five years | 88 | 143 |
| - later than five years | 171 | 483 |
| **Total** | **650** | **1,274** |

**Note 7.1 Operating expenses**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Purchase of healthcare from NHS and DHSC bodies | 7,082 | 7,975 |
| Purchase of healthcare from non-NHS and non-DHSC bodies | 29,422 | 22,951 |
| Staff and executive directors costs | 520,976 | 456,598 |
| Remuneration of non-executive directors | 161 | 156 |
| Supplies and services - clinical (excluding drugs costs) | 56,081 | 49,502 |
| Supplies and services - general | 7,178 | 6,781 |
| Drug costs (drugs inventory consumed and purchase of non-inventory drugs) | 77,680 | 73,012 |
| Inventories written down | 0 | 10 |
| Consultancy costs | 143 | 279 |
| Establishment | 3,118 | 2,832 |
| Premises | 27,920 | 24,227 |
| Transport (including patient travel) | 3,984 | 4,120 |
| Depreciation on property, plant and equipment | 26,140 | 23,683 |
| Amortisation on intangible assets | 2,544 | 2,389 |
| Net impairments | 7,966 | 25,368 |
| Movement in credit loss allowance: contract receivables / contract assets | 462 | -642 |
| Change in provisions discount rate(s) | 1 | -21 |
| Fees payable to the external auditor | | |
| audit services- statutory audit | 230 | 163 |
| other auditor remuneration (external auditor only) | 0 | 0 |
| Internal audit costs | 143 | 152 |
| Clinical negligence | 23,176 | 19,116 |
| Legal fees | 401 | 297 |
| Insurance | 457 | 578 |
| Education and training | 4,446 | 3,269 |
| Expenditure on low value leases | 6 | 5 |
| Redundancy | 10 | 107 |
| Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) | 6,774 | 6,367 |
| Car parking & security | 3,841 | 2,697 |
| Hospitality | 5 | 25 |
| Losses, ex gratia & special payments | 44 | 43 |
| Other services, e.g. external payroll | 894 | 886 |
| Other | 2,785 | 3,193 |
| **Total** | **814,070** | **736,118** |
| **Of which:** | | |
| Related to continuing operations | 814,070 | 736,118 |

The movement relating to the Staff and executive directors' costs primarily relates to the pay award c.£29.9m, Employer pension costs £12.4m; increase in recruitment of staff £11.3m, Community Diagnostic Centre and Kent and Medway Orthopaedic Centre developments £7.4m and Fordcombe Hospital £4m.

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

The audit fees included within note 7.1 above are reported as the gross position, the value excluding VAT for 2024/25 is £180.0k (2023/24 £135.9k). In addition the Trust paid a fee £12k (ex VAT) for additional work undertaken related to the Fordcombe Hospital acquisition.

The external auditors also audits the Trust's charity accounts. The fees are disclosed within the charity accounts; 2024/25 £6k including vat (2023/24 £6k incl vat), but are not included within Other Audit remuneration line as the Trust does not consolidate the charity accounts. The examination or audit of the charity accounts takes place later in the year as the charity accounts are submitted by the end of January each year.

**Note 7.2 Other auditor remuneration**

The Trust has no other auditor remuneration

**Note 7.3 Limitation on auditor's liability**

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

**Note 8 Impairment of assets**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **Net impairments charged to operating surplus / deficit resulting from:** | | |
| Changes in market price | 7,966 | 25,368 |
| **Total net impairments charged to operating surplus / deficit** | **7,966** | **25,368** |
| Impairments charged to the revaluation reserve | 2,027 | 5,246 |
| **Total net impairments** | **9,993** | **30,614** |

This is the Trust's fifth year in its five year cyclical revaluation cycle; the Trust commissioned its independent professional valuers to undertake a full onsite valuation as at the 31st March 2025 to support its assessment of year end land and property valuations.

The analysis for (£7.97m) changes in market value is shown below:

The result of the Trust Land and Building valuation has been a net decrease in property values leading to a impairment of (£8.95m) together with a reversal of previous impairments of £1.19m. The overall impact of this results in a net impairment of (£7.76m) charged to the Income and Expenditure account. The details of the values can be seen in note 16.1 and details of the basis and methodology used are included within note 18.

In addition an assessment of the current value in existing use has been undertaken for IT devices (PCs, Laptops and IPads) based on the valuation model used by the Trust in accordance with the Trust's policy 1.8. For 2024/25, the impairment totalled (£0.20m). For 2023/24 the comparative value was (£0.29m).

The net impairments charged to the revaluation reserve of (£2.46m) comprise an in-year impairment against the business reserve of (£3.98m) less reversal of previous balance sheet impairment £1.52m.

In previous years the Trust engaged its valuers to confirmed that the IFRS 16 property leases are being carried at market value. For 2024/25 the Trust agreed with the valuers to review the Fordcombe Hospital lease which resulted in no change to the carrying value so there was a nil impairment for 2024/25 (2023/24 nil).

**Note 9 Employee benefits**

| | 2024/25 Total £000 | 2023/24 Total £000 |
|---|---|---|
| Salaries and wages | 392,973 | 345,206 |
| Social security costs | 41,546 | 37,566 |
| Apprenticeship levy | 1,978 | 1,591 |
| Employer's contributions to NHS pensions | 73,929 | 55,772 |
| Pension cost - other | 28 | 36 |
| Temporary staff (including agency) | 12,139 | 17,429 |
| **Total staff costs** | **522,593** | **457,600** |
| **Of which** | | |
| Costs capitalised as part of assets | 1,579 | 883 |

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

The movement relating to the Salaries and wages primarily relates to the pay award c.£29.9m increase in recruitment £11.3m, CDC and KMOC developments £7.4m and Fordcombe Hospital £4m.

Increases 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 9.1 Retirements due to ill-health**

During 2024/25 there were 2 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2024). The estimated additional pension liabilities of these ill-health retirements is £188k (£91k in 2023/24).

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

**Note 10 Pension costs**

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

**a) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, 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 Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution rate payable by 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 to 23.7% of pensionable pay. 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

Included within the employees benefits note are employer contributions to NHS Pension scheme £73.9m (2023/24 £55.8m) and other pension scheme which are NEST and 247 Time (Direct engagement provider) NEST totalling £57k (2023/24 £83k).

The Trust participates in the National Employees Saving Trust (NEST) scheme as an alternative to those employees who are not eligible to join the NHS Pension Scheme. This came into effect in July 2013 for this Trust as part of the auto enrolment requirements introduced by the Government. NEST is a defined contribution scheme with a phase employer contribution rate of 3% for 2024/25 and remains at 3% for 2025/26. Trust contributions under the NEST scheme for the 2024/25 financial year totalled £28k (2023/24 £36k).

**Note 11 Finance income**

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

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Interest on bank accounts | 1,267 | 1,419 |
| **Total finance income** | **1,267** | **1,419** |

**Note 12.1 Finance expenditure**

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

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **Interest expense:** | | |
| Interest on loans from the Department of Health and Social Care | 121 | 161 |
| Interest on lease obligations | 1,226 | 930 |
| Interest on late payment of commercial debt | 5 | 3 |
| **Finance costs on PFI, LIFT and other service concession arrangements:** | | |
| Main finance costs | 14,993 | 14,876 |
| Remeasurement of the liability resulting from change in index or rate * | 12,426 | 34,572 |
| | **28,771** | **50,542** |
| Unwinding of discount on provisions | 9 | 6 |
| **Total finance costs** | **28,780** | **50,548** |

* From 1 April 2023, IFRS 16 liability measurement principles are applied to PFI, LIFT and other service concession liabilities. Increases to imputed lease payments arising from inflationary uplifts are now included in the liability, and contingent rent no longer arises. More information is provided in Note 33.

**Note 12.2 The late payment of commercial debts (interest) Act 1998**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Amounts included within interest payable arising from claims made under this legislation | 5 | 3 |

**Note 13 Other gains / (losses)**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| Gains on disposal of assets | 144 | 3 |
| Losses on disposal of assets | 0 | -76 |
| **Total gains / (losses) on disposal of assets** | **144** | **-73** |

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

**Note 14.1 Intangible assets - 2024/25**

| | Software licences | Internally generated information technology | Goodwill | Intangible assets under construction | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2024 - brought forward** | **2,370** | **16,847** | **2,125** | **0** | **21,342** |
| Additions | 389 | 3,232 | 0 | 360 | **3,981** |
| Disposals / derecognition | -73 | -11 | 0 | 0 | **-84** |
| **Valuation / gross cost at 31 March 2025** | **2,686** | **20,068** | **2,125** | **360** | **25,239** |
| **Amortisation at 1 April 2024 - brought forward** | **1,201** | **9,177** | **0** | **0** | **10,378** |
| Provided during the year | 322 | 2,222 | 0 | 0 | **2,544** |
| Reclassifications | 0 | -345 | 0 | 0 | **-345** |
| Disposals / derecognition | -73 | -11 | 0 | 0 | **-84** |
| **Amortisation at 31 March 2025** | **1,450** | **11,043** | **0** | **0** | **12,493** |
| **Net book value at 31 March 2025** | **1,236** | **9,025** | **2,125** | **360** | **12,746** |
| **Net book value at 1 April 2024** | **1,169** | **7,670** | **2,125** | **0** | **10,964** |

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

**Note 14.2 Intangible assets - 2023/24**

| | Software licences | Internally generated information technology | Goodwill | Intangible assets under construction | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2023 - as previously stated** | **1,976** | **16,846** | **0** | **0** | **18,822** |
| Additions | 483 | 1,281 | 2,125 | 0 | **3,889** |
| Disposals / derecognition | -89 | -1,280 | 0 | 0 | **-1,369** |
| **Valuation / gross cost at 31 March 2024** | **2,370** | **16,847** | **2,125** | **0** | **21,342** |
| **Amortisation at 1 April 2023 - as previously stated** | **1,028** | **8,330** | **0** | **0** | **9,358** |
| Provided during the year | 262 | 2,127 | 0 | 0 | **2,389** |
| Disposals / derecognition | -89 | -1,280 | 0 | 0 | **-1,369** |
| **Amortisation at 31 March 2024** | **1,201** | **9,177** | **0** | **0** | **10,378** |
| **Net book value at 31 March 2024** | **1,169** | **7,670** | **2,125** | **0** | **10,964** |
| **Net book value at 1 April 2023** | **948** | **8,516** | **0** | **0** | **9,464** |

**Note 15.1 Business Acquisition**

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

Within the purchase there were two stages of completion with the first stage being the purchase of trade and assets and taking over the lease of the property. At first completion the Trust committed to take on the relevant working capital and the existing staffing, subject to a due process under TUPE, at the end of an expected six month period. During the six months the Trust contracted for Spire to provide a Managed Service Arrangement on its behalf - they operated the hospital under the Trust's management and control. The Trust incorporated the full financial performance of the hospital within its overall management accounts in 2024/25 as part of the Trust's business as usual.

At the end of the six month period there was a truing-up process to determine any additional consideration payable to or from the Spire Group with the settlement of outstanding working capital positions.

At second completion the Trust paid Spire £230k relating to working capital and £350k for stock balance.

Staff of 128.54 whole time equivalents transferred to the Trust under TUPE as of the 1st October 2024, with a monthly cost of £512k.

**Note 15.2 Impairment of Goodwill**

The Trust acquired goodwill as part of the purchase of the Fordcombe Hospital. It represents future economic benefits arising from a range of other assets and factors acquired in a business acquisition that are not capable of individual identification and recognition. The additional service flexibility, capacity, opportunities for re-organisation and integration of other services across the Trust are among examples of these factors, as well as enhancing reputation and positioning within the local NHS and private patient markets. The Trust has combined the additional private market expertise with its existing Wells Suite and Oncology private patient work to create an enhanced Wells Health brand across the Trust. The organisation has also integrated the facility into its overall service operations (NHS and private), including consultant job planning, and it provides services that are system-wide for Kent and Medway. As a result of the scope and diversity of benefits, the goodwill has not been allocated to any specific business units within the Trust, but is held at the overall Trust level reflecting the extent of the economic benefits.

Under IAS 36 the Trust is required to annually assess its goodwill intangible asset for any triggers that would indicate impairment. The core principle in IAS 36 is that an asset must not be carried in the financial statements at more than the highest amount to be recovered through its use or sale.

The recoverable amount is the higher of:

- fair value less costs to sell. This is the arm's length sale price between knowledgeable willing parties less costs of disposal (FVLCD); and

- value in use (VIU). This is the expected future cash flows that the asset in its current condition will produce, discounted to present value using an appropriate discount rate.

The Trust has reviewed the fair value of the Fordcombe assets to determine if there are any indications of impairment:

The PPE (tangible and intangibles) has increased in year from £7.849m to £9.049m. The opening PPE was reviewed in a detailed exercise by independent valuers for fair valuation as part of the take on process for March 2024. The Trust considers that the closing values remain a reasonable representation of fair value.

The hospital Property lease right of use asset has been reviewed by the Trust's external Valuers. The closing carrying value of the right of use asset at 31.03.25 is £5.31m. The valuer's market rent assessment capitalised the rent to a potential value of £5.84m, which is higher than the current carrying value.

Stock was purchased at market value as part of the second completion stage (30.09.24) at a value of £350k, which had risen to £390k by the end of the reporting period. The Trust considers this to be held at fair value.

The Trust considers the fair value of the underlying assets is higher than the carrying value, and that costs of disposal would be immaterial (acquisition costs were £300k). It therefore does not believe that there are clear indications of impairment to the acquired goodwill.

| | **2024/25** | **2023/24** |
|---|---|---|
| | **£000's** | **£000's** |
| Goodwill at purchase date | 2,125 | 2,125 |
| less impairment of goodwill at reporting date | 0 | 0 |
| Goodwill at reporting date | **2,125** | **2,125** |

**Note 16.1 Property, plant and equipment - 2024/25**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation/gross cost at 1 April 2024 - brought forward** | **12,866** | **301,167** | **25,472** | **88,239** | **587** | **25,785** | **152** | **454,268** |
| Additions | 0 | 14,274 | 1,335 | 4,974 | 0 | 3,798 | 1,077 | **25,459** |
| Impairments charged to operating expenses | 0 | -8,952 | 0 | 0 | 0 | -206 | 0 | **-9,158** |
| Impairments charged to the revaluation reserve | -3 | -3,568 | 0 | 0 | 0 | 0 | 0 | **-3,571** |
| Reversal of impairments credited to operating expenses | 0 | 1,192 | 0 | 0 | 0 | 0 | 0 | **1,192** |
| Reversal of impairments credited to the revaluation reserve | 108 | 1,436 | 0 | 0 | 0 | 0 | 0 | **1,544** |
| Revaluations | 106 | -5,156 | 0 | 0 | 0 | 0 | 0 | **-5,050** |
| Reclassifications | 0 | 18,565 | -24,960 | 2,807 | 0 | 3,588 | 0 | **0** |
| Transfers to / from assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** |
| Disposals / derecognition | 0 | 0 | 0 | -3,245 | -25 | 34 | 0 | **-3,236** |
| **Valuation/gross cost at 31 March 2025** | **13,077** | **318,958** | **1,848** | **92,775** | **562** | **32,999** | **1,229** | **461,448** |
| | | | | | | | | |
| **Accumulated depreciation at 1 April 2024 - brought forward** | **0** | **271** | **0** | **55,954** | **235** | **13,130** | **32** | **69,622** |
| Provided during the year | 0 | 8,977 | 0 | 7,348 | 49 | 4,348 | 29 | **20,750** |
| Revaluations | 0 | -8,252 | 0 | 0 | 0 | 0 | 0 | **-8,252** |
| Reclassifications | 0 | -8 | 0 | 4 | 0 | 345 | 4 | **345** |
| Disposals / derecognition | 0 | 0 | 0 | -3,013 | -25 | 34 | 0 | **-3,004** |
| **Accumulated depreciation at 31 March 2025** | **0** | **988** | **0** | **60,293** | **259** | **17,857** | **65** | **79,461** |
| | | | | | | | | |
| **Net book value at 31 March 2025** | **13,077** | **317,970** | **1,848** | **32,483** | **303** | **15,142** | **1,164** | **381,987** |
| **Net book value at 1 April 2024** | **12,866** | **300,896** | **25,472** | **32,285** | **352** | **12,655** | **120** | **384,646** |

Note - further analysis on Assets Under Construction can be found in Note 16.3

**Note 16.2 Property, plant and equipment - 2023/24**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| **Valuation / gross cost at 1 April 2023 - as previously stated** | **12,936** | **304,826** | **8,967** | **92,637** | **587** | **23,139** | **2,506** | **445,598** |
| Additions | 0 | 15,030 | 34,023 | 5,431 | 0 | 4,012 | 84 | **58,580** |
| Impairments charged to operating expenses | 0 | -10,022 | -15,179 | -303 | 0 | -298 | 0 | **-25,802** |
| Impairments charged to the revaluation reserve | -70 | -5,568 | 0 | 0 | 0 | 0 | 0 | **-5,638** |
| Reversal of impairments credited to operating expenses | 0 | 434 | 0 | 0 | 0 | 0 | 0 | **434** |
| Reversal of impairments credited to the revaluation reserve | 0 | 392 | 0 | 0 | 0 | 0 | 0 | **392** |
| Revaluations | 0 | -3,849 | 0 | 0 | 0 | 0 | 0 | **-3,849** |
| Reclassifications | 0 | 973 | -2,339 | 972 | 0 | 394 | 0 | **0** |
| Transfers to / from assets held for sale | 0 | 0 | 0 | -1,185 | 0 | 0 | 0 | **-1,185** |
| Disposals / derecognition | 0 | -1,049 | 0 | -9,313 | 0 | -1,462 | -2,438 | **-14,262** |
| **Valuation/gross cost at 31 March 2024** | **12,866** | **301,167** | **25,472** | **88,239** | **587** | **25,785** | **152** | **454,268** |
| | | | | | | | | |
| **Accumulated depreciation at 1 April 2023 - as previously stated** | **0** | **190** | **0** | **58,756** | **186** | **10,715** | **2,457** | **72,304** |
| Provided during the year | 0 | 8,308 | 0 | 6,588 | 49 | 3,877 | 13 | **18,835** |
| Revaluations | 0 | -7,178 | 0 | 0 | 0 | 0 | 0 | **-7,178** |
| Transfers to / from assets held for sale | 0 | 0 | 0 | -223 | 0 | 0 | 0 | **-223** |
| Disposals / derecognition | 0 | -1,049 | 0 | -9,167 | 0 | -1,462 | -2,438 | **-14,116** |
| **Accumulated depreciation at 31 March 2024** | **0** | **271** | **0** | **55,954** | **235** | **13,130** | **32** | **69,622** |
| | | | | | | | | |
| **Net book value at 31 March 2024** | **12,866** | **300,896** | **25,472** | **32,285** | **352** | **12,655** | **120** | **384,646** |
| **Net book value at 1 April 2023** | **12,936** | **304,636** | **8,967** | **33,881** | **401** | **12,424** | **49** | **373,294** |

**Note 16.3 Property, plant and equipment financing - 31 March 2025**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Owned - purchased | 13,077 | 130,974 | 1,848 | 31,326 | 303 | 15,141 | 1,164 | **193,833** |
| On-SoFP PFI contracts and other service concession arrangements | 0 | 186,666 | 0 | 0 | 0 | 0 | 0 | **186,666** |
| Owned - donated/granted | 0 | 330 | 0 | 1,157 | 0 | 1 | 0 | **1,488** |
| **Total net book value at 31 March 2025** | **13,077** | **317,970** | **1,848** | **32,483** | **303** | **15,142** | **1,164** | **381,987** |

Assets Under Construction (AUC) in year additions of £1.3m (note 16.1) relate to: Build £0.5m the majority of this relates to Cardiology Redevelopment and Plant & Machinery £0.8m - which primarily relates to a CT Simulator for Canterbury. These are assets at 31st March 2025 which are classed as "work in progress" and were not available for use at the end of 2024/25.

The main AUC projects within 2024/25 that have completed during the year were: 1) Kent and Medway Orthopaedic Centre building works £13.9m; 2) CDC build works £3.8m; 3) Digital Pathology equipment £2.9m 4) CDC 2 x CT Scanners £1.5m; 5) CT Scanner TWH £1.1m and 6) IT Frontline Digitalisation equipment £0.6m.

**Note 16.4 Property, plant and equipment financing - 31 March 2024**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Owned - purchased | 12,866 | 112,622 | 25,472 | 30,696 | 352 | 12,613 | 120 | **194,741** |
| On-SoFP PFI contracts and other service concession arrangements | 0 | 187,938 | 0 | 0 | 0 | 0 | 0 | **187,938** |
| Owned - donated/granted | 0 | 336 | 0 | 1,589 | 0 | 42 | 0 | **1,967** |
| **Total net book value at 31 March 2024** | **12,866** | **300,896** | **25,472** | **32,285** | **352** | **12,655** | **120** | **384,646** |

**Note 16.5 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2025**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Subject to an operating lease | 170 | 359 | 0 | 0 | 0 | 0 | 0 | **529** |
| Not subject to an operating lease | 12,888 | 317,190 | 1,848 | 32,487 | 303 | 15,746 | 1,168 | **381,630** |
| **Total net book value at 31 March 2025** | **13,058** | **317,549** | **1,848** | **32,487** | **303** | **15,746** | **1,168** | **382,159** |

**Note 16.6 Property plant and equipment assets subject to an operating lease (Trust as a lessor) - 31 March 2024**

| | Land | Buildings excluding dwellings | Assets under construction | Plant & machinery | Transport equipment | Information technology | Furniture & fittings | Total |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Subject to an operating lease | 168 | 410 | 0 | 0 | 0 | 0 | 0 | **578** |
| Not subject to an operating lease | 12,698 | 300,486 | 25,472 | 32,285 | 352 | 12,655 | 120 | **384,068** |
| **Total net book value at 31 March 2024** | **12,866** | **300,896** | **25,472** | **32,285** | **352** | **12,655** | **120** | **384,646** |

**Note 17 Donations of property, plant and equipment**

In the financial year 2024/25 the Trust recognised donated assets of £0.28m. The most significant purchases were build work on the Helipad £0.19m and the following equipment: a mobile resuscitarie £0.01m, Bladder scanners £0.01m, Novasure Controller £0.01m, 2 Microtome machines £0.02m and a Diathermy machine £0.01m.

**Note 18 Revaluations of property, plant and equipment**

The Trust's depreciation on tangible assets (including donated but excluding IFRS 16) in the year was £20.8m and amortisation for intangible assets £2.5m.

This is the Trust's fifth year within the five year cyclical valuation period. The Trust commissioned a full onsite valuation from independent professional valuers, Montagu Evans LLP. This was undertaken on the Trust's Land and Building assets as at 31st March 2025. The lead relationship partner from Montagu Evans LLP is qualified to BSc MRICS.

Specialist properties (main hospitals) have been valued on Depreciation Replacement Cost (DRC) using the Modern Equivalent Assets (MEA) valuation concept and taking into account the Trust's previous approach to the application of MEA e.g. the PFI property valued excluding recoverable VAT. Non specialised buildings and land have been valued on an Existing Use Value (EUV) basis in line with RICS guidelines.

The 31st March 2025 valuation resulted in an overall decrease in the carrying value of the Trust's Land and Property assets of (£7.02m). The analysis of the decrease is as follows:

i) An in-year I&E charge to impairments was (£8.95m) together with £1.19m reversals of previous I&E impairments, the net I&E impairment was (£7.76m) which is reflected in operating expenses.

ii) The in-year impairment charge to the revaluation reserve was (£3.98m) together with £1.52m of reversal of previous impairments taken to the revaluation reserve. The net revaluation reserve impact was (£2.46m).

iii) The downward valuations are driven by an overall decrease in the building costs (BCIS) indices reflecting the market and the geographical location area. This included some component assets driven by specific BCIS elements where there was an increase of £3.20m with no previous reversal to the revaluation reserve.

The valuer considered the remaining useful economic lives of the assets taking into account backlog and capital work undertaken between valuations, and the age and condition of the properties.

The valuer has reported that at the valuation date property markets are functioning sufficiently to provide an adequate quantum of market evidence on which to base the opinions of value. The valuer has continued to exercise professional judgement in providing the valuation; the Trust has reviewed and challenged the valuation in detail and is satisfied that this remains the best information to the Trust.

Fixtures and Fittings are carried at depreciated historic cost as this is not considered to be materially different from fair value. The Trust has reviewed its Plant and Machinery assets to ensure that both the value and the remaining lives are held at the correct values. An assessment of current value in existing use of IT devices (PCs, Laptops and IPads) assets has been carried out based on a valuation model as advised by Trust's experts, this is in accordance with he Trust's policy 1.8.

**Note 19 Leases - Maidstone and Tunbridge Wells NHS Trust as a lessee**

The Trust leases property and equipment assets for various purposes from both NHS and external partners. The purposes include the provision of staff accommodation, clinical facilities, clinical and non-clinical equipment, office space and facility related property e.g. car parking.

The Trust applied IFRS 16 to account for lease arrangements since 1 April 2022 without restatement of comparatives.

For analysis of major leases see note 19.3

| Note 19.1 Right of use assets - 2024/25 | Property (land and buildings) £000 | Plant & machinery £000 | Transport equipment £000 | Total £000 | Of which: leased from DHSC group bodies £000 |
|---|---|---|---|---|---|
| **Valuation / gross cost at 1 April 2024 - brought forward** | **74,971** | **2,229** | **0** | **77,200** | **5,164** |
| Additions | 17,368 | 2,116 | 268 | **19,752** | 0 |
| Remeasurements of the lease liability | 1,367 | 10 | 0 | **1,377** | -524 |
| Disposals / derecognition | -154 | 0 | 0 | **-154** | 0 |
| **Valuation/gross cost at 31 March 2025** | **93,552** | **4,355** | **268** | **98,175** | **4,640** |
| | | | | | |
| **Accumulated depreciation at 1 April 2024 - brought forward** | **9,950** | **1,265** | **0** | **11,215** | **1,514** |
| Provided during the year | 4,794 | 574 | 22 | **5,390** | 689 |
| **Accumulated depreciation at 31 March 2025** | **14,744** | **1,839** | **22** | **16,605** | **2,203** |
| | | | | | |
| **Net book value at 31 March 2025** | **78,808** | **2,516** | **246** | **81,570** | **2,437** |
| **Net book value at 1 April 2024** | **65,021** | **964** | **0** | **65,985** | **3,650** |
| | | | | | |
| Net book value of right of use assets leased from other NHS providers | | | | | 1,076 |
| Net book value of right of use assets leased from other DHSC group bodies | | | | | 1,361 |

| Note 19.2 Right of use assets - 2023/24 | Property (land and buildings) £000 | Plant & machinery £000 | Transport equipment £000 | Total £000 | Of which: leased from DHSC group bodies £000 |
|---|---|---|---|---|---|
| **Valuation / gross cost at 1 April 2023 - brought forward** | **64,710** | **1,650** | **0** | **66,360** | **4,846** |
| Additions | 6,133 | 23 | 0 | **6,156** | 116 |
| Remeasurements of the lease liability | 4,129 | 556 | 0 | **4,685** | 235 |
| Movements in provisions for restoration / removal costs | 32 | 0 | 0 | **32** | 0 |
| Disposals / derecognition | -33 | 0 | 0 | **-33** | -33 |
| **Valuation/gross cost at 31 March 2024** | **74,971** | **2,229** | **0** | **77,200** | **5,164** |
| | | | | | |
| **Accumulated depreciation at 1 April 2023 - brought forward** | 5,600 | 767 | 0 | **6,367** | 733 |
| Provided during the year | 4,350 | 498 | 0 | **4,848** | 781 |
| **Accumulated depreciation at 31 March 2024** | **9,950** | **1,265** | **0** | **11,215** | **1,514** |
| | | | | | |
| **Net book value at 31 March 2024** | **65,021** | **964** | **0** | **65,985** | **3,650** |
| **Net book value at 1 April 2023** | **59,110** | **883** | **0** | **59,993** | **4,113** |
| | | | | | |
| Net book value of right of use assets leased from other NHS providers | | | | | 1,054 |
| Net book value of right of use assets leased from other DHSC group bodies | | | | | 2,596 |

**Note 19.3 Analysis of right of use assets**

The Trust has closing Right of Use Asset value is £81.57m for all of the leases recognised under IFRS 16. Of this the majority of the value relates to leases for staff accommodation on both sites and in the localities (£70.20m). These leases range in term from 2 years to 48 years.

**The largest property leases are:**

The Trust has a lease of Springwood Road Block B (Kirkland and Barming Houses) staff accommodation from Jedi Developments Ltd. The closing carrying value of the Right of Use Asset is £36.66m. The Trust entered into the arrangement on the 29th March 2019 for a 43 year primary term lease on the new accommodation, with an ultimate option for the Trust to acquire the property for fair value at the end of the arrangement. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The Trust manages the short term tenancies with staff and receives staff accommodation income.

The Trust has a lease of Springwood Road Block A (Rowan, Birch, Hawthorn and Chestnut Houses) staff accommodation from Jedi Developments Ltd. The closing carrying value of the Right to Use Asset is £5.37m. The Trust entered into the arrangement on the 31st March 2023 for a 20 year lease term. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The Trust manages the short term tenancies with staff and receives staff accommodation income.

WGIF - lease of 32 High Street, Pembury for staff residences. The closing carrying value of the Right of Use Asset is £5.48m. The lease is subject to 5 yearly RPI reviews (Feb 2024). The Trust entered into a 25 year arrangement on the 21st February 2019 expiring in February 2044, with a landlord only break clause in February 2033. The Trust manages the short term tenancies with staff and receives staff accommodation income.

The Kent and Medway Medical School staff accommodation was available for use from the end of March 2025. The Trust entered into a contract for the provision of medical student and education accommodation with 144 rooms on the Tunbridge Wells Hospital site on the 23rd May 2022. The facility is owned and leased to the Trust by Just Retirement Ltd for a remaining term of 48 years. The Trust has recognised the lease under IFRS 16 at the end of March 2025 with a Right of Use Asset value of £17.33m. The rent is subject to RPI uplifts annually, with a cap and collar arrangement (cap at 5%). The lease value commenced at an annual value of £669.7k per annum which was previously recorded as prepayments until the building was available for use.

The Fordcombe Hospital building is leased from Links Bidco Propco 12 Limited to Spire Healthcare LTD; The Trust has a underlease for the premises with Spire Healthcare which have been included since 2023/24 within the Trusts accounts, the closing ROUA value is of £5.31m.

Leases of clinical facilities account for £6.14m of the Right of Use closing carrying value . This includes £1.34m Acute Medical Unit at Maidstone Hospital, £1.36m relating to arrangements with NHS Property Services; £1.45m for Community Diagnostic Centre facilities at an off-site location close to Maidstone Hospital; £0.58m for renting the radiotherapy bunkers at Kent and Canterbury Hospital.

Trust equipment leases have a value of £2.24m; car parking £1.13m; leases for office space account for £1.08m; other facilities have a value of £0.78m.

**Note 19.4 Revaluations of right of use assets**

The Trust has regularly tested the appropriateness of the underlying market value of the material property leases with its independant valuers and the values have been consistantly found to be reasonable. Many of the largest arrangements have annual rent reviews linked to indexation e.g RPI that the Trust considers sufficient to ensure an appropriate carrying value.

In 2024/25 the Trust has engaged with our valuers to review the carrying value of Fordcombe Hospital as this was newly acquired 31st March 2024. The outcome of the valuation was to confirm that the underlying value of the lease was held an appropriate market value.

**Note 19.5 Reconciliation of the carrying value of lease liabilities**

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 26.1.

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **Carrying value at 1 April** | **67,030** | **61,437** |
| Lease additions | 18,197 | 6,156 |
| Lease liability remeasurements | 1,377 | 4,685 |
| Interest charge arising in year | 1,226 | 930 |
| Early terminations | -154 | -33 |
| Lease payments (cash outflows) | -6,311 | -6,145 |
| **Carrying value at 31 March** | **81,365** | **67,030** |

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

**Note 19.6 Maturity analysis of future lease payments**

| | Total 31 March 2025 | Of which leased from DHSC group bodies: 31 March 2025 | Total 31 March 2024 | Of which leased from DHSC group bodies: 31 March 2024 |
|---|---|---|---|---|
| | £000 | £000 | £000 | £000 |
| **Undiscounted future lease payments payable in:** | | | | |
| - not later than one year; | 5,394 | 701 | 5,024 | 740 |
| - later than one year and not later than five years; | 13,919 | 1,433 | 14,978 | 2,154 |
| - later than five years. | 62,052 | 351 | 47,028 | 787 |
| **Net lease liabilities at 31 March 2025** | **81,365** | **2,485** | **67,030** | **3,681** |
| **Of which:** | | | | |
| Leased from other NHS providers | | 1,092 | | 1,067 |
| Leased from other DHSC group bodies | | 1,393 | | 2,614 |

**Note 19.7 Leases - other information**

The staff accommodation property leases with the most significant carrying values have variable inflation/rent review arrangements linked to RPI. The lease liability will be remeasured at each point that the relevant variable change is due. The arrangements are detailed in Note 19.3.

The leases for the Acute Medical Unit at Maidstone and the multi storey car parks on each hospital site are fixed rent arrangements not subject to review during the term. These are reviewed by the Trust's independent valuer on an annual basis.

The leases with NHS Property Services are reviewed annually and are agreed on a case by case basis.

The Trust entered in to a contract to lease a surgical robot at Maidstone during 2024/25, with a further robot to be at Tunbridge Wells Hospital in 2025/26. This is a lease not yet commenced but which the Trust is contractually committed to of £1.47m

**Note 20 Inventories**

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| Drugs | 5,480 | 4,445 |
| Ward Drugs | 659 | 433 |
| Consumables | 2,177 | 1,439 |
| Consumables donated from DHSC group bodies | 2 | 111 |
| Theatres | 2,491 | 2,421 |
| Fordcombe Hospital | 390 | 0 |
| Other | 425 | 434 |
| **Total inventories** | **11,624** | **9,283** |
| **of which:** | | |
| Held at fair value less costs to sell | 0 | 0 |

Inventories recognised in expenses for the year were £76,558k (2023/24: £84,121k). Write-down of inventories recognised as expenses for the year were £0k (2023/24: £10k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the Trust received £190k of items purchased by DHSC. Distribution of inventory by the Department ceased in March 2024.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

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

Included within "Other" are balances for Energy (fuel oil boilers) of £141k, Audiology Stock £130k, Microbiology stock £154k

As part of the second stage completion of the Fordcombe Hospital acquisition, the stock value from 1st October was £350k.

**Note 21.1 Receivables**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Current** | | |
| Contract receivables | 20,691 | 18,227 |
| Allowance for impaired contract receivables / assets | -868 | -399 |
| Prepayments (non-PFI) | 11,070 | 7,971 |
| PDC dividend receivable | 870 | 3,784 |
| VAT receivable | 4,348 | 2,559 |
| Other receivables | 1,608 | 1,099 |
| **Total current receivables** | **37,719** | **33,241** |
| **Non-current** | | |
| Contract receivables | 920 | 1,371 |
| Allowance for impaired contract receivables / assets | -1,100 | -1,126 |
| PFI lifecycle prepayments | 1,939 | 1,668 |
| Other receivables | 1,065 | 1,026 |
| **Total non-current receivables** | **2,824** | **2,939** |
| **Of which receivable from NHS and DHSC group bodies:** | | |
| Current | 16,033 | 14,195 |
| Non-current | 1,065 | 1,026 |

The majority of trade is with Integrated Care Boards (ICB) as commissioners for NHS patient care services. As ICBs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary. The calculation for the allowance of other impaired receivables is described in policy note 1.11.

The most significant elements within current contract receivables are 1) £11.9m invoiced NHS debt of which £6.5m is with Kent and Medway ICB 2) £3.2m NHS accrual ledger postings and 3) £3.9m invoiced Trade debt of which £1.1m is in overseas visitors debt and £1.1m with corporate debt and 4) £1m non-NHS trade accruals.

**Note 21.2 Allowances for credit losses**

| | 2024/25 | 2023/24 |
|---|---|---|
| | Contract receivables and contract assets | Contract receivables and contract assets |
| | £000 | £000 |
| **Allowances as at 1 April - brought forward** | **1,525** | **2,423** |
| New allowances arising | 1,310 | 1,208 |
| Reversals of allowances | -848 | -1,850 |
| Utilisation of allowances (write offs) | -19 | -256 |
| **Allowances as at 31 Mar 2025** | **1,968** | **1,525** |

For details of the credit loss process see policy 1.12 impairment of Financial Assets

Injury Cost recovery – Following on from the 2023/24 review that the Trust carried out reviewing data on receipt of income and write off levels for existing debt the Trust has reviewed further its estimation technique. By using the historical data back to 2018/19 for both the Maidstone and Tunbridge Wells sites and comparing the amount of write offs to the initial claim has resulted in Maidstone site requiring a provision of 22.49% and Tunbridge Wells site of 17.56% compared to the GAM advisory percentage of 24.45%.

**Note 21.3 Exposure to credit risk**

The Trust adheres to best practice in credit control activities which includes referral to an external debt collection agency and formal litigation procedures if required to trace debtors and seek to recover overdue debt. In addition the majority of the Trust's revenue comes from contracts with other public sector bodies which in turn are supported by underlying contractual agreements and specific payment terms. As a result, it is deemed that the Trust has a low exposure to credit risk.

Expected credit losses for contract and other receivables are reviewed on a regular basis taking account of historic, current and forecast information to determine a sufficient and appropriate level of allowance for impaired contract and other receivables.

**Note 22 Non-current assets held for sale and assets in disposal groups**

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **NBV of non-current assets for sale and assets in disposal groups at 1 April** | **0** | **179** |
| Assets classified as available for sale in the year | 0 | 962 |
| Assets sold in year | 0 | -1,141 |
| **NBV of non-current assets for sale and assets in disposal groups at 31 March** | **0** | **0** |

**Note 23.1 Cash and cash equivalents movements**

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **At 1 April** | **11,985** | **7,975** |
| Net change in year | 1,131 | 4,010 |
| **At 31 March** | **13,116** | **11,985** |
| **Broken down into:** | | |
| Cash at commercial banks and in hand | 16 | 11 |
| Cash with the Government Banking Service | 13,100 | 11,974 |
| **Total cash and cash equivalents as in SoCF** | **13,116** | **11,985** |

**Note 23.2 Third party assets held by the trust**

Maidstone and Tunbridge Wells NHS Trust did not hold any cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the Trust has no beneficial interest

**Note 24.1 Trade and other payables**

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| **Current** | | |
| Trade payables | 24,119 | 15,626 |
| Capital payables | 3,571 | 5,959 |
| Accruals | 12,460 | 26,028 |
| Social security costs | 5,137 | 4,943 |
| Other taxes payable | 5,984 | 5,272 |
| Pension contributions payable | 1 | 1 |
| Other payables | 210 | 182 |
| **Total current trade and other payables** | **51,482** | **58,011** |
| | | |
| **Of which payables from NHS and DHSC group bodies:** | | |
| Current | 3,951 | 4,117 |
| Non-current | 0 | 0 |

Trade payables also includes NHS organisations as well as trade suppliers. The variance within trade payables primarily relates to the Trust returning to paying suppliers to payment terms of 30 days.

Included with the accruals values is an estimate for annual leave untaken of £0.16m (2023/24 £0.15m).

**Note 24.2 Early retirements in NHS payables above**

The Trust does not have an early retirement included within NHS payables above

**Note 25 Other liabilities**

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| **Current** | | |
| Deferred income: contract liabilities | 161 | 965 |
| **Total other current liabilities** | **161** | **965** |

**Note 26.1 Borrowings**

| | 31 March 2025 £000 | 31 March 2024 £000 |
|---|---|---|
| **Current** | | |
| Loans from DHSC | 244 | 970 |
| Other loans | 35 | 107 |
| Lease liabilities | 5,394 | 5,024 |
| Obligations under PFI, LIFT or other service concession contracts | 10,841 | 10,495 |
| **Total current borrowings** | **16,514** | **16,596** |
| | | |
| **Non-current** | | |
| Loans from DHSC | 2,280 | 2,520 |
| Other loans | 52 | 88 |
| Lease liabilities | 75,971 | 62,006 |
| Obligations under PFI, LIFT or other service concession contracts | 265,110 | 264,000 |
| **Total non-current borrowings** | **343,413** | **328,614** |

The Trust has one remaining capital investment loan totalling £2.5m with the Department of Health and Social Care. The remaining loan of £6m (current remaining balance £2.5m) taken out on the 15th December 2010 has a final repayment date of 15th September 2035 at a fixed rate of 4.73%.

The Trust also has Salix loans total value of £0.1m which appears in "other loans" in both current and non current borrowings, this relates to improving the energy efficiency of the Trust. These loans are repayable over 5 years and is interest free. Salix Finance Ltd provides interest-free Government funding to the public sector to improve their energy efficiency, reduce carbon emissions and lower energy bills.

Under IFRS 9 the loan values also include their associated interest charges.

**Note 26.2 Reconciliation of liabilities arising from financing activities**

| | Loans from DHSC | Other loans | Lease Liabilities | PFI and LIFT schemes | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **Carrying value at 1 April 2024** | **3,490** | **195** | **67,030** | **274,495** | **345,210** |
| **Cash movements:** | | | | | |
| Financing cash flows - payments and receipts of principal | -964 | -108 | -5,085 | -10,969 | **-17,126** |
| Financing cash flows - payments of interest | -123 | 0 | -1,226 | -14,994 | **-16,343** |
| **Non-cash movements:** | | | | | |
| Additions | 0 | 0 | 18,197 | 0 | **18,197** |
| Lease liability remeasurements | 0 | 0 | 1,377 | 0 | **1,377** |
| Remeasurement of PFI / other service concession liability resulting from change in index or rate | | | | 12,426 | **12,426** |
| Application of effective interest rate | 121 | 0 | 1,226 | 14,993 | **16,340** |
| Early terminations | 0 | 0 | -154 | 0 | **-154** |
| **Carrying value at 31 March 2025** | **2,524** | **87** | **81,365** | **275,951** | **359,927** |

With effect from the 1st April 2023 the NHS Group Accounting Manual mandated the application of IFRS 16 to the measurement of PFI finance lease obligations. Under the IFRS 16 principles applied to the PFI the lease liability is remeasured each year with any change in the indexation applied to the unitary payment. The impact for 2024/25 was £12.4m upward movement to the liability in line with the RPI movement of 4.53% discounted at the real terms finance rate inherent in the PFI contract.

The largest element of the lease liability additions relates to the Kent and Medway Medical School staff accommodation at Tunbridge Wells Hospital (see note 19.3)

| | Loans from DHSC | Other loans | Lease Liabilities | PFI and LIFT schemes | Total |
|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 |
| **Carrying value at 1 April 2023** | **4,467** | **571** | **61,437** | **171,083** | **237,558** |
| **Cash movements:** | | | | | |
| Financing cash flows - payments and receipts of principal | -974 | -376 | -5,215 | -9,963 | **-16,528** |
| Financing cash flows - payments of interest | -164 | 0 | -930 | -14,875 | **-15,969** |
| **Non-cash movements:** | | | | | |
| Application of IFRS 16 measurement principles to PFI liability on 1 April 2023 | | | | 78,802 | **78,802** |
| Additions | 0 | 0 | 6,156 | 0 | **6,156** |
| Lease liability remeasurements | 0 | 0 | 4,685 | 0 | **4,685** |
| Remeasurement of PFI / other service concession liability resulting from change in index or rate | | | | 34,572 | **34,572** |
| Application of effective interest rate | 161 | 0 | 930 | 14,876 | **15,967** |
| Early terminations | 0 | 0 | -33 | 0 | **-33** |
| **Carrying value at 31 March 2024** | **3,490** | **195** | **67,030** | **274,495** | **345,210** |

**Note 27 Other financial liabilities**

The Trust has no other financial liabilities

**Note 28.1 Provisions for liabilities and charges analysis**

| | Pensions: injury benefits | Legal claims | Capitalised lease dilapidations | 2019/20 clinicians pension reimbursement | Other (includes lease dilapidations previously charged to revenue) | Total |
|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| **At 1 April 2024** | **352** | **696** | **528** | **1,090** | **974** | **3,640** |
| Change in the discount rate | 1 | 0 | 0 | -10 | 0 | **-9** |
| Arising during the year | 27 | 249 | 0 | 57 | 2,287 | **2,620** |
| Utilised during the year | -30 | -292 | 0 | -57 | -50 | **-429** |
| Reclassified to liabilities held in disposal groups | 0 | 0 | 0 | 0 | 0 | **0** |
| Reversed unused | 0 | -336 | 0 | 0 | 0 | **-336** |
| Unwinding of discount | 9 | 0 | 0 | 55 | 0 | **64** |
| **At 31 March 2025** | **359** | **317** | **528** | **1,135** | **3,211** | **5,550** |
| **Expected timing of cash flows:** | | | | | | |
| - not later than one year; | 30 | 317 | 0 | 70 | 2,369 | **2,786** |
| - later than one year and not later than five years; | 120 | 0 | 528 | 138 | 842 | **1,628** |
| - later than five years. | 209 | 0 | 0 | 927 | 0 | **1,136** |
| **Total** | **359** | **317** | **528** | **1,135** | **3,211** | **5,550** |

Pension Injury Benefit costs relates to two ill health injury benefits calculated by current payment made by NHS Pensions Agency adjusted for average life expectancy using tables published by the National Statistics Office. Legal Claims include estimates notified by NHS Resolution.

Legal claims are notified at year end to the Trust from NHS Resolution and legal firms that the Trust uses.

Capitalised lease dilapidations relates to IFRS 16 leases that commenced from 1st April 2022 and contain within the lease a clause to return the property back to its original state.

The Clinicians' Pension Scheme relates to clinicians who are members of the NHS Pension Scheme and who as a result of work undertaken in the previous tax year (2019-20) face a tax charge in respect of the growth of their NHS pension benefits above their pension savings annual allowance threshold will be able to have this charge paid by the NHS Pension Scheme. The NHSE have used the information provided by Government Actuary's Department (GAD) and Business Services Authority (BSA) and calculated a national 'average discounted value per nomination'. The Trust has followed the guidance and based its provision on this estimated value and applied it to the Trusts data as reported in the NHS Digital's NHS workforce Statistics - November 2019' consultant headcount data which is the same basis that NHSE have used for the National provision within its accounts.

Included within "Other" is an element of previous operating leases under IAS 17 - dilapidations totalling £0.9m and other provisions of £2.4m. Included within the £2.3m arising in year is £1.3m relating to the Kent and Medway Orthopaedic Centre contractual claim and £1.0m provision for potential band 2 to 3's CSW arrears of pay banding change.

**Note 28.2 Clinical negligence liabilities**

At 31 March 2025, £292,818k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Maidstone and Tunbridge Wells NHS Trust (31 March 2024: £273,028k).

**Note 29 Contingent assets and liabilities**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Value of contingent liabilities** | | |
| NHS Resolution legal claims | -25 | -49 |
| **Net value of contingent liabilities** | **-25** | **-49** |
| **Net value of contingent assets** | **0** | **0** |

The contingent liability for 2024/25 relates to legal claims notified by NHS Resolution of £25k

**Note 30.1 Contractual capital commitments**

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| Property, plant and equipment | 463 | 3,883 |
| **Total** | **463** | **3,883** |

| **Note 30.2 Leases: exposure to future cash outflows not included in lease liabilities** | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| Commitments for lease not yet commenced to which the Trust is contractually committed (see note 19.6) | 1,477 | 0 |
| | **1,477** | **0** |

**Note 31 Other financial commitments**

The Trust does not have any other financial commitments

**Note 32 On-SoFP PFI, LIFT or other service concession arrangements**

The Trust signed a PFI project agreement on 26th March 2008 for the Tunbridge Wells Hospital at Pembury. The main building was handed over by the contractor in phases in December 2010 and May 2011 and recognised in the Trust's accounts accordingly. By joint agreement with the Trust's PFI partner the final phase of car parking & landscaping were completed and handed over early in January 2012, although contractual phasing and unitary payments were kept in line with the project agreement completion date of September 2012. The arrangement covers the provision of buildings, hard facilities management services and lifecycle replacement (building & engineering asset renewals). Under the project agreement the Trust has agreed expectations for the provision of these services and has termination options on default. The land remains the Trust's asset throughout the concession. The concession is due to run for 30 years until 2042 when the building will revert to the Trust. The annual unitary payment was contracted at £16.9m at 2005/06 prices, and is subject to an annual uplift by Retail Price Index which for the 2024/25 year was 4.53%. The RPI uplift for 2025/26 is 3.41%.

**Note 32.1 On-SoFP PFI, LIFT or other service concession arrangement obligations**

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Gross PFI, LIFT or other service concession liabilities** | **427,979** | **434,283** |
| **Of which liabilities are due** | | |
| - not later than one year; | 25,248 | 24,838 |
| - later than one year and not later than five years; | 95,451 | 93,643 |
| - later than five years. | 307,280 | 315,802 |
| Finance charges allocated to future periods | -152,028 | -159,788 |
| **Net PFI, LIFT or other service concession arrangement obligation** | **275,951** | **274,495** |
| - not later than one year; | 10,841 | 10,495 |
| - later than one year and not later than five years; | 43,534 | 41,780 |
| - later than five years. | 221,576 | 222,220 |

**Note 32.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments**

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

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| **Total future payments committed in respect of the PFI, LIFT or other service concession arrangements** | **758,680** | **777,439** |
| **Of which payments are due:** | | |
| - not later than one year; | 35,159 | 33,637 |
| - later than one year and not later than five years; | 149,546 | 143,069 |
| - later than five years. | 573,975 | 600,733 |

**Note 32.3 Analysis of amounts payable to service concession operator**

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

| | 2024/25 | 2023/24 |
|---|---|---|
| | £000 | £000 |
| **Unitary payment payable to service concession operator** | **33,910** | **32,442** |
| **Consisting of:** | | |
| - Interest charge | 14,993 | 14,876 |
| - Repayment of balance sheet obligation | 10,969 | 9,963 |
| - Service element and other charges to operating expenditure | 6,372 | 6,095 |
| - Capital lifecycle maintenance | 1,301 | 1,384 |
| - Addition to lifecycle prepayment | 275 | 124 |
| Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment | 402 | 272 |
| **Total amount paid to service concession operator** | **34,312** | **32,714** |

## Note 33 Financial instruments

### Note 33.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the NHS Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The NHS Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

**Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

**Interest rate risk**

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

**Credit risk**

The majority of the Trust's revenue comes from contracts with other public sector bodies within the NHS. This debt considered to have a low exposure to credit risk as NHS bodies are able to access revenue support from NHS England in order to meet their debts. The Trust's maximum exposures as at 31 March 2025 are in receivables from customers, as disclosed in the trade and other receivables note.

**Liquidity risk**

The Trust's operating costs are incurred under contracts with Integrated Care Boards, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its capital resourcing limit as approved by Kent and Medway ICB and DHSC. The Trust is not, therefore, exposed to significant liquidity risks.

**Note 33.2 Carrying values of financial assets**

| Carrying values of financial assets as at 31 March 2025 | Held at amortised cost | Held at fair value through I&E | Total book value |
|---|---|---|---|
| | £000 | £000 | £000 |
| Trade and other receivables excluding non financial assets | 22,316 | 0 | **22,316** |
| Cash and cash equivalents | 13,116 | 0 | **13,116** |
| **Total at 31 March 2025** | **35,432** | **0** | **35,432** |

| Carrying values of financial assets as at 31 March 2024 | Held at amortised cost | Held at fair value through I&E | Total book value |
|---|---|---|---|
| | £000 | £000 | £000 |
| Trade and other receivables excluding non financial assets | 20,198 | 0 | **20,198** |
| Cash and cash equivalents | 11,985 | 0 | **11,985** |
| **Total at 31 March 2024** | **32,183** | **0** | **32,183** |

**Note 33.3 Carrying values of financial liabilities**

| Carrying values of financial liabilities as at 31 March 2025 | Held at amortised cost | Total book value |
|---|---|---|
| | £000 | £000 |
| Loans from the Department of Health and Social Care | 2,524 | **2,524** |
| Obligations under leases | 81,365 | **81,365** |
| Obligations under PFI, LIFT and other service concession contracts | 275,951 | **275,951** |
| Other borrowings | 87 | **87** |
| Trade and other payables excluding non financial liabilities | 40,197 | **40,197** |
| **Total at 31 March 2025** | **400,124** | **400,124** |

| Carrying values of financial liabilities as at 31 March 2024 | Held at amortised cost | Total book value |
|---|---|---|
| | £000 | £000 |
| Loans from the Department of Health and Social Care | 3,490 | **3,490** |
| Obligations under leases | 67,030 | **67,030** |
| Obligations under PFI, LIFT and other service concession contracts | 274,495 | **274,495** |
| Other borrowings | 195 | **195** |
| Trade and other payables excluding non financial liabilities | 47,647 | **47,647** |
| **Total at 31 March 2024** | **392,857** | **392,857** |

**Note 33.4 Maturity of financial liabilities**

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

| | 31 March 2025 | 31 March 2024 |
|---|---|---|
| | £000 | £000 |
| In one year or less | 71,277 | 78,587 |
| In more than one year but not more than five years | 110,383 | 109,669 |
| In more than five years | 370,652 | 364,391 |
| **Total** | **552,312** | **552,647** |

**Note 33.5 Fair values of financial assets and liabilities**

The Trust uses the book value (carrying value) as a reasonable approximation of fair value

**Note 34 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** | | | | |
| Cash losses | 68 | 15 | 72 | 50 |
| Bad debts and claims abandoned | 16 | 4 | 80 | 223 |
| **Total losses** | **84** | **19** | **152** | **273** |
| **Special payments** | | | | |
| Ex-gratia payments | 21 | 16 | 42 | 29 |
| Special severance payments | 3 | 28 | 1 | 12 |
| **Total special payments** | **24** | **44** | **43** | **41** |
| **Total losses and special payments** | **108** | **63** | **195** | **314** |
| Compensation payments received | | | | |

The Trust has no individual cases that exceed £300k

In keeping with policy 1.19 this note includes losses and compensations paid and accrued but excludes provisions which are reported under Note 28.

**Note 35 Gifts**

There were no gifts made by the Trust in 2024/25

**Note 36 Related parties**

During the year none of the Department of Health and Social Care Ministers, Trust Board members or members of the key management staff, or parties related to any of them, have undertaken any material transactions with Maidstone and Tunbridge Wells NHS Trust.

The Department of Health and Social Care (DHSC) is regarded as a related party and parent department. During the year 2024/25 the Trust has received £25.68m capital funding in the form of PDC. The Trust also has loans with DHSC, interest paid within the year £0.12m, principal repayment of £1m. The Trust has also had a significant number of material transactions with other entities for which the Department is regarded as the parent department e.g.: NHSE. Other public sector bodies are recognised as relevant who are not part of the DHSC group e.g. HMRC. A disclosure is required if a transaction (or a series of transactions) is material on either side (apples to related parties outside of the public sector but not within) i.e. if a transaction is immaterial from the entity's perspective but material from a related party viewpoint then the entity must disclose it.

NHS Kent and Medway ICB
NHS Sussex ICB
NHS England
Dartford and Gravesham NHS Trust
East Kent University Hospital FT
Kent Community Health NHS FT
Medway NHS FT
NHS South East London ICB
Royal Surrey County Hospital
HMRC
NHS Pension Authority
NHS Resolution
NHS Blood and Transplant
Kent County Council
NHS Property Services

| | Income 2024-25 £000's | Creditor 2024-25 £000's | Expenditure 2024-25 £000's | Income 2023-24 £000's | Creditor 2023-24 £000's | Expenditure 2023-24 £000's |
|---|---|---|---|---|---|---|
| Teletracking Technology | 2,700 | 0 | 2,479 | 2,700 | 0 | 2,619 |

The Trust has also received revenue and capital payments from the Charitable Funds that it controls, the Trustees for which are also members of the Trust Board. The Trust has not consolidated the Charitable Funds on the funds of materiality to the Trust (see policy note 1.4). The transactions between the Trust and the Charity (Maidstone and Tunbridge Wells NHS Charitable Fund - charity registration number 1055215) are however material to the charity and therefore are disclosed below. Please note that this disclosure is based on the draft unaudited position of the charity. The audited accounts of the charity will be available later this year.

| | 2024-25 | 2023-24 |
|---|---|---|
| | £000's | £000's |
| Total charitable resources expended with the Trust | 521 | 479 |
| closing creditor (monies owed to the Trust by the Charity) | 137 | 163 |
| Total income received by the Charity in the reporting period | 593 | 536 |
| Total Charitable Funds at end of the reporting period | **1003** | **931** |

**Note 37 Prior period adjustments**

The Trust has not made any prior period adjustments

**Note 38 Events after the reporting date**

The Trust has no events after the reporting date

**Note 39 Better Payment Practice code**

| | 2024/25 Number | 2024/25 £000 | 2023/24 Number | 2023/24 £000 |
|---|---|---|---|---|
| **Non-NHS Payables** | | | | |
| Total non-NHS trade invoices paid in the year | 116,682 | 318,268 | 113,750 | 306,128 |
| Total non-NHS trade invoices paid within target | 85,505 | 235,006 | 109,583 | 293,388 |
| Percentage of non-NHS trade invoices paid within target | 73.3% | 73.8% | 96.3% | 95.8% |
| **NHS Payables** | | | | |
| Total NHS trade invoices paid in the year | 2,545 | 44,024 | 2,550 | 39,447 |
| Total NHS trade invoices paid within target | 1,779 | 36,789 | 2,278 | 36,413 |
| Percentage of NHS trade invoices paid within target | 69.9% | 83.6% | 89.3% | 92.3% |

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

The required compliance is at least 95% of invoices paid (by the bank automated credit system or date and issue of a cheque) within thirty days or with agreed contract terms.

**Note 40 Capital Resource Limit**

| | 2024/25 £000 | 2023/24 £000 |
|---|---|---|
| Gross capital expenditure * | 50,569 | 73,310 |
| Less: Disposals | -386 | -1,320 |
| Less: Donated and granted capital additions | -280 | -211 |
| **Charge against Capital Resource Limit** | **49,903** | **71,779** |
| Capital Resource Limit | 49,903 | 71,779 |
| **Under / (over) spend against CRL** | **0** | **0** |

* Gross capital expenditure includes the in year capitalised Right of Use assets and remeasurements under IFRS 16 totalling £21.0m, including the lease for the Kent and Medway Medical School accommodation at TWH of £17.3m.

**Note 41 Breakeven duty financial performance**

| | 2024/25 £000 | 2023/24 £000 |
|---|---|---|
| Adjusted financial performance surplus / (deficit) (control total basis) | 161 | 5,258 |
| Add back incremental impact of IFRS 16 on PFI revenue costs in 2023/24 | 0 | -27,244 |
| IFRIC 12 breakeven adjustment | 0 | 30,318 |
| **Breakeven duty financial performance surplus / (deficit)** | **161** | **8,332** |

For 2023/24 the PFI costs were reported for breakeven purposes with an adjustment to the new IFRS 16 approach and the previous IAS 17 approach. For 2024/25 onwards adjusted financial performance includes a technical adjustment to restate IFRS 16 PFI costs to the off balance sheet equivalent. This off balance sheet value is used in the statutory breakeven calculation. There is therefore no additional adjustment made in this note.

**Note 42 Breakeven duty rolling assessment**

| | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Breakeven duty in-year financial performance | | 189 | 1,710 | 300 | 129 | (12,374) | 157 | (23,413) | (10,918) |
| Breakeven duty cumulative position | (3,260) | (3,071) | (1,361) | (1,061) | (932) | (13,306) | (13,149) | (36,562) | (47,480) |
| Operating income | | 311,889 | 322,176 | 345,101 | 367,391 | 375,714 | 403,310 | 400,930 | 430,502 |
| **Cumulative breakeven position as a percentage of operating income** | | (1.0%) | (0.4%) | (0.3%) | (0.3%) | (3.5%) | (3.3%) | (9.1%) | (11.0%) |

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Breakeven duty in-year financial performance | (10,790) | 20,324 | 7,587 | 330 | 231 | 678 | 8,332 | 161 |
| Breakeven duty cumulative position | (58,270) | (37,946) | (30,359) | (30,029) | (29,798) | (29,120) | (20,788) | (20,627) |
| Operating income | 440,269 | 473,169 | 513,056 | 564,196 | 623,891 | 680,301 | 740,565 | 831,035 |
| **Cumulative breakeven position as a percentage of operating income** | (13.2%) | (8.0%) | (5.9%) | (5.3%) | (4.8%) | (4.3%) | (2.8%) | (2.5%) |

The Trust's last formal 3 year break-even cycle commenced in 2013/14 and was not met by the period 2015/16. The Trust has achieved in year break even duty surpluses and met it NHSE control totals in each of the last seven financial years. The Trust is not in any formal recovery regime relating to recovering its historic accumulated deficit but is required to achieve the in year breakeven position agreed as part of the overall Kent & Medway Integrated Care System (ICS) control total. The Trust reported a breakeven duty surplus of £0.16m for 2024/25.

# Independent auditor's report to the directors of Maidstone And Tunbridge Wells NHS Trust

## Report on the audit of the financial statements

### Opinion on financial statements

We have audited the financial statements of Maidstone And Tunbridge Wells NHS Trust (the 'Trust') for the year ended 31 March 2025, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in tax payers' 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 15 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;
- 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 directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

In our evaluation of the directors' conclusions, and in accordance with the expectation set out within the Department of Health and Social Care Group Accounting Manual 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

### Other information

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

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

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in 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 requirements of the Department of Health and Social Care Group Accounting 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 and Staff Report to be audited have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

We have nothing to report in respect to the above matters except on 23 May 2025 we referred a matter to the Secretary of State under sections 30(b) and 30(a) of the Local Audit and Accountability Act 2014 in relation to Maidstone and Tunbridge Wells NHS Trust's breach of its three-year break-even duty for the three year period ending 31 March 2025 and its planned ongoing breach in 2025/26.

### Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities in respect of the accounts, the directors are responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

### Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024-25).
- We enquired of management and the Audit & Governance 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 & governance committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls, fraudulent revenue recognition and fraudulent expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries which met a range of criteria defined as part of our risk assessment;
  - revenue recognition for material streams of non- block contract and elective recovery funding income and other operating revenue, due to the scale of financial pressures experienced by the Trust; and
  - expenditure recognition given the continued financial challenges of the sector and requirement to meet financial targets.

- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on unusual journal entries using criteria based on our knowledge of the entity and the risk factors identified;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition and related to management override of controls through

processing journal entries. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

- 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. 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 in respect of the above matter except on 25 June 2024 we identified a significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services for the year ended 31 March 2024. This was in relation to the fact that the Trust's 2024/25 financial plans included high levels of unidentified and high-risk efficiency saving plans, in addition to high levels of undelivered savings in 2023/24. We recommended that:

- where there were unidentified elements in the budgeted efficiencies for 2024/25, granular plans should have been developed at pace.
- the Trust should have considered its approach towards identifying and delivering recurring efficiencies and lasting transformation rather than non-recurring one-year schemes
- as part of this consideration, the Trust should have built-up its pipeline of future and potential savings schemes.

As part of our assessment of the Trust's arrangements for ensuring economy, efficiency, and effectiveness in its use of resources for the year ending 31 March 2025, we reviewed the Trust's progress against these recommendations. We have found that only limited progress has been made, and as a result, on 19 June 2025 we concluded that the significant weakness in the Trust's arrangements for financial sustainability remains in place. This is in relation to the fact that the Trust's 2025/26 financial plans include a significant savings requirement, Cost Improvement Plans (CIP) with a target of £96.5m for 2025/26 and was unable to deliver its £37.3m target in 2024/25 which was £3.0m adverse to plan.We have raised a new recommendation, which supersedes our prior year key recommendation, that the Trust should develop and progress all of the plans in the 2025/26 financial improvement programme as quickly as possible, to reduce the risk of slippage and under delivery in year (by end of Q1 at the latest). This applies to all the schemes in the Trust's £49m efficiency programme, the £22.6m of system led CIP opportunities and the other schemes (£24.8m) identified to bridge the gap to breakeven as part of the final 2025/26 plan.

### Responsibilities of the Accountable Officer

As explained in the Statement of the Chief Executive's responsibilities as the accountable officer of the Trust, the Chief Executive, as Accountable Officer, is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of the Trust's resources.

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

We are required under Section 21(2A)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in 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 Maidstone and Tunbridge Wells NHS Trust for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until 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 directors of the Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Trust's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's directors as a body, for our audit work, for this report, or for the opinions we have formed.

*John Paul Cuttle*

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

London
20 June 2025

MTW
Exceptional people, outstanding care

NHS
Maidstone and Tunbridge Wells
NHS Trust

**Maidstone Hospital**
Hermitage Lane
Maidstone
Kent, ME16 9QQ

**Tunbridge Wells Hospital**
Tonbridge Road
Tunbridge Wells
Kent, TN2 4QJ

**Fordcombe Hospital**
Fordcombe
Tunbridge Wells
Kent, TN3 0RD

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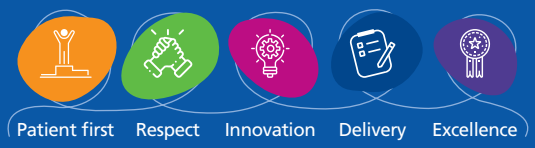
**Our PRIDE values**



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