ANNUAL REPORT AND ACCOUNTS

2020/21

Best of care
Best of people

Medway NHS Foundation Trust
Annual Report and Accounts 2020/21

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

Contents

7Foreword from the Chair

Jo Palmer

Chair

It has been an extremely busy year at the Trust, and I would like to thank all of our colleagues for the incredible care that they have provided, and continue to provide, for our patients during this pandemic.

During the most challenging of times, they have stepped forward to help those that are most in need, putting aside their own feelings and the worry that the pandemic has created in their own personal lives; they should be incredibly proud of how they have conducted themselves over this past year.

On a personal note, it was a great privilege to take on the role of Chair and I thank the Governors for the confidence and trust they have placed in me. Our hospital has huge potential, with dedicated staff and an incredibly supportive community, and I am eager to continue the work that is well underway to make Medway an outstanding place to work and to care for our patients and their families.

Despite the many achievements of the year, we know that we still have a lot of work to do to consistently provide the level of care that our community deserves. Through the Our Medway improvement programme we have the structures in place to provide more consistent care and deliver on our statutory targets and I know that colleagues are committed to doing just that.

I would like to extend my thanks to our League of Friends; despite being extremely restricted in their operations because of the pandemic, they have continued to provide invaluable support. This support, alongside contributions from our own Trust charity has helped us to purchase items which have made a huge difference to our patients and staff.

I was particularly proud to see the League of Friends' contribution recognised by the Queen this year, with Eunice Norman being awarded an MBE in the New Year Honours list for services to the community. Eunice, who is the Chair of Hospital Radio Medway, and has been with the station since 1973, and her team have gone above and beyond this year to broadcast from home during the pandemic, continuing to bring a smile to the faces of our patients and staff. Eunice has provided unfaltering commitment to for the hospital, and of course the Medway League of Friends, and deserves this accolade for her many years of service.

I would also like to say thank you to our Governors who have found new virtual ways to provide an invaluable link to the community we serve, and also to our volunteers who play such an important role in making the experience of coming to our hospital a positive one for patients and their families. Their roles have been slightly different this year because of shielding and the restrictions to people on site. Nonetheless, we appreciate all that they continue to do for the hospital.

It was with great sadness that we announced the death of Stella Dick our former Lead Governor this year. During her time at the Trust, Stella passionately represented her community and always had the best interests of the hospital at heart. Stella was a wonderful advocate for the Trust and through her work here became a personal friend; she will be sorely missed.

I am very pleased to welcome Dr George Findlay as our Interim Chief Executive from 1 May 2021.

Finally, I would like to acknowledge the incredible support of our community. The people of Medway and Swale have always been there for our staff and this year has been no exception. It truly is a privilege to serve you.

Jo Palmer
Chair

PERFORMANCE REPORT

Overview

Over the past year, the COVID-19 pandemic has led to so much loss and heartache, and in the hospital we have felt it deeply. But I have been humbled by the commitment, determination and sacrifice of our colleagues to overcome the challenges, and I would like to thank them from the bottom of my heart for all they have done.

On behalf of all of our staff, I would also like to thank our community, not just for your kind words, your front door claps, your gifts and charitable donations but for adhering to national guidance and helping us to protect our services.

Thank for your patience and understanding too; we have had to make some incredibly difficult decisions this year and we know that cancelling operations and restricting visitors has had a real impact on the quality of the care we provide. These decisions have been the right ones to make to keep our patients safe, but we know that they come at a cost. At the time of writing our teams continue to work hard to return services to normal as we begin to head towards the end of national lockdown restrictions.

Although many aspects of the pandemic have had a detrimental impact on our lives, the restrictions placed upon us have also given us the opportunity to look at doing things differently. Our teams have worked hard to provide more virtual appointments for our patients, saving many unnecessary journeys to the hospital and helping to keep patients safe by reducing footfall on our site. Our aim will be to continue to offer virtual appointments long after the pandemic is over.

I am also extremely proud of the role that we have played as an organisation in delivering the COVID-19 vaccination to our staff, staff from partner organisations and to the community. Our hospital is the centre of our community, and it is right that we take an active role in protecting it, thanks to this historic vaccination programme.

Although it feels like the pandemic has dominated the last 12 months, I'm pleased to say that our hard-working staff have also continued to make significant improvements to the care we provide for our patients despite the additional challenges presented to them.

Last year we launched 'Our Medway', a major improvement programme to advance the quality of care for our patients.

Clinically led and placing patients at its heart, this has helped to improve patient experience, reduce length of stay, increase our use of digital technology, and develop stronger relationships and with our partners in community health, GPs, mental health and social care.

We've also had a major focus on improving nursing care throughout the Trust. 'Reclaiming the Nursing Landscape' is an important initiative that has looked at strengthening the role of leadership, governance, standards and education in our nursing and midwifery teams – giving these vital staff the tools and support they needed to help them do their jobs to the high standards they aspire to. This programme has led to some significant improvements for our patients including better compliance with nursing risk assessments, improved nutritional care and reductions in hospital acquired pressure ulcers.

These successes have supported us in improving the quality of nursing-led care across the Trust, even with the additional pressure of the pandemic, thanks to the buy-in and support of our nursing and midwifery workforce.

We've also managed to launch a new service to support young people struggling with self-harm or suicidal thoughts, developed a campaign to improve care for patients with learning disabilities or autism and won a national award for developing a clinically-led workforce strategy in the Emergency Department.

We have had some great successes, but some disappointments too. Our performance against some of the key national targets has not been where we would like it to be. This hasn't been helped by the national pandemic, but we must not hide behind that and we must continue to strive to be better.

We were also very disappointed by the findings of the CQC when they inspected our urgent and emergency services in December 2020. Their report acknowledged a number of positive observations

about the care provided for patients needing urgent and emergency care, but also highlighted where improvements were needed.

Inspectors commended the way colleagues ensured there were separate zones for patients with COVID-19, those with symptoms but without a positive test result, and those who did not have COVID-19 symptoms. They also said staff had a good understanding of appropriate PPE, and infection prevention measures, and noted that the department was clean.

It was good to read these positive comments within the report, however there were also a number of areas of concern, and we began addressing these as soon as we received initial feedback from the CQC.

In particular, the inspectors raised concerns about ambulance handover times, and the potential for patients to deteriorate while waiting in an ambulance; the length of time patients waited in the Emergency Department before being admitted to a ward; escalation processes; leadership and culture within the department, and discharge processes which compromised the flow of patients through the hospital.

I am grateful to our staff who helped rapidly produce an action plan to ensure improvements were made, and I know we are already providing better, safer care for patients who come to our Emergency Department.

Getting the very best value for taxpayers' money and addressing our financial deficit – although never at the expense of the quality of the care we provide – is a key aim for us. I am proud to say that this year we have continued to improve patient care while meeting our financial control target for the third consecutive year.

I'm very sad to say that we have lost a number of colleagues this year, to COVID and other causes. The death of a member of our Medway family always comes as a devastating blow to us all and we have worked hard to ensure that our colleagues are supported through each one of these losses. Our thoughts remain with the family, friends and colleagues of those we have lost.

It has been a very challenging year for all involved with Medway NHS Foundation Trust but there is no doubt that we approach 2021/2022 with renewed optimism.

Our aim, to provide the right care from the right people, in the right place and at the right time remains our key focus and we are committed to achieving this.

Thank you for your ongoing support for the Trust.

George Findlay

Chief Executive

Purpose and Activities

Medway NHS Foundation Trust is a public benefit corporation authorised under the National Health Service Act 2006. It is a single-site hospital based in Gillingham and serves a population of more than 424,000 across Medway and Swale.

We provide clinical services to almost half a million patients a year, including more than 120,000 ED attendances, more than 70,000 admissions, more than 270,000 outpatients' appointments and more than 4,500 babies born last year.

As an NHS Foundation Trust, we have 25 seats on the Council of Governors and more than 10,000 public members. We employ around 4,400 staff, making us one of Medway's largest employers. In addition, more than 300 volunteers provide invaluable support across the League of Friends, Hospital Radio and the Voluntary Services Department.

The hospital is made up of two clinical divisions – Unplanned and Integrated Care and Planned Care – supported by corporate functions.

The Board of directors, led by Chair Jo Palmer comprises 11 executive directors including the Chief Executive, and eight non-executive directors including the Chair.

Brief History

Medway Maritime Hospital was originally a Royal Naval Hospital, opened by King Edward VII in 1905. The hospital cost £800,000 and boasted a main corridor of nearly 1,000 feet in length.

In 1961 the NHS acquired the hospital from the Navy. Buildings and facilities were modernised as part of a £1.5million modernisation scheme and the hospital reopened again as Medway Hospital in 1965.

The hospital changed its name in 1999 to mark the start of a new era. The new name 'Medway Maritime Hospital' reflects the hospital's proud naval tradition.

Key Issues and Risks

The principal risks delivering the Trust's Strategic Objectives are recorded in detail in the Board Assurance Framework and the key operational risks are described in the corporate risk register, which are monitored at directorates and by the Executive Group. A summary of significant risks within the Board Assurance Framework for 2019/20 is included within the Annual Governance Statement.

Going Concern

Our going concern disclosure is detailed in the performance report.

After making enquiries, the directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

See note 1.2 to the accounts for more detail.

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

Summary of Performance

The Trust did not achieve the national standard for the four hour performance target in 2020/21, finishing the year on 81.08 per cent (all types). This was an improvement on performance from 2019/20, but not at the level expected. Here at Medway we were significantly impaired in our emergency performance due to Covid-19. This impacted on bed availability, particularly as we had to use our beds flexibly in response to changing numbers of positive patients, and flow through the emergency department and wider hospital. We also faced staffing challenges as some colleagues were required to shield or became unwell. Regrettably, this meant that at the peak of Covid-19 presentations, some ambulances waited far longer than they should have to be offloaded as we struggled with available space and the demands placed on us. This was particularly a problem in December 2020, as referenced in the Care Quality Commission's report following their unannounced inspection of our emergency department.

Performance Analysis

Key Performance Measures

The Trust formally agreed trajectories for the constitutional targets: Emergency Department, Referral To Treatment, Cancer and Diagnostic (known as DM01). These trajectories were based on demand and capacity work completed for all of the services using the NHS Improvement Tool. The performance is monitored formally on a monthly basis in various different meetings internally and externally to the Trust.

Referral to Treatment (RTT)

The Trust reported a year end position of 61.2 per cent for RTT from a starting point of 72.61 per cent. The total waiting list size ended on 22,541 patients compared to 20,327 at the start of the year. The number of patients waiting more than 52 weeks for treatment increased through the year from four to 683 at year-end.

The main factor affecting RTT performance over the past 12 months has been COVID-19. As a result of the pandemic, the Trust suspended the majority of its elective activity twice, first in Wave 1 (March to June 2020) and then Wave 2 (November 2020 to February 2021). This suspension of elective services impacted outpatients, diagnostics and surgery which resulted in longer waiting times for patients. After the first wave, elective activity recommenced in late June 2020 (Restart 1 programme) and this allowed the Trust to see, diagnose and treat both new patients and those patients who had been delayed in their pathways. This improved the Trust's performance from August to November 2020. With the second wave again causing the suspension of most elective activity, performance unfortunately dropped again.

The Trust restarted elective activity at the end of February 2021 (Restart 2 programme) with Outpatients and March 2021 for elective surgery. The positive impact of this work will be seen in the Trust's April 2021 performance reports.

	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Trust Overall	72.61%	65.53%	58.22%	52.50%	59.00%	64.77%	70.56%	72.79%	69.57%	64.97%	61.53%	61.20%
Waiting List Size	20327	20743	20795	20990	21161	20998	20728	20064	20789	21062	21627	22541
52+ Week Waiters	4	20	49	95	109	144	191	101	180	345	563	683
Standard	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%

Cancer

2020/21 Cancer Waiting Times Performance

The Trust reported full compliance with the 93 per cent operational standard for two-week waits (2WW) – all cancers, performing consistently above the standard in 12 consecutive months. Despite the pandemic the Trust maintained compliance with this performance indicator while working to minimise exposure and keep patients safe. The Trust did this by continuing to work to the internal seven-day stretch target while also implementing new ways of working such as telephone and virtual clinics. The trust also moved some outpatient activity to Covid free sites in the independent sector.

The Trust was compliant with the 93 per cent operational standard for 2WW – breast symptomatic, the operational standard was achieved in each quarter as a result of the breast service at the Trust consistently flexing capacity to deal with any peaks in demand in real time. The 2WW booking team now has access to real-time performance reports which allows issues to be escalated to service managers allowing 2WW breaches to be prevented before they occur.

The Trust has consistently met the 96 per cent operational standard for 31-day first treatment through quarters one to three as patients with a confirmed diagnosis of cancer are treated with the urgency required to ensure the trust remains compliant against this Key Performance Indicator (KPI).

Though not compliant consistently through the year with the 94 per cent operational standard for 31 day subsequent treatment (surgery) the Trust was compliant in quarters two and three. This was achieved by working closely with the theatre and surgery teams to ensure that there was adequate capacity to prioritise treatments for patients with cancer. This standard was affected by the pandemic as non-clinical urgent patients were delayed.

The Trust was not compliant with the 98 per cent operational standard 31-day waits for subsequent treatment (drug treatment). Due to the volume of cancer patients requiring subsequent drug treatment being so low there are insufficient numbers to offset breaches in all months of the year. There was only one month that had two breaches; all other months had one. Compliance was only achieved in months with performance of 100 per cent.

The Trust was not compliant with the operational standard of 85 per cent for 62 day waits from urgent GP referral, and continues to work with services to review and map out pathways from referral through diagnostics and onto treatment. This aims to identify bottlenecks and ways to optimise the patient journeys through to treatment. The Trust continues to work with the independent sector and external providers to ensure there is sufficient capacity to diagnose cancer patients much earlier in their pathways to allow adequate time to plan and deliver treatments within the 62-day timeframe. This standard was affected by the pandemic as non clinical urgent patients were delayed.

Though not compliant in the first two quarters of the year with the 62-day wait from screening service operational standard of 90 per cent, the Trust was compliant in the third quarter. Compliance with this

standard has been greatly impacted by the pandemic as some screening programmes were paused during the first wave. The Trust has reported 100 per cent compliance in the closing four months of the year and aims to remain compliant with this KPI going forwards.

Indicator 2020/21	Target	Achievement			
		Q1	Q2	Q3	Q4
2 week wait – all cancer	93%	96.9%	97.1%	96.3%	96.93%
2 week wait – symptomatic breast	93%	96.7%	96.4%	93.2%	93.47%
31 day wait – first treatment	96%	96.1%	98.0%	96.9%	94.38%
31 day wait – subsequent treatment (surgery)	94%	89.8%	94.7%	100%	96.55%
31 day wait – subsequent treatment (drug treatment)	98%	96.8%	97.8%	97.1%	98.99%
62 day wait – from urgent GP referral	85%	73.6%	79.0%	77.4%	67.38%
62 day wait from screening service	90%	64.3%	61.9%	100%	68.42%
62 day wait from consultant upgrade	No target	81.8%	71.2%	75.5%	82.09%

Emergency Care Standard

The year 2020/21 saw significant reductions in attendance levels due to COVID-19 and associated fluctuation in volume and type linked to the changing restrictions imposed as part of the national and local response to the pandemic. Because of this, it is not a particularly helpful year to look at trends and draw comparisons with past performance. What is clear, however, is that there are elements of the emergency pathway that need to be improved and refined to put us in the best possible position to deliver the required performance. In addition, there are a range of other actions that we need to complete to ensure other parts of the hospital, and wider health and social care system, are able to respond to meet the emergency demand. In summary, these include:

- Safe access and initial assessment for patients conveyed by ambulance;
- Increase direct ambulance conveyance to Same Day Emergency Care (SDEC), Surgical Assessment Unit (SAU) and Frailty;
- Re-introduce the 'refer and move' flow principle to surgical, frailty and medical assessment areas;
- Ensure that ED Internal Professional Standards are monitored and we are responsive to exceptional variation in activity;
- Validate Trust Internal Professional Standards in response to emergency referral and flow;
- Increase the number of patients who access zero Length Of Stay clinical pathways across surgery, medicine and frailty;
- Minimise delays at every step of the ED journey.

Despite the unprecedented challenges and demands of COVID-19 we are enthusiastic about the opportunities identified during this period to improve the quality of our emergency pathway. Our dedicated, clinically-led Patient First programme, alongside the completion of the redevelopment of our emergency department, gives us confidence we will deliver the required improvements in quality, performance and patient and staff experience.

	Type 1 Performance	Type 1+3 Performance
Apr-20	86.72%	89.79%
May-20	88.05%	90.72%
Jun-20	84.92%	88.63%
Jul-20	81.01%	86.31%
Aug-20	72.39%	80.58%
Sep-20	76.40%	83.52%
Oct-20	64.65%	75.44%
Nov-20	49.29%	65.50%
Dec-20	19.11%	48.70%
Jan-21	25.53%	51.21%
Feb-21	48.15%	66.01%
Mar-21	64.38%	76.60%

Sustainability Report

We are committed to delivering sustainable healthcare by reducing our environmental impact, protecting our natural environment, empowering staff, enhancing social value and collaborating with our stakeholders across the system to generate the best healthcare service for all those who live and work within the communities we serve.

Our carbon footprint

The NHS has committed to tackle climate change by reducing our carbon emissions to 'net zero' by 2040. In the last five years the Trust has made great progress in reducing our carbon emissions, with even greater reductions achieved in 2020/21 thanks to the switch to renewable electricity (Figure.1). The Trust has now achieved a 30 per cent reduction in carbon emissions from our utilities against our baseline year.

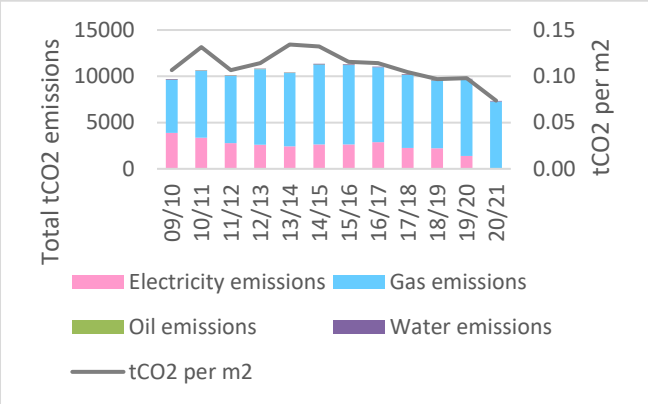


Figure 1. CO2 emissions from 2009 to 2020

Green Plan

Our strategy for delivering sustainable healthcare is outlined in our green plan. We are currently finalising the document for consideration by the board and this will aid the Trust in delivering on the long-term plan. The plan supports the Greener NHS Programme's net zero carbon by 2040 target set in 2020.

Sustainability Survey 2020

In order to understand our community's understanding and priorities for this strategy we undertook a sustainability survey.

The results indicate that 64 per cent of staff believe highlighting more sustainable options on site would encourage more sustainable behaviours. Alongside this, the other top responses for support staff were: help to understand how this can fit into my role (23 per cent) and provide training (23 per cent).

The results from our sustainability survey indicate that the key priorities for staff cover waste, resources, procurement and air pollution.

In 2021 we aim to address these priorities with the green plan and action plan. Support and a greater understanding surrounding sustainability will be improved by the associated communications plan.

Case Studies

We are committed to reducing our environmental impact and every action counts. Below are a few examples of the practical examples the Trust has undertaken in 2020/21.

As a result of the Sustainability Survey 2020 we have increased our recycling bins in staff areas and the restaurant. Literature has been created and designed for each department to target their specific recycling needs.

In 2020 the Estates and Facilities Department reviewed the laundry processes and equipment. Changes in wash cycles, chemicals and equipment upgrades have reduced the laundry's water consumption by an estimated 40 per cent and electricity by 10 per cent. By reviewing the laundry as a whole system we have not only reduced consumption but improved the use of our resources. In 2021 we plan to further drive sustainability through stock management, water recycling and additional equipment upgrades.

The Catering Department has continued to drive sustainability and reduce its environmental impact through improved recycling facilities, food waste audits and removal of single plastic sachets.

In 2020 the switch to renewable electricity reduced our carbon emissions by 2,213 t/CO_2. This is a great step in reducing the environmental impact of our utilities and the Trust will continue to adopt energy reduction schemes to reduce consumption and cost.

Community Engagement , Human Rights and Anti bribery

Community Engagement

The Trust aims is to carry out meaningful community engagement through actively informing, involving and seeking feedback about our services.

We encourage people to get involved and share their views as this helps us have a better understanding of diverse health needs and what matters to patients, carers, public, members, stakeholders and the wider community.

This involvement helps shape and influence decision making to improve services and patient experience.

Throughout the pandemic, we have strengthened community networks by learning first-hand about the work carried out by community groups through virtual meetings. This has opened opportunities to reach the wider community groups in the area that we were not aware of before and revealed the amazing work they carry out to empower and support communities, especially during these unprecedented times.

We will continue to share updates and opportunities to get involved by attending virtual meetings, sharing information and invitations to events with members and the community, providing updates on our website and through our bi-monthly Community Engagement Update.

This year, in spite of not being able to meet face-to-face, we are pleased to have offered many opportunities for our community to get involved by holding virtual events. These have included four 'Meet the Governor' sessions, an Improvement Plan event, two information sessions about Governor elections, Annual Members' Meeting, Organ Donation Week web chat, three Digital Strategy engagement sessions and a Members' event focusing on our Quality Priorities.

We plan to build on our community engagement and have introduced a refreshed Engagement and Involvement Framework which includes our Governor Involvement Plan, Community Engagement Strategy and Membership Strategy.

Anti bribery

During the reporting period, the Trust's local counter fraud services have been provided by KPMG. The Integrated Audit Committee approves an annual counter fraud work plan. It also receives a report at each meeting detailing cases of possible fraud and the outcome of any investigations. Progress in respect of proactive work and themed reviews is also reported. The Integrated Audit Committee monitors the implementation of any recommendations made by KPMG by way of a management action tracker. The local counter fraud services team works closely with the internal audit team to consider how identified fraud risks can be addressed within the scope of their reviews and additional assurance can be provided through this route.

Throughout the year KPMG:

- provided tailored counter fraud awareness presentations to various teams within the Trust
- raised awareness through the issue of counter fraud newsletters and bulletins
- reviewed the counter fraud intranet page
- issued ad-hoc alerts to relevant Trust staff
- conducted focused proactive reviews on pre-employment checks, core financial systems and bank mandates
- followed-up on the implementation of the counter fraud recommendations raised in previous financial years.

The counter fraud team received seven referrals of fraud through 2020/21, which were investigated and outcomes reported to the Integrated Audit Committee. Five of these referrals are closed and two remain open.

Equality, diversity and human rights

Control measures are in place to ensure that the organisation's obligations under equality and human rights legislation are complied with. The Trust employs a Head of Equality and Inclusion to provide strategic and practical professional guidance and advice to the Trust. The Trust's strategic approach to equality and diversity is managed through the Equality Delivery Scheme (EDS2). A baseline assessment of EDS2 was completed in 2017, which identified equality objectives for 2017 to 2020, and this is reviewed periodically, and a new Equality Strategy will be produced in 2021. Additionally, the Trust publishes the results and action plans on mandatory equality metrics, such as the Gender Pay Gap and Workforce Race Equality Standard. These metrics enable the Trust to benchmark with other NHS organisations and partners, to produce and maintain action plans, and review and improve its performance for people with characteristics protected by the Equality Act 2010. Training on Equality and Human Rights is mandatory for all staff, and management programmes have been developed to improve the Trust's leadership skills around equality, diversity and human rights. The Trust is committed to going beyond that which is mandated and makes equality and inclusion an integral part of everything it does for staff, patients and the local community.

Gender Pay Gap

In March 2021, the Trust published its gender pay gap and supporting statement for 2020, as required under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017. The Trust's mean gender pay gap is 31.86 per cent and the median gender pay gap is 22.29 per cent. This is an improvement from the position in 2019. From September 2019, quarterly monitoring has taken place, and improvements have been made within the year, and the gender pay gap is on target for a marginal improvement in 2021. The gender pay gap relates to gender differentials in the progression to senior roles, particularly in medical roles. There is some evidence that this pattern is repeated in many other Trusts across the NHS, and relates to professional career paths.

Overview of financial performance

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

The accounts presented in this 2020/21 annual report show an improvement since 2019/20, from a deficit of £21million to a surplus of £1.2million. However, local commissioning arrangements were ceased in 2020/21 as a result of COVID-19 and national arrangements put in place in order to "remove routine burdens" during the pandemic.

For the first six months of the financial year the Trust operated under financial expenditure baselines calculated by the NHS at national level. The accompanying funding provided was issued to match that expenditure baseline, meaning all organisations were expected to deliver a breakeven, meaning no surplus or deficit. Where the incremental costs of COVID-19 meant that the Trust's (and all NHS providers nationally) costs

exceeded the expenditure baseline, additional funding was provided. Consequently, the Trust was provided with the necessary income during the first half of the year to report a breakeven position.

This was a crucial step due to the uncertainty of the pandemic, for example in the number of staff that may fall sick and be unable to work, therefore requiring cover, the number of patients with COVID-19 that would be admitted (and typically require more clinical care) and the number of routine elective procedures that would ultimately be cancelled in order to create bed capacity to meet the needs from the pandemic.

For the second six months of the year the NHS was asked to submit plans that allowed the individual Integrated Care Systems to deliver a breakeven performance within a fixed funding allocation. Certain items nationally were funded over and above these fixed funding envelopes, such as personal protective equipment and consumables for rapid COVID-19 testing.

The Trust submitted a plan for the period from October 2020 to March 2021 that forecast a breakeven position, excluding the increase in the annual leave accrual (reflecting untaken entitlement to annual leave in 2020/21 due to the pandemic). However, the scale of the third wave experienced at the Trust during the winter – and the response required to provide the necessary care for our patients – meant that further funding was made available and utilised. Funding was also provided to cover the additional cost of the annual leave accrual.

The overall performance against the Trust's control total is as per the table below.

	Plan £m	Actual £m	Variance £'000
Clinical income	302.3	315.4	13.1
Other income	54.8	65.7	10.9
Pay	(232.0)	(244.6)	(12.6)
Non-pay	(122.4)	(129.0)	(6.7)
Operating surplus	**2.7**	**7.4**	**4.7**
Non-operating expenses	(6.5)	(6.2)	0.3
Reported surplus/(deficit)	**(3.8)**	**1.2**	**5.0**
Net impairments	-	0.1	0.1
Capital donations	0.1	(0.6)	(07)
Impact of consumables from DHSC	-	(0.7)	(0.7)
Control total	**(3.7)**	**-**	**3.7**

Income

The majority of the Trust's income is directly related to patient care from commissioning organisations such as Clinical Commissioning Groups and NHS England. In 2020/21, this was based on fixed income sums to cover historic contract levels, recognising that "ordinary" activity would be much reduced as a result of the Covid measures in place.

Other operating income included: "top-up" income from NHS England/Improvement to support a breakeven position; income related to the provision of consumables and donated assets from the Department of Health and Social Care in respect of Covid; education and training funding, and; research and development funding. Monies from car parking and catering were significantly lower than 2019/20 (by 66 per cent and 42 per cent respectively) due to the visiting restrictions imposed to control the spread of infection.

Expenditure

In 2020/21 the Trust is reporting increased costs of £28.2million on pay and £2.5million on non-pay when compared to 2019/20.

Of this, £18.3million relates to the incremental cost of Covid, £8million relates to year three of the national structural reform of pay, £1.3million investment in safe staffing and £2.9million relates to the increase in the annual leave accrual. This has been partially offset by expenditure savings associated with service variations throughout the pandemic.

Capital expenditure plan

During the year, the Trust has invested £32.5million in capital schemes in the areas shown below:

	£m
Estates and Site infrastructure	12.6
Fire Safety	4.6
IT	6.5
Equipment	8.8
Total	**32.5**

The total figure is a significant increase on the £23million expenditure in 2019/20 and reflects the Trust's commitment to improving the hospital environment.

Within this figure there is included £2million in respect of nationally donated assets required for Covid, such as ventilators.

The Trust is excited to have begun work to implement an electronic patient records ("EPR") system. This will provide and real-time access to a patient's clinical notes across the hospital; in turn this will allow for improved safety and outcomes for our patients.

Cash flow and balance sheet

The balance sheet shows £244.7million of net assets at the end of the year, up from £64.5million of net liabilities at last year end.

During the year the interim loan debt of the Trust was converted into Public Dividend Capital, meaningit moved from being debt to equity. This resulted in the reduction in liabilities and increase in net assets of £291million.

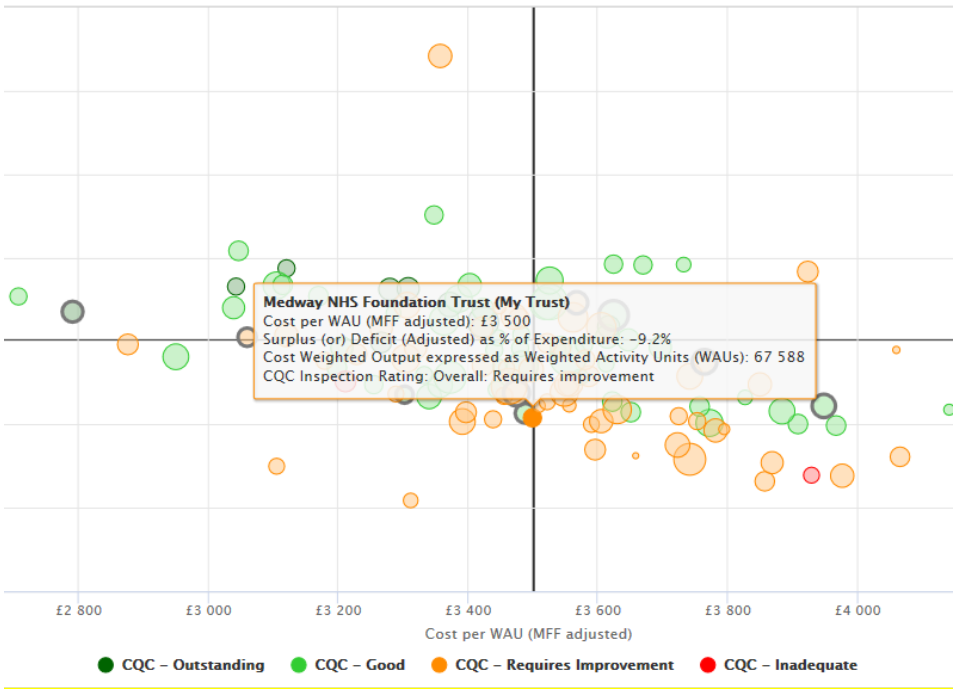
The Trust ended the year with £49.2million cash in the bank; this is higher than originally planned due to slower than anticipated supplier invoicing.

Financial outlook

2021/22 will be another challenging year for the Trust.

At the time of writing, alternative commissioning arrangements remain in place to remove the routine burdens during the COVID-19 pandemic; however, these are currently only intended to last until 30 September and it is yet to be confirmed what arrangements will be in place thereafter. Indeed, the early indications are that it could prove difficult for the Trust to remain within the proposed funding allocation for the first half of 2021/22.

From nationally collected data we know that in recent years the Trust has improved its efficiency position relative to Trusts up and down the country. This is represented by the chart below sourced from the national model hospital data.



It shows the Trust at the national median for its average costs yet with a significant deficit. The task as a health economy is to move our performance to the top left hand quartile (better than average efficiency; surplus) while ensuring patients receive the care they deserve. In addressing this challenge the Trust is working with partners in the Integrated Care System and national support teams to develop a long term financial strategy.

There remain some key risks to the overall plan, each of which are high on the agenda of the Board. Specifically:

- Clarity over operating plan arrangements nationally in the second half of 2021/22;
- Controlling expenditure in line with budgets, excepting that additional Covid specific expenditure is accounted for separately;
- Delivery of a Cost Improvement Programme (CIP) and ensuring no compromise on quality;
- Recruitment and retention of workforce to reduce reliance on premium cost temporary staff;
- Managing investments to a tight capital programme.

Overseas operations

The Trust does not have any overseas operations.

As Accounting Officer, I am satisfied that this performance report provides a true and accurate summary of the performance of the Trust during the year 2020/21.

Signed

George Findlay

Chief Executive

June 2021

ACCOUNTABILITY REPORT

Directors' Report

Board of Directors

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

The directors' report has been prepared under direction issued by NHS Improvement, the independent regulator for foundation trusts, and in accordance with the NHS Foundation Trust Annual Reporting Manual 2020/21.

The Trust Board

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

Trust Board Governance

The board comprises a non-executive Chair, six other non-executive directors, five voting executive directors including the chief executive and five non-voting executive directors. The Chair is responsible for leadership of the board of Directors and the Council of Governors and responsible for ensuring that the board and Council work together effectively. The senior independent director, who is also a non-executive director, provides a sounding board for the Chair and serves as an intermediary for the other directors when necessary. They should be available to governors if they have concerns that contact through the normal channels has failed to resolve, or for which such contact is inappropriate. The senior independent director is also the deputy chairperson.

The non-executive directors scrutinise the performance of the executive team in meeting agreed goals and objectives and monitor performance. The executive directors are responsible for managing the day-to-day operational and financial performance of the Trust. The chief executive leads the executive team and is accountable to the board for the operational delivery of the Trust.

All voting board directors (executive and non-executive) have joint responsibility for board decisions, same legal responsibilities and collective responsibility for the performance of the Trust.

Together, the non-executive directors and executive directors bring a wide range of skills and experience to the Trust, such that the board achieves balance and completeness. The board meets monthly with bi-monthly development sessions.

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

The board has an approved Scheme of Delegation. The board delegates some of its powers to its committees, all of which have a non-executive chair. The arrangements for delegation are set out in the Trust's Standing Orders and Scheme of Delegation. The Trust's constitution and terms of reference of these committees and their specific powers are approved by the board of directors. The board committees are all assurance committees with the exception of the Nominations and Remuneration Committee.

Board Appointments and Leavers

Non-executive directors are appointed via a formal and transparent procedure, managed through the governors' nominations and remuneration committee, a sub-committee of the Council of Governors. This committee also

advises the Council on the remuneration and terms and conditions of the non-executive directors.

During 2020/21 the Council of Governors, advised by the Nominations Committee, appointed Jo Palmer has Chair of the Trust for three years. The role was advertised through Harvey Nash who supported the selection process.

The ensuing non-executive director vacancy was advertised at the beginning of 2021 and filled from 1 April 2021. The role was advertised via NHS Jobs, followed by interviews by the Nominations Committee.

Executive directors

The posts of Chief Nursing and Quality Officer and Chief Finance Officer have been recruited to during the year. Both roles were publicly advertised and interviews held by the Board's Nominations Committee.

The range of voting and non-voting directors has been reviewed by the Board Nominations Committee. Revised job titles for most directors were approved to make this clearer.

Decisions delegated to the Executive Group

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

Statement about the balance, completeness and appropriateness of the board

The members of the trust board possess a wide range of skills and bring experience gained from NHS organisations, other public bodies and the private sector. The skills portfolio of the directors, both executive and non-executive are balanced to ensure it meets the requirements of a NHS foundation trust.

The non-executive directors are considered to be independent in character and judgement and the board believes it has the correct balance in its composition to meet the requirements of a NHS foundation trust.

The Trust's constitution permits each term of office to be up to three years, to a maximum of seven years' service. Appointments and removals of non-executive directors are determined by the council of governors on the advice of the Nominations Committee.

The constitution was amended in 2020/21 to be clear about the position when an existing non-executive takes on the role of Chair.

Directors of Medway NHS Foundation Trust 2019/20

Non-executive directors

Joanne Palmer
Chair – appointed 22 October 2020

Appointed as non-executive director
1 September 2015
Appointed as Senior Independent Director
22 December 2016

Appointed as Deputy Chair 1 April 2017
Acting Chair from 1 April to 21 October 2020

Term: second, ending 30 September 2023

Experience and Qualifications

Director, Lloyds Banking Group – executive accountability for all aspects of Lloyd's extensive property portfolio including head offices, branch network, data centres and other critical facilities

Executive accountability for divested businesses including ongoing service provision for Sainsbury's Bank and TSB

Part of the management team that recommended and delivered the sale and transfer of the Lloyds TSB Registrars business into private equity ownership in 2007

More than 30 years' experience in banking and financial services across a range of disciplines

Executive Sponsor for emerging talent across the 20,000 colleagues within Lloyds Banking Group Operations

Active executive sponsor of inclusion and diversity activities across Lloyds Banking Group

Member of the national committee for the Group's women's network, Breakthrough.

Membership of committees

Trust Nominations and Remuneration Committee (Chair)

Finance Committee

Integrated Audit Committee

Mark Spragg

Non-Executive Director

Deputy Chairman and Senior Independent Director. Appointed in an acting role initialy from 1 April 2020

Appointed 1 April 2017

Term: second term commenced 1 April 2020

Experience and Qualifications

Qualified solicitor with more than 30 years' experience

Both a civil and criminal litigation specialist with expertise in the area of Financial Services

Involved in a number of notable cases

Involved in charity work.

Membership of committees

Integrated Audit Committee (Chair)

Finance Committee

Trust Nominations and Remuneration Committee

Ewan Carmichael, CBE

Non-Executive Director

Non-Executive Director for Mortality and Morbidity

Appointed 1 September 2015

Term: second, until 31 August 2022, having been offered a 12 month extension from his original end date.

Experience and Qualifications

Graduate of the Army Staff College

MA in Strategy from King's College, London

Retired Dental Surgeon and formerly Queen's Honorary Dental Surgeon

Honorary Fellow in Dental Surgery of the Royal College of Physicians and Surgeons of Glasgow

Fellow of the Institute of Healthcare Management

Promoted to Commander of the Order of the British Empire (CBE) in the 2014 Birthday Honours, and also awarded an MBE for Squadron leadership in the First Gulf War (appointed as an Officer of the Order of St John for work in Bosnia, and awarded the Cross of Merit by the Czech Republic for services to that nation)

Former Director General Army Medical Services

Founded and led the Air Assault Medical Regiment on operations

Commissioner of the Royal Hospital Chelsea.

Membership of committees

Charitable Funds Committee (Chair)

Quality Assurance Committee

Trust Nominations and Remuneration Committee

Adrian Ward

Non-Executive Director

Non-Executive Director for Freedom to Speak Up

Appointed 1 August 2017

Term: second, ending 31 July 2023

Experience and Qualifications

Practising Veterinary Surgeon

Graduate of the Royal Veterinary College.

BSc(Hons) in Physiology from King's College, London.

Former Veterinary Advisor for pharmaceutical company - developed an interest in the development of antimicrobial resistance and the strategies that can be used to slow this process

Case examiner for the Royal College of Veterinary Surgeons Preliminary Investigation Committee from 2015

Chair, Fitness to Practise Panel for the Nursing and Midwifery Council from 2017

Member of the Institute of Chartered Accountants in England and Wales Investigating Committee from 2018

Promotes responsible antibiotic use and infection control strategies through his work with the Bella Moss Foundation.

Assists in development of educational resources for the veterinary profession as a volunteer for the British Small Animal Veterinary Association.

Membership of committees

Quality Assurance Committee

Health and Safety Strategy Committee

	Nominations and Remuneration Committee
 Tony Ullman Non-Executive Director Term: first - started on 1 January 2020	**Experience and Qualifications** More than 25 years' experience in senior leadership positions in commissioning organisations in both Health and Social Care, and voluntary sector and community organisations. Played a leading role in the transformation of Primary Care in Manchester. More than 20 years' experience as a Local Authority Councillor, for most of that time in positions of responsibility Senior leadership; including being Deputy Chair of Police Authority in a large Metropolitan County area, and leading the establishment of Local Authority arrangements for Overview and Scrutiny, and Community Relations. Chairs a Federation of Pupil Referral Units, schools for excluded children. Chair of Quality Assurance Committee Member of Nominations and Remuneration Committee Charitable Trustee
 Sue Mackenzie Appointed as a Non Executive Director from 1 April 2020 (Initially appointed Non-Voting Associate Non Executive Director 1 January to 31 March 2020)	Formerly Operations and Business Transformation Director for P&O Ferries. Before this, Sue was Operations Director at London Luton Airport Her early career was in the Army. She was the best student on her course at the Royal Military Academy Sandhurst and was subsequently appointed to a number of international leadership roles. She was Chief Executive of the charity Cities in Schools (CiS), which ran partnership programmes between business and the community to provide education to disadvantaged young people. Sue has degrees in Agricultural Science and Emergency Planning Management. Chair of People Committee Member of Nominations and Remuneration Committee Charitable Trustee

Voting executive directors

James Devine
Chief Executive

First appointed 23 November 2018 and substantively from 25 April 2019.

(Left 30 April 2021.)

Responsible for delivering our strategic and operational plans through the Executive Team

Experience and Qualifications

Returned to Medway from Great Ormond Street Hospital for Children where he held the position of Deputy Director of HR and OD, having started his career here as an apprentice in 1996

Appointed as Director of Human Resources and Organisational Development (HR and OD) in October 2016

Appointed to the post of Deputy Chief Executive in November 2017, retaining executive oversight of the HR and OD function

Former Chair of the Association of UK University Hospitals (AUKUH) Deputy HR Director Network

Member of the London Board for the Healthcare People Management Association (HPMA).

Chartered Member of the Chartered Institute of Personnel and Development

MSc, Professional Practice (Human Resources)

Undertaken periods of study in the field of psychology with the Open University and the University of Cambridge.

Alan Davies
Chief Finance Officer
Appointed 1 November 2020

Experience and Qualifications

Alan joined the Trust in November 2020 and brings with him extensive Finance experience within the NHS, in Acute, CCG and Strategic settings. His last NHS role was as CFO for Luton CCG and prior to that was Deputy Finance Director at Barking Havering and Redbridge Hospitals.

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

Jane Murkin

Chief Nursing and Quality Officer

Appointed (from interim role) 6 August 2020

Experience and Qualifications

Jane is a Registered Nurse and previously practised as a Registered Midwife with extensive experience in senior professional clinical and executive roles in the healthcare sector and at a government, national and international level for more than 20 years.

Jane was previously Associate Director of Quality and Patient Safety.

She is accountable for providing expert nursing and midwifery advice, and professional leadership to the nursing, midwifery and therapy workforce for the delivery of high quality compassionate care. Leading on the Trust's Quality strategy, and CQC action plan focused on continuous improvement of nursing standards, quality and safety of patient care, strengthening nursing and midwifery leadership and the development of structures and processes to deliver the required outcomes.

Dr David Sulch, MB, BS, MRCPI
Chief Medical Officer

(Caldicott Guardian)

Appointed 1 September 2018

Experience and Qualifications

Joined Medway NHS Foundation Trust in January 2018, as Deputy Medical Director and Consultant Physician and became the Trust's Medical Director in September 2018

Formerly worked at Lewisham and Greenwich NHS Trust and its predecessor organisations

Consultant in Geriatric and Stroke Medicine since 2001

Career long interest in medical leadership, and worked on numerous key initiatives including Reforming Emergency Care and Hospital At Night

Instrumental in the development of the Hyperacute Stroke Unit at the Princess Royal University Hospital in Bromley in 2010

Other major interests include mortality and medico-legal work.

Non-voting executive directors

Gary Lupton	Director of Estates and Facilities
Gurjit Mahil	Deputy Chief Executive
Harvey McEnroe	Chief Operating Officer (seconded as Chief Strategy and Integration Officer)
Jack Tabner	Director of Transformation – left 26 March 2021
Glynis Alexander	Director of Communications and Engagement

Staff who acted as executive directors during 2020/21

Director of Nursing (Interim)	Jane Murkin
Interim Director of Finance	Richard Eley
Chief Operating Officer	Angela Gallagher
Chief of Staff	Paula Tinniswood

Non-voting Associate NEDS	
Rama Rhirunamachandran	Non-Voting Academic Non Executive Director appointed 1 January 2020
Jenny Chong	Non-Voting Associate Non Executive Director appointed 1 January 2020

Trust Board meetings

The Trust board held a total of 11 public meetings between 1 April 2020 and 31 March 2021, and three development sessions. Trust board meetings normally are held in public, unless there is confidential or sensitive information to be discussed. This is detailed on the board agenda which is published, together with the meeting papers on the Trust's website.

Seventeen additional private board meetings were held to brief the non-executive directors on the Trust's response to the COVID-19 pandemic. Three additional meetings were held to receive CQC reports and feedback and to oversee improvement actions.

Director attendance at committee and public board meetings is detailed under: Attendance at Board of Directors and Committee meetings in 2020/21.

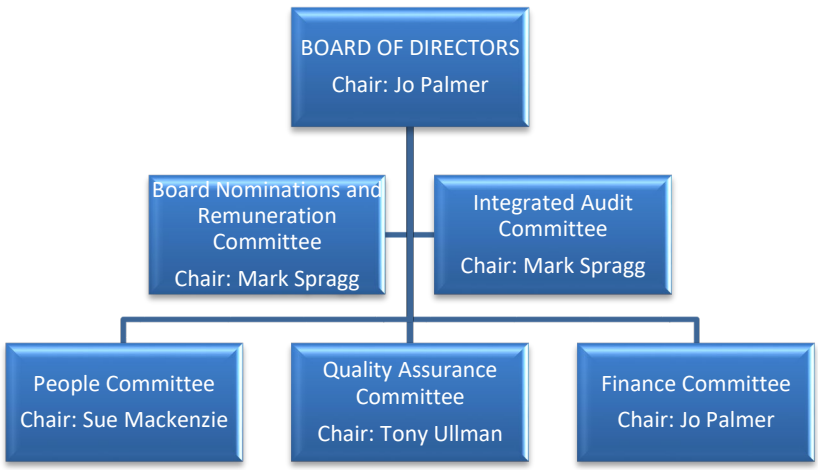
Development of working relationships with the Council of Governors

Board members regularly attend the Council of Governors meetings. A number of governors observe the Board of Directors public meetings. Designated governors observe the Finance and the Quality Assurance Committees.

Committees of the Trust board

The board delegates certain functions to committees that meet regularly. A People Committee was established in 2020/21. The board receives any amendments to committee terms of reference. Non-executive directors chair the board committees. Each committee reviews its own effectiveness annually; an up-to-date work programme, action log and terms of reference is maintained for each one.

Committee structure



Integrated Audit Committee

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

Quality Assurance Committee

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

The committee regularly receives assurance (where necessary seeks further guidance or actions) on serious incidents, safeguarding, infection prevention and control, complaints and other matters relating to the experience of our patients. The Committee also receives assurance from the Integrated Quality and Performance Report, which has been refreshed and reports from the clinical directorates. Outcomes from clinical audits are discussed at Committee meetings, in addition to discussion at the Integrated Audit Committee.

The Committee provides a key issues report to the Board of Directors after every meeting on its activities. The Committee met 13 times during 2020/21. Attendance record is detailed under Attendance at Board of Directors and Committee meetings in 2020/21.

Finance Committee

The Finance Committee is chaired by a non-executive director and provides assurance that the Trust's strategy, financial forecasts, plans and operational performance are being considered in detail, and provides independent and objective assurance to the Trust Board regarding investments and significant contracts before their approval by the Trust Board.

The Committee provides a key issues report on its activities to the Board of Directors after every meeting. The Committee met 12 times during the year, plus one Extraordinary meeting. Attendance is detailed under Attendance at Board of Directors and Committee meetings in 2020/21.

People Committee

Formed in July 2020 and chaired by a non-executive director, this committee has strengthened the board's focus on key areas such as equalities, Freedom to Speak Up, staff well-being and recruitment. It has met seven times.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee (the Committee) is chaired by the Senior Independent Director and Deputy Chair. Its membership consists of the Trust's chair and non-executives. The committee is responsible for reviewing and making recommendations to the Trust board on the composition, balance, skill mix and succession planning of the Trust board, for determining the appointment of the executive directors, and monitoring the level and structure of other senior managers reporting directly to the chief executive.

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

The committee met eight times during the year. Attendance record is detailed under Attendance at

Board of Directors and Committee meetings in 2020/21.

Ethics Committee

This temporary committee, comprising chairs of board committees and the executive directors leading the response to COVID-19 met weekly in December 2020 and January 2021.

Attendance at Board of Directors and Committee meetings in 2020/21

Trust Board and Committees							
Voting Members (See Non-Executive Directors biography and Committee structure for Chair of Committees)		Public Board of Directors	Integrated Audit Committee	Quality Assurance Committee	Finance Committee	People Committee	Nominations and Remuneration
Joanne Palmer	Chair	11/11	5/5	12/13	12/12	6/7	8/8
Mark Spragg	Non-Executive Director/ Senior Independent Director	11/11	5/5		12/12		8/8
Sue Mackenzie	Non-Executive Director	11/11		12/13		7/7	8/8
Tony Ullman	Non-Executive Director	11/11		13/13		7/7	8/8
Ewan Carmichael	Non-Executive Director	11/11		12/13		7/7	8/8
Adrian Ward	Non-Executive Director	9/11		9/13		2/7	7/8
James Devine	Chief Executive	11/11				5/7	
Alan Davies	Chief Finance Officer	5/5			5/5		
Leon Hinton	Chief People Officer	11/11			10/12	7/7	
David Sulch	Chief Medical Officer	11/11		11/13			
Jane Murkin	Chief Nursing and Quality Officer	11/11		13/13	2/12		
Richard Eley	Interim Director of Finance	6/6			7/7		

Integrated Audit Committee Report

The Integrated Audit Committee's (the Committee) responsibilities and key areas discussed during 2020/21, whilst fulfilling these responsibilities, described in the table below:

Principal responsibilities		Key areas discussed and reviewed by the committee during 2020/21
Review of the Trust's risk management processes and internal	Reviewing the Trust's internal financial controls, its compliance with NHS Improvement's guidance for foundation trusts, including the Code of Governance, and the effectiveness of its internal control and risk management systems. Reviewing the principal non-clinical risks and uncertainties of the business and associated annual report risk management disclosures. (Clinical risks are reviewed by the Quality Assurance Committee).	The outputs of the Trust's risk management processes including reviews of: ✓ The Board Assurance Framework– the principal risks and uncertainties identified by the Trust's executive directors and movement in the impact and likelihood of these risks and assurances on controls. ✓ Work continuing on the Trust's risk management processes and risk reporting. ✓ Annual assessment of the effectiveness of internal control systems taking account of the findings from internal and external audit reports. ✓ Internal audit, counter fraud and external audit reports and updates. ✓ Interests, gifts, hospitality and sponsorship quarterly declarations. ✓ Losses and special payments ✓ Waivers of standing financial instructions
Financial matters	Monitor the integrity of the financial statements of the organisation and any formal announcements relating to its financial performance Review the annual report and financial statements before submission to the Board, to determine their objectivity, integrity and accuracy	✓ Annual report and financial statements, including the Head of Internal Audit Opinion, the Annual Governance Statement, the Annual Internal Audit Report, the Annual Counter Fraud Report and the External Audit Opinions on the Financial Accounts and the Quality Account and recommended acceptance to the Trust Board. ✓ Key accounting policy judgements, including valuations. ✓ Impact of changes in financial reporting standards where relevant. ✓ Single tender waivers ✓ Losses and special payments

	Principal responsibilities	Key areas discussed and reviewed by the committee during 2020/21
External audit	Monitoring and reviewing the external auditor's independence, objectivity and effectiveness. Developing and implementing policy on the engagement of the external auditor to supply non audit services, taking into account relevant ethical guidance.	✓ Basis for concluding that the Trust is a going concern. ✓ External auditor effectiveness and independence. ✓ External auditor reports on planning, a risk assessment, internal control and value for money reviews. ✓ External auditor recommendations for improving the financial systems or internal controls. ✓ Changes to Accounting Standards.
Internal audit	Monitoring and reviewing the effectiveness of the Trust's internal audit function that meets National Audit Office 2015 Code of Audit Practice and provides appropriate independent assurance to the Committee. Satisfying itself that the Trust has adequate arrangements in place for counter fraud and security that meet NHS Counter Fraud Authority's standards and reviewing the outcomes of work in these areas.	✓ High priority internal audit recommendations with progress report covering 18 months. ✓ The internal audit reports discussed by the Committee included: ✓ Data Security and Protection Toolkit ✓ Core Financial Systems: accounts payable and single tender waivers ✓ Risk Management ✓ Cost Improvement Programme ✓ Data Quality ✓ Pharmacy ✓ Statutory and Mandatory training The reports provided varied degree of assurance and identified recommendations for improvement that have been accepted by the executive directors.
Other	Reviewing the Committee's terms of reference and monitoring its execution. Considering compliance with legal requirements, accounting standards.	Terms of reference have been reviewed.

Composition and meetings

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

Executive directors attend by invitation, and the Chief Executive and Chief Finance Officer are generally in attendance. Other executive directors and staff with specialist expertise attend by invitation.

The Committee met five times during the financial year.

Attendance at meetings

Non-executive directors (members)	Attendance at meetings
Mark Spragg (Chair)	5/5
Joanne Palmer	5/5

Code of Governance

Medway NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis.

In so far as the Board is aware, all possible steps have been taken to ensure that all relevant audit information has been disclosed in full to the auditors.

Effectiveness of the committee

The Committee reviews its effectiveness and impact annually using best practice guidance, and ensures that any matters arising from this review are addressed.

The Non-Executive Directors were satisfied that the Committee in 2020/21 had complied with its obligations and expectations as noted in its terms of reference, with steady progress being made on improving processes, with further improvement required.

The Committee reviewed and approved its terms of reference in February 2020. The terms of reference were revised with changes to adhere to best practice. The Committee has also reviewed and approved its work plan for 2020/21.

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

External audit

The Council of Governors approved the appointment of Grant Thornton for a three-year term from 2019/20, with an option to extend for a further two years. This year's fee was £61,400 with an agreed uplift for enhanced value for money audit required under new standards of £13,000. A separate fee of £2,500 is paid for work in connection with the hospital charity.

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

Independence of external auditor

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

Internal controls, internal audit and counter-fraud services

Internal audit services and counter fraud services are provided by KPMG. Internal audit cover financial and non-financial audits according to a risk-based plan agreed with the Integrated Audit Committee.

Counter fraud carry out reviews of areas at risk of fraud and investigate any reported frauds.

The Trust sustained the loss of IT equipment from stores during 2020 and has not been able to recover this.

A mandate fraud was reported to the Finance Committee and the Trust is grateful to the police for securing the recovery of the bulk of this money. Improvements to the stewardship of

resources are being introduced and a review of the processes for authorising changes of creditor bank mandates introduced.

The audit plan of the internal auditors is risk-based, and the executive team works with the auditors to identify key risks to inform the audit plan. The Committee considers the links between the audit plan and the Board Assurance Framework. The Committee approves the internal audit plan and monitors the resources required for delivery. During the year, the committee considers any proposed changes to the audit plan and monitors delivery against the plan approved at the start of the financial year.

The Head of Internal Audit Opinion 2020/21 was presented to the Integrated Audit Committee in June 2021 and for the period 1 April 2020 to 31 March 2021 an overall rating of ‘‘Significant assurance with minor improvements” can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

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

a) It is fair, balanced and understandable and provides the necessary information for stakeholders to assess the Trust’s performance

b) It is consistent with the annual governance statement, head of internal audit opinion and feedback received from the external auditors, and there are no matters that the Committee is aware of at this time that have not been disclosed appropriately

c) It is appropriate to prepare the accounts on a going concern basis

Governors' report

Council of Governors

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

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

- ✓ hold the non-executive directors individually and collectively to account for the performance of the Board of Directors
- ✓ represent the interests of the members of the Trust as a whole and the interests of the public
- ✓ appoint and, if appropriate, remove the Chairman and non-executive directors
- ✓ approve (or not) the appointment of any new chief executive
- ✓ decide on remuneration and allowances and other terms and conditions of office of the Chairman and non-executive directors
- ✓ receive the annual accounts, any report of the auditor, and the annual report at a general meeting of the Council of Governors
- ✓ appoint and, if appropriate, remove the foundation trust's auditor
- ✓ approve 'significant transactions'
- ✓ approve an application by the Trust to enter into a merger, acquisition, separation or dissolution
- ✓ decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other functions
- ✓ and approve amendments to the Trust's constitution.

Membership of the Council of Governors

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

The Chair of the Council is also the Chair of the Trust board, which promotes transparency and encourages the flow of information between the board and the Council.

The composition of the Council is:

9 Elected governors from Medway Constituency

4 Elected governors from Swale Constituency

1 Elected governor from Rest of England and Wales Constituency

5 Elected staff governors

6 Appointed governors from partner organisation, comprising Medway Council, Kent County Council, University of Kent, Greenwich University, Canterbury Christ Church University, and Medway League of Friends representing charities

25 seats in total

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

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

Meetings of the Council of Governors

The Council held four ordinary meetings during 2020/21 (one of which was held as a private meeting due to COVID-19). Governors are required to attend meetings of the Council. Extraordinary meetings are also held from time to time when a decision is required outside of the normal schedule of meetings. These including the Annual Members' Meeting took place virtually using MS Teams throughout 2020/21 due to the COVID-19 pandemic.

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

Lead Governor

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

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

Glyn Allen became lead governor from July 2019, and was re-elected from 1 January 2021 to the end of his term as a governor on 30 June 2021.

Committee of the Council of Governors

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

Elections

During 2020/21 elections originally due take place in spring 2020 were postponed to autumn. During this period Vivien Bouttell and Matt Durcan who had been due to stand down continued in a non-voting capacity as Medway Governors.

Constituency	Result
Medway	Colin Hall* Penny Reid
Swale	Jade Griffiths Kelly Phoenix
Rest of England and Wales	No nominations were received for this vacancy
Staff	Kimberley Lancaster Mohamed Mohamed One Staff Governor vacancy

- Colin Hall tendered his resignation in March 2021 as he became a SECAMB Governor

At the time of writing, the Trust had completed membership ballots in the Medway, Rest of England and Staff constituencies for the next term of office from 1 July 2021.

Membership

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

Staff membership is available for staff members if they have a permanent contract, a 12-month or longer fixed term contract, have an honorary contract or are employed by the Trust although they may be working with other NHS organisations locally.

Staff will automatically become Staff members unless they opt out.

The Membership Strategy has been reviewed by the Council of Governors in 2020/21.

In March 2021, the Trust had 10,500 public members and 4668 staff members giving a total of 15,170 members. The breakdown of our public membership by constituency is:

Constituency	Total
Medway	6,547
Swale	1,711
Rest of England and Wales	2,244
Membership Total	10,502

During 2020/21 we moved to online virtual events due to COVID-19 pandemic and social distancing guidance. We held a series of virtual events on MS Teams including a members' event considering the Trust's Draft Improvement Plan in July 2020, an event focussed on Organ Donation in September 2020, the Annual Members' Meeting in September 2020 and a members' event in February 2021 considering the Trust's Quality Priorities.

Members received regular e-bulletins and received the Trust's Special Edition News@Medway magazine by email which was also available on the Trust website.

The Trust's membership strategy was reviewed by the Council of Governors in January 2021 and sets out how we attract, retain and engage with members. Our Community Engagement Officer and Governors held virtual 'Meet the Governor' sessions in order to continue our engagement activity with our local community. This allowed us to share updates, support and encourage people to get involved and to form positive working relationship and a shared understanding of our community.

Through our engagement, we continued our efforts to establish our presence and strengthen networks and trust within the community.

Attendance at Council of Governors' meetings

The information below outlines details of governors on the Council during 2020/21, together with their record of attendance.

Name	Constituency	Term of office	Attendance
Glyn Allen	Medway	Elected 2015; Re-elected June 2018 with effect from 1 July 2018	4 of 4
Jacqui Hackwell	Medway	Elected June 2018 for 3 years with effect from 1 July 2018	3 of 4
Diana Hill	Medway	December 2019 to June 2022	2 of 4
Doreen King	Medway	Elected 2015; Re-elected June 2018 with effect from 1 July 2018	4 of 4
Penny Reid	Medway	Elected October 2020 until end of June 2023.	2 of 2
Paul Spencer-Nixon	Medway	Elected June 2018 for 3 years with effect from 1 July 2018	2 of 4
Paul Walker	Medway	Elected 2015; Re-elected June 2018 for 3 years with effect from 1 July 2018	3 of 4
Vacancy	Medway		
Lyn Gallimore	Swale	Elected 2015; Re-elected June 2018 for 3 years with effect from 1 July 2018	3 of 4
Jade Griffiths	Swale	Elected October 2020 until end of June 2021	2 of 2
David Nehra	Swale	Elected June 2018 for 3 years with effect from 1 July 2018	4 of 4
Kelly Phoenix	Swale	Elected October 2020 until 30 June 2021	1 of 2
Vacancy	Rest of England and Wales		
Tim Cowell	Staff	Elected 2015; Re-elected June 2018 for 3 years with effect from 1 July 2018	2 of 4
Neil Gambell	Staff	Elected June 2018 for 3 years with effect from 1 July 2018	3 of 4
Kimberley Lancaster	Staff	Elected October 2020 until 30 June 2021	1 of 2
Mohamed Mohamed	Staff	Elected October 2020 until 30 June 2021	2 of 2
Vacancy	Staff		
Cllr David Brake	Medway Council	Appointed June 2013 for 3 years. Re-appointed May 2016 for a further 3 years Re-appointed May 2019 for a further 3 years	3 of 4

Name	Constituency	Term of office	Attendance
Cllr John Wright	Kent County Council	Appointed June 2017 for 3 years with effect from 1 July 2017.	4 of 4
Vacancy	University of Kent		
Claire Thurgate	Canterbury Christ Church University	Appointed February 2016 for 3 years. Reappointed February 2019 for 3 years with effect from 1 March 2019.	2 of 4
Helen Belcher	Charities	Appointed April 2020 for 3 years	4 of 4
Vacancy	Greenwich University		

Former Governors during 2020/21		
Matt Durcan	Elected June 2017 for 3 years with effect from 1 July 2017	0 of 2
Rod Helps	Elected June 2018 for 3 years with effect from. 1 July 2018; resigned December 2020	0 of 3
Dr Peter Nicholls	Appointed February 2016 for 3 years. Reappointed February 2019 for 3 years with effect from 1 March 2019. Resigned October 2020.	2 of 2
Colin Hall	Elected October 2020, resigned January 2021	2 of 2
Vivien Bouttell	**Elected 2010; Re-elected 2014; Re-elected June 2017 for 3 years with effect from 1 July 2017**	**2 of 2**

Director attendance at Council of Governors meetings 1 April 2020 to 31 March 2021

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

Board members during 2020/21	Attendance
Joanne Palmer, Chair	**4 of 4**
Mark Spragg, Non-Executive Director	**4 of 4**
Sue Mackenzie, Non-Executive Director	**4 of 4**
Ewan Carmichael, Non-Executive Director	**3 of 4**
Tony Ullman, Non-Executive Director	**4 of 4**
Adrian Ward, Non-Executive Director	**3 of 4**
Jenny Chong, Associate Non-Executive Director	**4 of 4**
Rama Thirunamachandran, Academic Non-Executive Director	**1 of 4**
James Devine, Chief Executive	**4 of 4**
Alan Davies, Chief Finance Officer	**1 of 1**

Board members during 2020/21	Attendance
Jane Murkin, Chief Nursing and Quality Officer	3 of 4
David Sulch, Chief Medical Officer	1 of 4
Leon Hinton, Chief People Officer	4 of 4
Glynis Alexander, Executive Director of Communications and Engagement**	3 of 4
Gary Lupton, Executive Director of Estates and Facilities**	2 of 4
Gurjit Mahil, Deputy Chief Executive **	2 of 4
Angela Gallagher, Acting Chief Operating Officer **	2 of 3
Harvey McEnroe Chief Strategy and Integration Officer **	4 of 4
Jack Tabner, Executive Director of Transformation/IT **	3 of 4

**Non-voting Executive Directors

Former Board members during 2019/20	Attendance
Richard Eley, Acting Director of Finance	3 of 3

Dispute Resolution Process

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

In the first instance the Chair on the advice of the Company Secretary, and such other advice as the Chair may see fit to obtain, shall seek to resolve the dispute.

If the Chair is unable to resolve the dispute the individual shall refer the dispute to the Company Secretary who shall appoint a joint special committee constituted as a committee of the Board of Directors and a committee of the Council of Governors, both comprising equal numbers, to consider the circumstances and to make recommendations to the Council of Governors and the Board of Directors with a view to resolving the dispute.

If the recommendations (if any) of the joint special committee are unsuccessful in resolving the dispute, the Chair may refer the dispute back to the Board of Directors who shall make the final decision.

This dispute resolution procedure is set out in the Trust's Constitution which is available on the Trust's website.

Members may contact governors or Board members through the membership office by telephone on 01634 825292, by email to met-tr.members-medway@nhs.net, in writing to Membership Office, Gundulph, Medway Maritime Hospital, Medway NHS Foundation Trust, Windmill Road, Gillingham, Kent, ME7 5NY, or through our website www.medway.nhs.uk

Disclosures

In setting its governance arrangements, the Trust has regard for the provisions of the NHS foundation trust code of governance 2014 issued by NHS Improvement and other relevant guidance where provisions apply to the responsibilities of the Trust. The following section, together with the

annual governance statement and corporate governance statement, explain how the Trust has applied the main and supporting principles of the code.

Principal activities of the Trust

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

Going Concern

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

Directors' responsibilities

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

Safeguarding external auditor independence

This is detailed under the Integrated Audit Committee section.

Off payroll engagements

Information about off-payroll engagements can be found on page 50.

Transactions with related parties

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

Political Donations

There are no political donations to disclose.

Statement on better payment practice code (see note 16 of the accounts)

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

Note 16.1 Better Payment Practice code

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	61,211	119,975	55,692	103,242
Total non-NHS trade invoices paid within target	45,103	75,091	40,597	64,352
Percentage of non-NHS trade invoices paid within target	73.7%	62.6%	72.9%	62.3%
NHS Payables				
Total NHS trade invoices paid in the year	1,196	32,860	1,029	29,858
Total NHS trade invoices paid within target	301	24,758	248	22,893
Percentage of NHS trade invoices paid within target	25.2%	75.3%	24.1%	76.7%

The Better Payment Practice code requires that 95% of all valid invoices are paid by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 17 Other Liabilities

	2020/21 £000	2019/20 £000
Current		
Deferred income: contract liabilities	7,584	2,706
Total other current liabilities	**7,584**	**2,706**

NHS Improvement's well-led framework

The CQC Well Led inspections involve an assessment of: the leadership and governance at Trust board and executive team-level; the overall organisational vision and strategy; organisation-wide governance, management, improvement; and organisational culture and levels of engagement. This draws on the CQC's wider knowledge of quality in the trust at all levels. The methodology has formed the basis of the development programme for executive directors and informed the board development programme in 2020/21.

As part of their routine scheduled inspection programme, the CQC conducted a Well-led inspection of the Trust in January 2020. The findings of this inspection were published on 30 April 2020; the Trust was rated as Inadequate and improvement actions have been developed and worked through. A further inspection was ongoing in May 2021.

Stakeholder Relations

Over the past year we have been proactive in seeking the involvement of patients and public in the progress of the Trust and development of services, through workshops and focus groups and at events within the Trust.

The Trust's Chair and Chief Executive regularly meet key stakeholders to ensure they are kept informed about Trust progress and are able to support the involvement of the local community. Trust Executives also report to local authority scrutiny committees on a regular basis.

Patient Care

Please refer to the Quality Account.

Fees and charges (income generation)

Please refer to the Annual Accounts.

Statement as to disclosure to auditors

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

a) they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy

b) so far as the director is aware, there is no relevant audit information of which the NHS foundation Trust's auditors are unaware

c) they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Medway NHS Foundation Trust's auditors are aware of that information.

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

a) made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and

b) taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

c) All Board members have been assessed against the requirements of the fit and proper person test.

Income disclosures required by Section 43 of the NHS Act 2006

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

Remuneration report

Annual Statement on remuneration

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

Senior Managers Remuneration Policy

The Trust has a Senior Remuneration policy agreed by the Nominations and Remuneration Committee. The Trust recognises that in order to ensure optimum performance it is necessary to have a competitive pay and benefits structure. The objective of the Committee's strategy for the remuneration of executive directors and very senior managers is to attract and retain suitably skilled and qualified individuals of high calibre, providing sufficient resources and strength and maintaining stability throughout the senior management team. Remuneration is therefore set and maintained to be competitive. The Nominations and Remuneration Committee reviews salaries each year. In 2020/21 the Nominations and Remuneration Committee accepted NHS England and NHS Improvement's recommendation for a pay award of 1.03 per cent consolidated cost of living award, subject to other qualifying factors, for executives in their position on 1 April 2020.

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

The figures in the table below relate to the amounts received during the financial year. For 2020/21 there were no annual or long-term performance bonuses

These figures have been audited.

	Current Year							Prior Year			
Name / Title	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(c) Annual Performance Related bonuses (Bands of £5,000)	(d) Long-term performance-related bonuses (Bands of £5,000)	(e) All pension-related benefits (Bands of £2,500)	(g) Total (Columns a to e) (Bands of £5,000)	Note: Payments or Compensation for loss of office (included in salary and Fees) (Bands of £5,000)	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(e) All pension-related benefits (Bands of £5,000)	(g) Total (Columns a to e) (Bands of £5,000)
Ms J Palmer, Chair	50-55	300	-	-	-	50-55	-	20-25	2000	-	20-25
Mr E Carmichael, Non Executive Director	10-15	-	-	-	-	10-15	-	10-15	1200	-	10-15
Mr M Spragg, Non Executive Director	10-15	300	-	-	-	10-15	-	15-20	1100	-	15-20
Mr A Ward, Non Executive Director	10-15	100	-	-	-	10-15	-	10-15	-	-	10-15
Mr J Devine, Chief Executive	195-200	-	-	-	-	195-200	-	185-190	-	-	185-190
Mr D Sulch, Medical Director	185-190	-	-	-	-	185-190	-	180-185	-	25-30	210-215
Ms K Rule, Director of Nursing, died in service 08/04/20	0-5	-	-	-	-	0-5	-	125-130	-	-	125-130
Mr L Hinton, Chief People Officer	115-120	-	-	-	72.5-75	185-190	-	110-115	-	45-50	155-160
Ms G Alexander, Director of Communications & Engagement	110-115	-	-	-	-	110-115	-	110-115	-	515-520	630-635

	Current Year							Prior Year			
Name / Title	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(c) Annual Performance Related bonuses (Bands of £5,000)	(d) Long-term performance-related bonuses (Bands of £5,000)	(e) All pension-related benefits (Bands of £2,500)	(g) Total (Columns a to e) (Bands of £5,000)	Note: Payments or Compensation for loss of office (included in salary and Fees) (Bands of £5,000)	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(e) All pension-related benefits (Bands of £5,000)	(g) Total (Columns a to e) (Bands of £5,000)
Mr G Lupton, Director of Estates & Facilities	105-110	-	-	-	62.5-65	170-175	-	100-105	-	10-15	115-120
Mr H McEnroe, Chief Operating Officer, Left 07/06/20	20-25	-	-	-	-	20-25	-	115-120	-	-	115-120
Mr H McEnroe, Strategic Commander & winter Director, Started 08/06/20 Left 07/02/21	95-100	-	-	-	-	95-100	-	-	-	-	-
Mr H McEnroe, Chief Strategy and Integration Officer, Started 08/02/2021	5-10	-	-	-	-	5-10	-	-	-	-	-
Ms G Mahil, Deputy Chief Executive	120-125	-	-	-	30-32.5	150-155	-	115-120	-	30-35	145-150
Ms Jane Murkin, Director of Nursing (Acting), Left 05/08/2020	35-40	-	-	-	-	35-40	-	80-85	-	5-10	85-90
Ms Jane Murkin, Director of Nursing, Started 06/08/20	80-85	-	-	-	985-987.5	1065-1070	-	-	-	-	-
Mr Jack Tabner, Executive Director of Transformation, Left 26/03/21	105-110	-	-	-	37.5-40	145-150	-	100-105	-	25-30	125-130
Ms J Chong, Non Executive Director	5-10	-	-	-	-	5-10	-	0-5	-	-	0-5

	Current Year							Prior Year			
Name / Title	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(c) Annual Performance Related bonuses (Bands of £5,000)	(d) Long-term performance-related bonuses (Bands of £5,000)	(e) All pension-related benefits (Bands of £2,500)	(g) Total (Columns a to e) (Bands of £5,000)	Note: Payments or Compensation for loss of office (included in salary and Fees) (Bands of £5,000)	(a) Salary and Fees (Bands of £5,000)	(b) Taxable Benefits (£ to the nearest £100)	(e) All pension-related benefits (Bands of £5,000)	(g) Total (Columns a to e) (Bands of £5,000)
Mr A Ullman, Non Executive Director	10-15	600	-	-	-	10-15	-	0-5	-	-	0-5
Ms S Mackenzie, Non Executive Director	10-15	-	-	-	-	10-15	-	0-5	-	-	0-5
Mr Alan Davies, Chief Finance Officer, started 02/11/20	55-60	-	-	-	480-482.5	535-540	-	-	-	-	-
Mr Richard Eley, Chief Finance Officer, Left 01/11/20	105-110	-	-	-	-	105-110	-	-	-	-	-
Ms A Gallagher, Chief Operating Officer (Interim), started 08/06/20	90-95	-	-	-	-	90-95	-	-	-	-	-
Ms P Tinniswood, Chief of Staff, started 11/01/21	25-30	-	-	-	5-7.5	35-40	-	-	-	-	-
Mr I O'Connor, Director of Finance, Left 30/04/20	15-20	-	-	-	-	15-20	-	-	-	-	-

For 2020/21, there were no annual or long-term performance-related bonuses.
Taxable benefit amounts are all in relation to reimbursement of travel and expenses whilst undertaking Trust duties.

Total Pension Entitlement

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

	Current Year							
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name	Real Increase in pensions at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31st March 2021	Lump sum at pension age related to accrued pension at 31st March 2021	Cash Equivalent Transfer Value at 1st April 2020	Cash Equivalent Transfer Value at 31st March 2021	Real increase in Cash equivalent Transfer value	Employer's contribution to stakeholder pension
	(Bands of £2,500)	(Bands of £2,500)	(Bands of £5,000)	(Bands of £5,000)				
	£000	£000	£000	£000	£000	£000	£000	
Mr L Hinton, Chief People Officer	2.5-5	0-2.5	30-35	20-25	294	344	43	
Ms G Alexander, Director of Communications and Engagement	0-2.5	0	45-50	0	747	796	7	
Mr G Lupton, Director of Estates and Facilities	2.5-5	2.5-5	25-30	55-60	512	583	62	
Ms G Mahil, Deputy Chief Executive	0-2.5	0	5-10	0	58	74	15	
Ms Jane Murkin, Director of Nursing (Acting), Left 05/08/2020	0-2.5	5-7.5	5-10	15-20	2	120	41	
Ms Jane Murkin, Director of Nursing, Started 06/08/20	10-12.5	35-37.5	15-20	55-60	8	422	270	
Mr Jack Tabner, Director of Transformation, Left 26/03/21	0-2.5	0	0-5	0	20	35	15	
Mr Alan Davies, Chief Finance Officer, started 02/11/20	7.5-10	25-27.5	20-25	60-65	-	515	212	
Ms P Tinniswood, Chief of Staff, started 11/01/21	0-2.5	0	0-5	0	-	21	5	
Mr D Sulch, Chief Medical Officer	0	0	0	0	1279	-	-	

Staff Costs

These figures have been audited.	Permanent £000	Other £000	2020/21 Total £000	2019/20 Total £000
Salaries and wages	**188,896**	**-**	**188,896**	**164,496**
Social security costs	**19,922**	**-**	**19,922**	**17,696**
Apprenticeship levy	**924**	**-**	**924**	**838**
Employer's contributions to NHS pensions	**20,152**	**-**	**20,152**	**18,728**
Pension cost - other	**8,809**	**-**	**8,809**	**8,200**
Other post employment benefits	**-**	**-**	**-**	**-**
Other employment benefits	**-**	**-**	**-**	**-**
Termination benefits	**-**	**-**	**-**	**-**
Temporary staff	**-**	**5,934**	**5,934**	**6,470**
Total gross staff costs	**238,703**	**-**	**244,637**	**216,428**
Recoveries in respect of seconded staff	**-**	**-**	**-**	**-**
Total staff costs	**238,703**	**5,934**	**244,637**	**216,428**

Expenses of Governors and Directors

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

	Number in receipt of expenses 2020/21	Aggregate sum of expenses paid 2020/21	Aggregate sum of expenses paid 2019/20
Directors	5	1393.61	6833.47

Payments for loss of office

There were no Directors who had loss of office in 2020/21.

Fair Pay Multiple

The table below provides the ratio between the highest paid Director in the trust and the median total remuneration of the whole workforce. Following a 1.03% increase to Director remuneration in 2020/21 and a £1,900 decrease to the median annual salary to £24,900, the pay multiple has increased from 6.9 to 7.8.

These figures have been audited.	2020/21	2019/20
Band of Highest Paid Director's Total Remuneration (£'000)	**195-200**	**185-190**
Median Total Remuneration (£'000)	24.9	26.8
Ratio	7.8	6.9

Expenditure on consultancy

The Trust spent £651,000 on consultancy during 2020/21; this was a decrease of £779,000 compared to the previous year (2019/20) of £1.43million.

George Findlay
Chief Executive June 2021

Staff report

The table below profiles the average worked full-time equivalent workforce across the organisation (including temporary staff) throughout 2020/21. These figures have been audited.

	Permanent Number	Other Number	2020/21 Total	2019/20 Total
Medical and dental	256	345	**601**	**570**
Ambulance staff	-	-	**-**	**-**
Administration and estates	1382	50	**1432**	**1394**
Healthcare assistants and other support staff	747	34	**781**	**764**
Nursing, midwifery and health visiting staff	1361	32	**1393**	**1327**
Scientific, therapeutic and technical staff	349	5	**354**	**324**
Healthcare science staff	3	-	**3**	**3**
Social care staff	-	-	**-**	**-**
Total average numbers	**4097**	**465**	**4564**	**4382**

Male and Female Employees

The table below profiles the voting Board Directors and other senior managers by contractual full-time equivalent on 31 March 2021.

	Voting Board Director	Other senior managers	All staff
Female	3	11	3236
Male	8	22	919
TOTAL	11	33	4155

Sickness Absence Data

The table below sets out the Trust's sickness absence for 2020/21 compared with 2019/20. The overall sickness rate has increased over the last 12 months and equates to 16.08 average days sick per full-time employee. The Trust is proactively managing sickness with improved reporting for managers, a policy to support and manage individuals with high sickness levels. As part of keeping staff healthy and patients safe, the Trust achieved a staff flu vaccination rate of over 75 per cent in 2019/20.

Staff group	2020/21	2019/20
Additional Professional, Scientific and Technical	3.25%	2.35%
Additional Clinical Services	8.32%	6.39%
Administrative and Clerical	3.76%	4.01%
Allied Health Professionals	3.18%	2.79%
Estates and Ancillary	7.44%	6.16%
Healthcare Scientists	0.76%	0.19%
Medical and Dental	1.99%	1.22%
Nursing and Midwifery Registered	5.26%	4.23%
Students	0.00%	0.00%

Staff policies

Staff policies and actions applied during the financial year

The Trust maintains policies and takes actions to enable the wellbeing, progression and development of staff. The relevant policies and operating procedures are set out in the table below. In addition the Trust consults regularly with the NHS Trade Unions on the review and application of policies, staff wellbeing and organisational change. In addition the Trust has reintroduced Staff Equality Networks in the past financial year, aimed at increasing staff voice with particular regard to equality and inclusion.

Policies and Standard Operating Procedures

Policy/SOP	How it supports the workforce	Renewal date
Disability in Employment Policy	Enables the employment of disabled persons by ensuring due regard to their skills and abilities; this policy applies at recruitment and throughout employment, including, where appropriate, reasonable adjustments and adaptations. (see also the Attendance Management Policy)	February 2022
Attendance Management Policy and SOP	This policy is designed to support employees' attendance, and enable employees to remain in work/return to work after absence. The SOP includes the Trust's procedure for Assessment of Adjustment.	July 2023
Work-life and Family Policy	This policy is designed to ensure that there is appropriate consideration of employees work-life balance, taking into consideration family and caring responsibilities and personal wellbeing.	November 2021
Flexible Working Policy	This policy provides the framework for flexible working to be considered and applied fairly.	May 2022
Maternity Leave policy	This is the framework to ensure correct and fair application of maternity-related entitlements, including maternity and paternity leave, keeping in touch and return to work.	November 2021
Employing Staff in the Reserve Forces	This is a new policy drawing together from other policies the Trust's commitment to staff who are members of the Reserve Forces, enabling them to be released for training and mobilisation.	December 2022
Apprenticeship Policy	This sets out the framework to enable the recruitment of apprentices at all levels (including internal development opportunities) and all ages.	October 2023
Organisational change policy	Where organisational changes are required, this policy aims to ensure consistency of practice, consultation where necessary and involvement of staff and Trade Unions in informing the outcome.	November 2021
Health and Safety Policy	This policy sets out the organisational framework to outline how the Trust achieves compliance with the	April 2022

Policy/SOP	How it supports the workforce	Renewal date
	Health and Safety at Work Act 1974 and associated regulations as required by law. It also ensures all Trust employees are aware of their individual role and responsibilities for health and safety within the organisation. Ensures robust systems are in place to report and investigate health and safety incidents in order to identify lessons learnt to be embedded in policy to support continuous improvement.	
Inclusion Policy	This policy sets out the Trust's commitment to the Equality Act 2010, and to NHS workforce standards (such as the Workforce Race Equality Standard)	June 2023
Freedom to Speak Up/Raising Concerns at Work/Whistleblowing Policy	This enables staff to be able to raise concerns at work safely, and for the Trust to respond to those concerns.	May 2022
Relationship between Medway NHS Foundation Trust and NHS Trade Unions Policy	This policy provides the framework for the NHS Trade Unions and Trust Managers to meet regularly to review: application of policies, staff wellbeing and organisational change	April 2023
Anti-Fraud, Bribery and Corruption Policy	The aim of the policy and procedure is to set out clearly for staff, the framework and controls in place for dealing with all forms of detected or suspected fraud, bribery and corruption	March 2022

NHS staff survey

The NHS staff survey is a vital measure of the Trust's level of staff engagement, how staff are feeling, their morale and their experiences of working here. This is used by the Trust to listen and adapt to make improvements. The survey is conducted annually and compared against other NHS acute organisations and also against the Trust's own results from the previous year. This provides not only an opportunity to learn from our staff, but also how we compare to the national picture.

The Trust's trend largely follows the national picture and demonstrates an above average quality of appraisals and safe environment from violence. The Trust's People Strategy retains culture as a key delivery programme for the future. By continuing the embedding of our culture improvement programme in tandem with our staff survey action planning and implementation, values-based recruitment and continuous improvement methodologies – the Trust is committed to improving our staff experience which, in turn, will improve patient experience.

This year's Staff Survey response rate was 35 per cent, and has decreased from 43 per cent in 2019. This year's results show that the safe environment – violence has shown an increase in staff feeling safer at work, and health and wellbeing and morale have stayed the same as in 2019.

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

	2020/21		2019/20		2018/19	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	8.7	9.1	8.9	9	8.8	9.1
Health and wellbeing	5.6	6.1	5.6	5.9	5.4	5.9
Immediate managers	6.3	6.8	6.6	6.8	6.2	6.7
Morale	5.8	6.2	5.8	6.1	5.4	6.1
Quality of care	7.3	7.5	7.4	7.5	7	7.4
Safe environment – bullying and harassment	7.7	8.1	7.8	7.9	7.4	7.9
Safe environment – violence	9.5	9.5	9.4	9.4	9.4	9.4
Safety culture	6.3	6.8	6.4	6.7	6.1	6.6
Staff engagement	6.6	7	6.8	7	6.4	7
Team Working	6.2	6.5				

Application of Modern Slavery Act

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Trust has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the organisation or our supply chain.

We operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

- Recruitment;
- Equal Opportunities;
- Safeguarding;
- Whistleblowing;
- Standards of business conduct.

Our approach to procurement and our supply chain includes:

- Ensuring that our suppliers are carefully selected through our robust supplier selection criteria/processes;
- Requiring that the main contractor provides details of its sub-contractor(s) to enable the Trust to check their credentials;
- Random requests that the main contractor provides details of its supply chain;
- Ensuring invitation to tender documents contain a clause on human rights issues;
- Ensuring invitation to tender documents also contain clauses giving the Trust the right to terminate a contract for failure to comply with labour laws;
- Using the standard Supplier Selection Questionnaire (SQ) that has been introduced (which includes a section on Modern Day Slavery).

Advice and training about modern slavery and human trafficking is available to staff through our mandatory safeguarding children and adults training programmes, our safeguarding policies and procedures, and our safeguarding leads. It is also discussed at our compulsory staff induction training.

Trade Union Facility Time

Trade Union Facility Time disclosures

The Trust and recognised Trade Unions work through a partnership agreement to describe the partnership, processes and structures which are linked to our shared goals and objectives. The agreement outlines how we will work together to promote effective partnership regarding the workforce implications of delivering and developing the services we provide to our patients. In line with the Trade Union (Facility Time Publication Requirements) Regulations 2017, we are required to produce an annual report detailing the facility time (the provision of time off from an employee's normal role to undertake Trade Union duties and activities when they are elected as a Trade Union representative); this information is provided below. The first publication year was 1 April 2017 to 31 March 2018 and the data must be published on or by 31 July every year thereafter.

Table 1

Relevant union officials What was the total number of your employees who were relevant union officials during the relevant period?	
Number of employees who were relevant union officials during the relevant period	***Full-time equivalent employee number***
18	***16.54***

Table 2

Percentage of time spent on facility time How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?	
Percentage of time	***Number of employees***
0%	13
1-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.	
First Column	***Figures***
Provide the total cost of facility time	£1,381
Provide the total pay bill	£216,426,610
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.001%

Paid trade union activities As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	52%

Exit packages

Staff exit packages

These figures have been audited.

2020/21

Name and title	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000		**6**	**6**
£10,000 – £25,000		**2**	**2**
£25,001 – £50,000		**1**	**1**
£50,001 – £100,000		**-**	**-**
£100,000 – £150,000		**-**	**-**
£150,001 – £200,000		**-**	**-**
>£200,000		**-**	**-**
Total number of exit packages by type		**9**	**9**
Total resource cost		**£61,000**	**£61,000**

2019/2020

Name and title	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000		**19**	**19**
£10,000 – £25,000		**2**	**2**
£25,001 – £50,000		**1**	**1**
£50,001 – £100,000		**-**	**-**
£100,000 – £150,000		**-**	**-**
£150,001 – £200,000		**-**	**-**
>£200,000		**-**	**-**
Total number of exit packages by type		**22**	**22**
Total resource cost		**£138,000**	**£138,000**

Exit packages: non-compulsory departure payments

Name and title	Payments agreed Number	Total value of agreements £000	Payments agreed Number	Total value of agreements £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	1	18
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	8	61	20	72
Exit payments following Employment Tribunals or court orders	1	-	1	48
Non-contractual payments requiring HMT approval * ***Includes any non-contractual severance payment made following judicial mediation, and X [list amounts] relating to non-contractual payments in lieu of notice.**	-	-	-	-
Total	9	61	22	138

Non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary

NHS Foundation Trust Code of Governance

Code of Governance

NHS Improvement's NHS Foundation Trust Code of Governance (the Code) brings together best practice from both the public and private sector in order to help NHS Foundation Trust Boards maintain good quality corporate governance. Although the Code is best practice advice, certain disclosures are required to be reported in the Trust's Annual Report, along with additional requirements as stated in the Annual Reporting Manual. The Trust's compliance is stated below with these requirements.

Code Provision	Requirement	How the code was adhered to
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors.	Directors' Report – Board section and Council of Governors section. There were no disagreements between the Council of Governors and the Board of Directors. A dispute resolution process has been included in the Directors Report along with a statement on working relationships.
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	Directors' Report – throughout the report
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Directors' Report – Council of Governors section
Additional requirement of FT ARM	The annual report should include a statement about the number of meetings of the council of governors and individual attendance by governors and directors.	Directors' Report – Council of Governors section
B.1.1	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Directors' Report All non-executive directors are independent as per the definition in Code Provision B.1.1.
B.1.4	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear	Directors' Report – Biographies and Board section

Code Provision	Requirement	How the code was adhered to
	statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	
Additional requirement of FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated.	Directors' Report
B.2.10	A separate section of the annual report should describe the work of the nominations committees, including the process it has used in relation to board appointments.	Directors' Report
Additional requirement of FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	Directors' Report - Nominations and Remuneration Committee
B.3.1	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	As part of the appointment process the Governors were made aware of the chairperson's professional commitments at the time and an up to date declaration of interests is detailed on the Trust website.
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Directors' Report – Council of Governors section
Additional requirement of FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. *Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance).	This power has not been exercised by the Council of Governors in 2020/21.

Code Provision	Requirement	How the code was adhered to
	**As inserted by section 151 (6) of the Health and Social Care Act 2012.	
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	Directors Report
B.6.2	Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	An evaluation was undertaken by Deloitte in early 2020 who are independent of the Trust.
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Stated in the "Statement of the chief executive's responsibilities as the accounting officer of Medway NHS Foundation Trust." Quality Governance is included in the Annual Governance Statement.
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement Directors' Report – Committees section.
C.2.2	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes	The Trust does not have its own internal audit department. Internal audit services are provided by KPMG, an external provider. KPMG agrees an audit plan with the Trust and provides reports to the Integrated Audit Committee and reports on progress made by the Trust in implementing the actions required to improve controls.
C.3.5	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the	The Council of Governors approved the appointment of Grant Thornton as the Trust's external auditor for an initial contract period of three years

Code Provision	Requirement	How the code was adhered to
	audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	commencing in 2019/20 with an option to extend for a further period of up to two years.
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: a) the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; b) an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and c) if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Directors' Report - Integrated Audit Committee Report
D.1.3	Where an NHS Foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	None of the executive directors have been released to serve as a non-executive director elsewhere.
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS Foundation Trust's website and in the annual report.	Directors' Report – Membership section
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Directors' Report
E.1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of	Directors' Report – Membership section

Code Provision	Requirement	How the code was adhered to
	member engagement and report on this in the annual report.	
Additional requirement of FT ARM	The annual report should include: a) a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; b) information on the number of members and the number of members in each constituency; and c) a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Directors' Report – Membership section
Additional requirement of FT ARM (based on FReM requirement)	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Directors' Report details how the Registers of Interests for both directors and governors can be accessed.
A.1.4	The board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery	The Board receives regular reports via the Finance Committee and the Integrated Quality Performance Report via the Quality Assurance Committee
A.1.5	The board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	This is included in the Integrated Quality Performance Report
A.1.6	The board should report on its approach to clinical governance.	A clinical strategy is in place.
A.1.7	The chief executive as the accounting officer should follow the procedure set out by NHS Improvement (Monitor) for advising the board and the council and for recording and submitting objections to decisions.	Confirmed
A.1.8	The board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	This is set out in the Conflicts of Interest policy.

Code Provision	Requirement	How the code was adhered to
A.1.9	The board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.	This is set out in the Conflicts of Interest policy.
A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	This is provided via membership of NHS Resolution
A.3.1	The chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A chief executive should not go on to be the chairperson of the same NHS foundation trust.	Confirmed
A.4.1	In consultation with the council, the board should appoint one of the independent non-executive directors to be the senior independent director.	Confirmed
A.4.2	The chairperson should hold meetings with the non-executive directors without the executives present.	Confirmed
A.4.3	Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.	Confirmed
A.5.1	The council of governors should meet sufficiently regularly to discharge its duties.	Confirmed – described in the Council of Governors section
A.5.2	The council of governors should not be so large as to be unwieldy.	Confirmed – described in the Council of Governors section
A.5.4	The roles and responsibilities of the council of governors should be set out in a written document.	This is set out in the Constitution
A.5.5	The chairperson is responsible for leadership of both the board and the council but the governors also have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives, as appropriate.	Confirmed
A.5.6	The council should establish a policy for engagement with the board of directors for those circumstances when they have concerns.	This is set out in the Constitution
A.5.7	The council should ensure its interaction and relationship with the board of directors is appropriate and effective.	Confirmed
A.5.8	The council should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board.	Confirmed
A.5.9	The council should receive and consider other appropriate information required to enable it to discharge its duties.	Confirmed

Code Provision	Requirement	How the code was adhered to
B.1.2	At least half the board, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	Detailed in the Board of Directors report
B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	Confirmed
B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors.	Confirmed
B.2.2	Directors on the board of directors and governors on the council should meet the “fit and proper” persons test described in the provider licence.	Confirmed and kept under review in line with CQC guidance
B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the board and make recommendations for changes where appropriate.	Confirmed
B.2.4	The chairperson or an independent non-executive director should chair the nominations committee(s).	Confirmed
B.2.5	The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non- executive directors.	Confirmed
B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors.	Confirmed
B.2.7	When considering the appointment of non-executive directors, the council should take into account the views of the board and the nominations committee on the qualifications, skills and experience required for each position.	Confirmed
B.2.8	The annual report should describe the process followed by the council in relation to appointments of the chairperson and non- executive directors.	
B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s).	Confirmed
B.3.3	The board should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity.	Confirmed
B.5.1	The board and the council governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Confirmed
B.5.2	The board, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a	Confirmed

Code Provision	Requirement	How the code was adhered to
	relevant adviser for each and every subject area that comes before the board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	
B.5.3	The board should ensure that directors, especially non- executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.	Confirmed
B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Confirmed
B.6.3	The senior independent director should lead the performance evaluation of the chairperson.	Confirmed
B.6.4	The chairperson, with assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members.	Confirmed
B.6.5	Led by the chairperson, the council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Confirmed
B.6.6	There should be a clear policy and a fair process, agreed and adopted by the council, for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	Confirmed
B.8.1	The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.	Confirmed
C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary. See also ARM paragraph 2.12.	Confirmed
C.1.3	At least annually and in a timely manner, the board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both	

Code Provision	Requirement	How the code was adhered to
	quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance.	
C.1.4	a) The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust. b) The board of directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • the NHS foundation trust's financial condition; • the performance of its business; and/or • the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, healthcare delivery performance or reputation and standing of the NHS foundation trust.	Confirmed
C.3.1	The board should establish an audit committee composed of at least three members who are all independent non-executive directors.	Confirmed – detailed in the report on the Integrated Audit Committee
C.3.3	The council should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.	Confirmed
C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust.	Confirmed
C.3.7	When the council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS Improvement informing it of the reasons behind the decision.	Confirmed
C.3.8	The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties	A Freedom to Speak up Guardian is in Place

Code Provision	Requirement	How the code was adhered to
	in matters of financial reporting and control, clinical quality, patient safety or other matters.	
D.1.1	Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels.	Confirmed
D.1.2	Levels of remuneration for the chairperson and other non- executive directors should reflect the time commitment and responsibilities of their roles.	Confirmed – remuneration is in line with NHS Improvement guidance
D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointments would give rise to in the event of early termination.	Confirmed
D.2.2	The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments.	Confirmed
D.2.3	The council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	Confirmed
E.1.2	The board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Confirmed
E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole.	Confirmed
E.2.1	The board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co- operate.	This is confirmed through the local health care system work the Trust in which the Trust is a partner
E.2.2	The board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	This is confirmed through the local health care system work the Trust in which the Trust is a partner

NHS Improvement's Single Oversight Framework

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

1. Quality of care
2. Finance and use of resources
3. Operational performance
4. Strategic change
5. Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from one to four, where 'four' reflects providers receiving the most support, and 'one' reflects providers with maximum autonomy. A Foundation Trust will only be in segments three or four where it has been found to be in breach or suspected breach of its licence.

The Trust has entered into enforcement undertakings with NHS Improvement and reviewed progress with meeting these in April 2021.

Segmentation

This segmentation information is the Trust's position as at 31 March 2021. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

At the time of preparing this report the Trust was placed in segment three, which is categorised as providers receiving mandated support for significant concerns.

Statement of Accounting Officer's Responsibilities

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Medway NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Medway NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

George Findlay

Chief Executive

June 2021

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

As Accounting Officer, I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and for ensuring adherence to the guidance issued by NHS Improvement, Department of Health and Social Care and the CQC in respect of governance.

However, the Deputy Chief Executive has specifically defined responsibilities for leading on the management of risk throughout the Trust. Day to day management of risks is undertaken by operational management, who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly of all managers.

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

The Trust's integrated quality and performance report is reviewed by the Quality Assurance Committee and the Trust Board at each meeting. Deep dives are usually carried out for indicators where there is sustained adverse performance. There are monthly performance improvement meetings between the group executive and the divisions to discuss areas of adverse performance.

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

The risk and control framework

Risk management is the key system through which strategic, clinical (quality and safety), operational, corporate and financial risks are managed by all staff to their reasonable best for the benefit of patients, staff, visitors and other stakeholders. It is through this system of internal control and accountability that the

Chief Executive fulfils their responsibility as Accounting Officer and the Board fulfils its responsibility of stewardship.

In March 2020, the COVID-19 pandemic brought about a major change in the provision of the Trust's services through national direction including the announcement of the national lockdown. In activating its serious incident control plans, a system of tactical cells and a strategic oversight were established to ensure that controls over financial and purchasing remained in place and the Board could continue to maintain oversight of the Trust's activities. The arrangements began to be wound down at the time of writing.

The Risk Management Strategy and Policy

The Risk Management Strategy and Policy and supporting procedures set out the key responsibilities for managing risk within the organisation, including ways in which the risk is identified, evaluated and controlled. A risk management rating matrix is used to support a consistent approach to assessing and evaluating all clinical and non-clinical risks. The Risk Management Strategy and Policy has been reviewed and updated.

Risk Appetite

The Trust recognises it is impossible to deliver its services and achieve positive outcomes for its stakeholders without taking risks. It must, however, take risks in a controlled manner, thus reducing its exposure down to a level deemed acceptable by the Board and by extension, external regulators and relevant legislation. The risk appetite was reviewed in January 2021 as part of an updated risk management policy.

The Trust may accept some high risks because the cost of controlling them is prohibitive, while ensuring minimal impact on patient care and in line with the risk tolerances set. The Board has taken a cautious view regarding the risks that it is prepared to take in terms of risks to quality, patient safety, financial controls, reputation, compliance and regulation, workforce and external stakeholders, expressing a preference for safe delivery options that have a low degree of risk.

Risk Management

Key systems are being embedded at every level of the organisation to ensure compliance with current and future risk management related standards and legislation.

The diagram below, [figure 1], provides a schematic view of the risk management process for identifying, evaluating, recording, controlling, monitoring and communicating risks throughout the organisation, with clear lines of escalation from ward speciality and Care Group levels, to Division and subsequently Executive and Board levels, with the consequent de-escalation and resolution of risk through appropriate control and actions taken.

A number of principal risks were identified during the year that may have had the potential to adversely affect the achievement of our strategic objectives. These risks are assigned to an executive director and reported on the Board Assurance Framework.

The Board Assurance Framework which provides a structure and process that enables the Trust to focus on those risks that might compromise achievement of the Trust's strategic objectives was reviewed and reformatted. Sections of the Board Assurance Framework is reviewed at meetings of the Integrated Audit Committee and bi-monthly at the Trust Board for oversight of emerging risks and issues which may impact on the achievement of the agreed priorities and to provide assurance that these principal risks continue to be mitigated as far as practicable. Although the key strategic risks are identified and monitored by the Trust Board, operational risks are managed on a day-to-day basis by staff throughout the Trust.

The Quality Assurance Committee takes the lead in overseeing the improvement actions and delivery of "must do and should do" actions arising from the April 2020 CQC inspection findings to ensure CQC standards are met.

Committees of the Board each undertake an annual review of their effectiveness and of their terms of reference. Chairs of committees meet to ensure that committee business is appropriately directed. In 2020/21 and into 2021/22 the Board is participating in a board development programme to support identifying good practice and raising collective effectiveness. Two of the committees have governor observers as means of holding board members to account. Performance is reviewed on the board's behalf by the Quality Assurance, People and Finance committees on a monthly basis through the integrated quality performance report (IQPR). The IQPR is further reviewed by the Board, supported by issues highlighted at committee.

Risk Management

[Figure 1] Schematic view of the risk management process

A summary of the principal governance risks is provided below.

Principal risks

Description	Mititgations and Controls
1a **There is a risk that the Medway and Swale system cannot enable true Partnership working which designs a long term population based, integrated health and social care system with the patients at its centre.** **Thus leading to a failure to deliver systems integration, stability and better patient services via the enablement of clinically led patients centred system redesign.**	1. Systems wide strategic vision written in partnership with all organisations. Agreed Intergraded Care Partnership (ICP) model in place with systems partners actively working to mobilise key collaborative elements. 2. The Trust now has senior representation at ICP (the Chief Strategy Officer) and the ICS (the Chief Executive Officer and Chair) level across core governance structures and decision making groups. 3. The Trust has aligned their clinical and quality strategy with the wider ICP quality strategy which ensures pathways and

Description	Mititgations and Controls
	patient experience are central to the work of the Trust and the ICP. 4. The CISO now serves as Deputy SRO for the ICP and has co-authored the ICP road map and future strategies for the ICP.
2a **There may be difficulty in making appropriate decisions with imperfect information on the future clinical and IT strategy of the STP/ICS and the organisation's role therein.** **Trust may slow down investment in digital innovation to keep to the pace with new technologies, other organisations locally and the ICP and ICS/STP.**	1. Author a Digital Strategy that is well socialised across the region and well engaged with by teams internally. 2. Develop a roadmap to a single Electronic Patient Record. 3. Focus initially on key projects and investments to stabilise IT services 4. Seek Regulator support for IT investments and longer-term Digital Strategy
2b **There is a risk that the** **Trust does not have sufficient capacity and capability to implement the required technology**	1. Deploy an Electronic Patient Record – to reduce the paper burden on the organisation and consolidate the number of IT systems 2. Work in collaboration with neighbouring providers 3. Complete IT team recruitment drive to substantiate bank/agency staff 4. Work more proactively with suppliers 5. Train and upskill Digital teams – closely align Digital with Transformation 6. Pursue PoCs and pilots via the Medway Innovation Institute to evidence benefits of key technologies on a small scale
2c **There is a risk that the Trust will be unable to secure sufficient funding for investment in new technologies and clinical research.** **The Trust may become less attractive for new medical and clinical staff** **The Trust may not deliver the transformation required at pace**	1. Develop longer-term [3-5 year] capital and investments plan, aligned to Digital Strategy and EPR deployment plan. 2. Continue to work to apply for digital innovation funds when released 3. Investment in the R&I department which has shown success attracting NHS and private funding for trials. 4. Continue to develop Medway Innovation Institute 5. Close working with innovation hubs and accelerators for potential funding routes e.g. Academic Health Science Networks

Description	Mititgations and Controls
3a **Delivery of Financial Control Total** **If there is insufficient financial awareness, management, control and oversight within the Trust it may lead to an inability to deliver the financial control total, leading to a reputational impact.** **Under 2021/22 contracting arrangements, the STP must meet its control total. Given the uncertainty of Covid, CIP delivery risks and the system operating on a block income, there is significant uncertainty and a very high risk of the Trust not meeting its control total.**	1. Monthly reporting of financial position to finance committee and Board, demonstrating: a. substantive fill rates are increasing with a decrease in bank and agency usage b. improving run rate during the year c. live monitoring of cost improvement programme d. rebasing of directorate plans 1. Programme Management Office: a. Track operational delivery and financial consequences of those actions. b. Review of team hierarchy to ensure capacity to deliver c. Further consideration to be given to reintroduction of a Financial Improvement Director. 2. Working with NHSEI intensive support team.
3b **Capital Investment If there is insufficient resource to invest in new technologies, equipment and the Trust estate there is a risk to the transformation plan.** **Capital resource is allocated at a system level across the STP and hence both national and local priorities (including top-slicing for STP projects) could impact availability.**	1. Governed entirely by the availability of capital resource, obtaining Public Dividend Capital (or loans) for significant investment will require business cases to be signed off by the STP and regulators unless affordable within the existing capital programme or through a revenue stream. 2. Project lead completion of prioritisation scoring matrix; Trust review to moderate and agree scores with highest priority projects being proposed as the in-year plan.
3c **Failure to achieve long term financial sustainability** **If the Trust does not achieve financial sustainability could lead to reputational damage, difficulty in recruitment into key roles, further licence conditions and potential regulatory action.**	1. Establishment of System Delivery Board with System Recovery as key cornerstone of the programme monitoring delivery and engaging with partners. 2. NHSEI financial improvement/recovery group established including NHSE/I intensive support team collaboration.
3d **Going concern** **If the Trust is unable to improve on the proportionality of the continued and sustained**	1. Interaction with STP to fund to breakeven. 2. Management of cash reserves.

Description	Mititgations and Controls
deficits and/or service provision there is a risk that it could lead to further licence conditions and potential regulatory action.	
4a **There is a risk that the Trust may be unable to staff clinical and corporate areas sufficiently to function.** **This may lead to an impact on patient experience, quality, staff morale and safety**	1. Strategy: People Strategy in place to address current workforce pressures, link to strategic objectives and national directives.
	2. Vacancy Reporting: Bi-monthly reporting to Board demonstrating: a. Current contractual vacancy levels (workforce report) b. Sickness, turnover, starters leavers (Integrated Quality and Performance Report (IQPR)) c. Monthly reporting to services or all HR metrics and KPIs via HR Business Partners. d. Retention programmes across Trust.
	3. Monitoring controls: a. Monthly reporting of vacancies and temporary staffing usage at PRMs; b. Daily temporary staffing reports to services and departments against establishment; c. Daily pressure report during winter periods for transparency of gaps.
	4. Attraction: Resourcing plans based on local, national and international recruitment. Progress on recruitment reported to Board. Employment benefits expanded.
	5. Temporary staffing delivery: a. NHSI agency ceiling reporting to Board; b. Weekly breach report to NHSI; c. Reporting to Board of substantive to temporary staffing paybill.
	6. Workforce redesign: a. PRM review of hard to recruit posts and introduction of new roles; b. Reporting to Board apprenticeship levy and apprenticeships.
	7. Operational: a. Operational KPIs for HR processes and teams reported monthly.

Description	Mititgations and Controls
4b **Staff engagement** **Should there be a deterioration of staff engagement with the Trust due to lack of confidence, this may lead to worsening morale and subsequent increase in turnover** **This may lead to an impact on patient experience, quality, safety and risk the Trust's aim to be an employer of choice**	1. Strategy: a. People Strategy in place to address the underlying cultural issues within the Trust, to ensure freedom to speak up guardians are embedded and deliver the 'Best Culture'.
	2. Culture Intervention: a. The Trust has embedded the delivery of 'You are the difference' culture programme to instil tools for personal interventions to workplace culture and a parallel programme for managers to support individuals to own change. 3. The Trust is currently implementing the NHSEI Culture, Engagement and Leadership programme.
	4. Staff Communications: a. Weekly Chief Executive communications email; b. Monthly Chief Executive all staff session; c. Senior Team briefing pack monthly.
	5. Staff Survey results: Annual report to Board demonstrating: a. Trust scores across key domains; b. Comparative results from previous years and other organisations; c. Heat maps for targeted interventions. d. Local survey action plans to address key concerns.
	6. Leadership development programmes: a. Implemented to ensure leadership skills and techniques in place.
	7. Policies, processes and staff committees in place: a. Freedom To Speak Up Guardian route to Chief Executive; b. Respect: countering bullying in the workplace policy; c. Joint staff (JSC) and local negotiating committees (JLNC) to engage with the workforce.
	8. Well-being interventions in place:

Description	Mititgations and Controls
	a. Employee assistance programme and counselling; b. Advice and health education programmes; c. Connect 5 training front line staff to help people improve mental wellbeing and signpost to specialist support. d. National #How are you (HAY) wellbeing framework implemented
	9. Values embedded into the Trust and culture: a. Values-based recruitment (VBR) in place for medical and non-medical positions; b. Values-based appraisal in conjunction with performance.
4c **Best staff to deliver the best of care** **Should the Trust lack the right skills and the right values, this may lead to poor performance, poor care, worsening morale and subsequent increase in turnover.** **IMPACT: This may lead to an impact on patient experience, quality, safety and risk the Trust's aim to be an employer of choice.**	1. Strategy: a. People Strategy in place to address the underlying cultural issues within the Trust, to ensure freedom to speak up guardians are embedded and deliver the 'Best Culture'.
	2. Right skills: a. The Trust has a fully-mapped competency profile for each position within the Trust and monitored against individual competency. 3. Overall statutory and mandatory training compliance report to Board (bi-monthly) and internally weekly.
	4. Right attitude and values: a. Values-based recruitment (VBR) in place for medical and non-medical positions; b. Values-based appraisal in conjunction with performance; c. Promoting professionalism pyramid for peer messaging concerns, actions and behaviours; d. Respect – countering bullying in the workplace policy.
	5. Continuity of care: a. The Trust monitors its substantive workforce numbers and recruits permanently whilst retaining flexibility of need and acuity:

Description	Mititgations and Controls
	i. Current contractual vacancy levels (workforce report) ii. Monthly reporting of vacancies and temporary staffing usage at PRMs; iii. Reporting to Board of substantive to temporary staffing paybill.
	6. Leadership development programmes implemented to ensure leadership skills and techniques in place.
5a **Failure to consistently demonstrate compliance with the Care Quality Commission Fundamental standards**	1. Trust wide and ED specific CQC action plans being implemented 2. Enhanced leadership within Patient Experience and Quality & Patient Safety 3. CNST (Maternity Incentive Scheme) action plan being implemented 4. Quality Strategy Priorities Year 2 agreed and being implemented 5. High Quality Care Programme Year 2 improvement priorities agreed, measures being developed and work progressed 5. Refreshed ward assurance and accreditation visits being developed 6. Quality Boards in place on all wards 7. Daily trust wide safe staffing reviews undertaken by senior nurses 8. Daily senior nurse staffing meeting with escalation to CN&QO as appropriate. 9. Annual provider review on safe nurse staffing. 10. Recruitment pipeline progressing as per plan.
5b **Failure to meet the statutory requirements of the Health and Social Care Act (Hygiene Code) will result in a risk to patient safety.**	1. Infection Prevention and Control Improvement plan developed 2. IPC Intensive Support programme supporting the Trust 3. Interim AD for IP&C in place whilst recruiting to post substantively 4. Identified improvement priority work through HQCP to reduce C- Diff Infections 5. IPC Unannounced inspections commissioned by CNQO with findings being drafted with themes and learning to be shared 6. COVID-19 BAF updated, reviewed externally and maintained with evidence to support collated

Description	Mititgations and Controls
	7. MFT participating in Kent & Medway IPC Network- peer support and sharing learning 8. Communication plan for IPC in development to support effective IPC communications and the Every Action Matters initiative from NHSEI
5c **There is a risk that the Trust processes as well as the clinical and managerial leadership regarding patient flow are not sufficiently developed to manage the emergency demand effectively through the available capacity. This subsequently impacts on the elective capacity reducing the level of planned operations and procedures that can take place.**	1. The restart programme has included a refresh of the demand and capacity across all specialties. 2. Pathways have been reviewed to ensure patients receive their care in the most appropriate settings including non-face to face, independent setting and at MFT. 3. Emergency pathways have been further developed to include the range of assessment options through frailty, acute assessment and Same Day Emergency Care (SDEC). 4. A bed reconfiguration programme has been undertaken to profile the planned and unplanned beds based on expected demand & full ring-fencing of elective capacity. 5. The Trust has a renewed focus on length of stay to ensure that patients get the most effective care during as short a stay in hospital as is appropriate for their care. 6. In summary: a. Elective, Outpatients & cancer care modelling underway to ensure patients with a prolonged wait for treatment are appropriately managed and that the new physical distancing and pre-hospital preparations are clear. b. The recovery programme is being managed through the System approach to ensure that all out-of hospital capacity ad opportunities are highlighted and used appropriately.

Principal Corporate Risks

Theme	Risk	Rating	Link to BAF	Plan
ED FLOW	ED – Risk of immediate handover	20	5c/1a	Clear escalations and triggers in place to manage this risk. Cross system partner working in place.
	Phase 3 ED estates works	20	3b	On the capital planning review list and approved.
ELECTIVE FLOW	Increased waiting time in endoscopy	20	5c	Securing all available outsourced capacity, working with CCG to reduce demand and looking to implement FIT testing. Exploring increasing onsite capacity either with vanguard unit or moving respiratory work out of endoscopy into theatre.
IMAGING	CR readers – machine failure	20	3b	On the capital planning review list awaiting full business case.
	Imaging – Risk of delivery of the constitutional standards	20	5c	There is a full business case for the replacement of out of date imaging equipment – all are on the capital programme. Until replacement is carried out, the service continues to be provided.
	Imaging – loss of fluoroscopy service	20	3b/5c	New build will commence and be completed – July 2021. This risk will be fully mitigated once the new build is operational. There will be sufficient capacity to meet demand. Therefore, this risk will be removed in July 2021.

People Strategy and Workforce Safeguards

The Trust's 2019-22 People Strategy aims for a continued transformational change over the next two years. Our People Strategy will be delivered through three delivery domains, Best of People, Best Culture and Best Future and has been designed in tandem with our clinical and quality strategies. This is to ensure our culture and future is based on building continuous quality improvement and that we design our workforce to deliver the clinical services for the future. The strategy is driven by patient safety improvements based on the Francis Report and Developing Workforce Safeguards to deliver high-quality care through safe and effective staffing. To ensure we plan effectively and safely for the future, the Trust conducts bi-annual safe staffing reviews; safe staffing is reported through to Board as part of our integrated quality and performance report; a monthly ward nursing scorecard is reviewed; multiple daily safe staffing acuity reviews take place across the hospital; planning for now and in the future is carried out through following national guidance for staffing ratios.

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

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

Throughout 2020/21, we have built on the existing health and wellbeing support provided through our employee assistance programme and Occupational Health Service. We have focused on three key areas of work: a) supporting all staff, b) supporting leaders to support themselves and their staff, and c) ensuring access to professional psychological support where required.

To date we have built on the health and wellbeing support that already existed by taking advantage of a vast array of regional and national support. We have aligned our strategic direction with the NHS People Plan with the intention of building resilience and leadership capability in the organisation to create a compassionate and inclusive culture where well-being is a priority. We are working collaboratively with systems colleagues, improved our ability to support staff at a local level and, recognising the importance of providing resources that enable anonymity, emphasised access to a range of national support and resources.

Working in partnership with system colleagues a model was developed to enhance the psychological support available. Tiers 1 and 2 are provided locally at MFT and Tier 3 by specialist colleagues through the South East Regional Mental Health and Wellbeing Hub.

Tier 1: (Psycho-educational materials available) Information leaflets, videos, self-help line, peer support wobble rooms, Schwartz rounds, resilience building and managing stress at work training

Tier 2: (Low-key interventions) Reflective practice sessions, listening ear service, psychological first aiders, REACT mental health conversations, facilitated operational debriefing, leadership support circles

Tier 3: Specialist psychological service providing rapid access to clinical assessment and formal psychological interventions.

Health and wellbeing conversations form part of our appraisal processes and have been further emphasised by the introduction of the NHSEI template. COVID risk assessments have been rolled our across the organisation and also form part of recruitment processes. Remote working guidance has been published and encourages a flexible approach.

Following consultation with key stakeholders our Staff Health and Wellbeing Strategy has been published and is supported by plans which include the introduction of Healthy Workplace Allies and TRiM Practitioners to support managing risk and ensure all staff have knowledge of, and access to, the full range of support available. In addition to a range of support and resources in the context of mental health and wellbeing, we will encourage healthy lifestyles with active focus on physical health through provision of a staff gym on site. We are also working with Medway Public Health providing Healthy Way courses, access to other physical activities and support for quitting smoking.

The strategy employs the Health and Wellbeing Framework diagnostic tool as a point of reference to monitor improvement and we have appointed a Wellbeing Guardian to provide assurance to the Board. The framework dashboard, alongside Key Performance Indicators from NHS Staff Survey and Freedom to Speak Up metrics, will provide oversight of progress of the Staff Health and Wellbeing Strategy.

Register of Interests

The Trust is required to hold and maintain a register setting out details of any company directorships and/or significant interests held by Board members, which may conflict with their responsibilities as Trust directors.

The Trust Board reviews the register at each meeting and requires all executive and non-executive directors to confirm their entries. A standing item on the Board agenda which requires all executive and non-executive directors to make known any interests in relation to the agenda.

A register of the directors' interests is available to the public on the Trust's website www.medway.nhs.uk or by contacting:

The Company Secretary,
Medway NHS Foundation Trust,
Medway Maritime Hospital,
Windmill Road, Gillingham,
Kent ME7 5NY.

The foundation trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the trust with reference to the guidance) within the past twelve months as required by the Managing Conflicts of Interest in the NHS guidance.

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

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

Financial Sustainability

In 2020/21 the Trust delivered its financial control total, this being the third consecutive year. As a result of the Trust's interim debt being written off during the year it has also ended the period with net assets (previously net liabilities).

Due to the uncertainty of the pandemic and a need for continued stability across the NHS, plans for the first six months of 2021/22 have been set nationally. These plans are based on the actual financial performance of the Trust during the third quarter of 2020/21, ie October to December 2020. While modest growth and efficiency has been applied to the plans, these still represent a significant challenge to the Trust. This is not least due to a number of implemented service developments, response to the recommendations of the CQC and continuing uncertainty of the lasting impact of Covid coupled with the restart of elective work.

The plan for the first half year is to deliver a breakeven, as was achieved in 2020/21. No guidance has been released at the time of writing confirming the arrangements to be put into place for planning during the second half of the year, but we are committed to working with our system partners to deliver the best care at the best value.

Notwithstanding the reported deficits in previous years, national comparators of both reference costs and the model hospital show the Trust providing services at a value at the national median.

The Trust board recognises the need to continue to improve its overall economy, efficiency and effectiveness of its current use of resources while at the same time working with stakeholders in Kent and Medway to return the economy to a financially stable and sustainable position. As a result, the Trust is taking the following steps to rectify the position:

- Establishing the continuation of challenging and realistic Cost Improvement Programme in 2021/22.
- The development of a long term plan with the Integrated Care System partners and NHSE/I to solve the drivers of the deficit.
- Controls around key areas of expenditure have been introduced and continue to be developed to ensure that all spending is appropriate, essential and represents value for money.
- Continuous confirmation and challenge to ensure that resources are used economically, efficiently and effectively across clinical services; the Trust carries out regular monitoring of clinical indicators on quality and safety.
- Strengthened governance arrangements to clearly set out the decision making process of investments.

The Trust's external auditors are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The result of their work is reported to the Integrated Audit Committee.

Cost Improvement Programme

Despite significant operational pressures throughout 2020/21, the Trust delivered Cost Improvement Plans of £9million; this builds on the £18million delivered in 2019/20 and £21million delivered in 2018/19.

Review of use of resources at Committees

The Integrated Audit Committee receives independent assurance from internal and external audit and counter-fraud specialists who support and provide regular reports based on a risk assessed programme of work agreed ahead of the start of the financial year. This committee also receives other external reports and findings from investigations carried out.

Financial performance and investment business cases are overseen by the Finance Committee which is chaired by a non-executive director. This committee reports directly to the Board and provides assurance on the financial position and commercial decisions.

The Board receives an Integrated Quality and Performance Report and a Finance and Performance Report at each Board meeting which includes reviewing the Trust's operational performance relating to national targets, quality, and efficiency.

Performance is reviewed at all directorate and service level meetings as well as at team meetings. Issues are monitored and managed through the Trust's management structure. Issues are escalated to the Executive Group and for Clinical Council discussion and resolution where appropriate.

Information governance and Data Quality

The Trust has in place a Data Quality and Assurance Policy and a Strategy, which is overseen by a corporate working group. The policy and strategy set out the staff responsibilities for data quality and the key systems including the data quality dashboard and framework. There a regular data audits in relation to the standards of data quality. Patient facing data is risk assessed.

Two information governance breaches were formally reported to the Information Commissioner. Two further incidents were notified – neither resulted in any further action from the ICO.

Serious incidents requiring investigation

Summary of serious incidents requiring investigation involving personal data as reported to the Information Commissioner 2020-21				
Date of Incident (month)	Nature of incident	Nature of data involved	Number of data subjects potentially affected	Notification Steps
Date **09.04.2020**	Results of COVID testing	Personal and medical data	Many	Incident highlighted, no further action necessary.
0.05.2020	New staff sent template containing personal data	Personal data	One	Reported to DHSC/NHS England and ICO, ICO satisfied with the response.
16.09.2020	Two consultants leaving trust contacting MFT	Personal data	Many	ICO involved. Lack of evidence

Summary of serious incidents requiring investigation involving personal data as reported to the Information Commissioner 2020-21				
	patients and using MFT Twitter handle			resulting in call being closed.
22.09.2020	Personal details passed on by a member of staff to ex-partner	Personal data	Two	Reported to ICO. They are satisfied with progress, ask to be informed of result.
04.12.2020	Member of staff accused of passing on address from Trust systems on Facebook	Personal data	One	ICO informed and satisfied with progress, updated and closed.
08.01.2021	Patient recording on ward	Staff and patient interactions	Many	ICO informed, satisfied with solution.
08.01.2021	Same patient filming on ward, threats to post online	Staff and patient interactions	Many	Not required to report
Further action on information risk	05.05.2020 - Staff member informed their data was shared, all copies of the e-mail deleted, apology given. Staff member reminded of responsibilities. ICO happy that it was a one-off incident and closed. 22.09.2020 – HR process in ongoing. 04.12.2020 – No evidence of wrongdoing. 08.01.2021 - Patient eventually deleted the footage. Posters put up around the Trust to remind patients that permission is needed to film. The conversation was not posted on line and as a result no harm reported. If a copy still exists and is posted, then it will be reported again.			

Summary of other personal data related incidents		
Category	Breach type	Total
A	Corruption or inability to recover electronic data	0
B	Disclosed in error	40
C	Lost in transit	17
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	0
F	Non-secure disposal – hardware	0
G	Non secure disposal – paperwork	2
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0

Summary of other personal data related incidents		
J	Unauthorised access / disclosure	6
K	Other	41
Total Information Governance/ Data Security and Protection breaches		**112**

All of Medway NHS Foundation Trust's Information Governance policies and procedures are General Data Protection Regulations (GDPR) compliant and the teams work with services to ensure that we learn from incidents to prevent similar incidents from reoccurring. This is achieved through classroom and online training using the National NHS Digital Data Security and awareness training as a module.

EPRR Statement

The Trust is a Category One responder under the Civil Contingencies Act (2004). Within the Act the Trust has specific statutory duties in relation to maintaining a resilient organisation that is able to work in partnership with other responders in response and recovery from major and business continuity incidents. In order to demonstrate compliance the Trust is aligned to the National Emergency Preparedness, Resilience and Response Framework (2015).

NHS England nationally issues core standards against which each Trust undertakes a self-assessment and is then audited by its Commissioner. The Trust was awarded Full Compliance against the 2018 NHS England Emergency Preparedness, Resilience and Response Core Standards by Medway Clinical Commissioning Group. This has been reported via the Local Health Resilience Partnership Executive Group for Kent and Medway to NHS England.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare a Quality Account for each financial year.

The Chief Nursing and Quality Officer and the Chief Medical Officer are joint nominated Trust Executive Leads for the Quality Account. The quality priorities have been developed in consultation with a wide range of stakeholders; membership, patients, staff, board members. Delivery of the quality priorities will be monitored at the Quality Assurance Committee and by the Trust Board.

You can read more about our priorities and developments in the Quality Account.

Green Plan

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

Compliance with CQC registration

The Trust has identified the Chief Nursing and Quality Officer and the Head of Quality Governance, who are respectively accountable and responsible for ensuring compliance with each element of the CQC registration standards and monitoring the CQC action plan. It is the responsibility of these staff to collate evidence of compliance with the standards. An update on compliance with CQC registration is reviewed periodically by the 'CQC Check and Challenge' panel and reported to the Quality Assurance Committee.

The CQC inspected a number of areas of the Trust in December 2019/January 2020 and its findings were published in April 2020. An Improvement Plan continues to work through the response to the recommendations that arose from that report.

In December 2020, the CQC carried out an unannounced Focused inspection of the Emergency Department. Arising from this the Trust was served a Section 29A Warning Notice. The rating for Urgent Care service was amended to Inadequate in a report of the inspection published in February 2021.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission. The Chief Nursing and Quality Officer is named as responsible for the Trust's registered services.

Compliance with the Trust's licence

The Trust has confirmed compliance with all of its Licence conditions. The Trust has submitted formal undertakings to NHS Improvement in respect of identified suspected breaches of licence conditions FT4(5)(a) to (f); FT4(6)(c), (d) and (f); FT4(7); and CoS3(1). Actions are being worked through. On behalf of the Board, the Finance Committee reviews an annual declaration in relation to the arrangements to comply with the requirements of the provider licence.

Conclusion

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account attached to 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 board, the Integrated Audit Committee Quality Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. My review confirms that Medway NHS Foundation Trust has a sound system of internal controls that supports the achievement of its aims and objectives. No significant internal control issues have been identified.

George Findlay

Chief Executive

June 2021

QUALITY REPORT

Quality Report Contents

About the Quality Report

Part 1: Statement on quality from the chief executive

Welcome to the Quality Report for Medway NHS Foundation Trust for 2020/21, I am delighted to present this formal report which outlines our approach to quality improvement, and the progress we have made in the past 12 months.

Over the past year, the COVID-19 pandemic has led to so much loss and heartache, and in the hospital we have felt it deeply. But I have been humbled by the commitment, determination and sacrifice of our colleagues to overcome the challenges, and I would like to thank them from the bottom of my heart for all they have done.

Although it feels like the pandemic has dominated the last year, I'm pleased to say that our hard-working staff have also continued to make significant improvements to the care we provide for our patients despite the additional challenges presented to them.

Our Quality Report contains information about the quality of our services, including the improvements we have made during 2020-21 against the priorities that we set and determines our key priorities for next year, 2021/22.

Quality and patient safety are our organisation's top priorities and continue to be our main focus. The Trust's Quality Strategy is aligned to our fifth strategic objective aimed at delivering High Quality Care that is safe, effective and person centred. These priorities will enable us to demonstrate that we provide safe and effective care for all of our patients and a positive patient experience for them and for their families.

Last year we launched 'Our Medway', a major improvement programme to advance the quality of care for our patients.

We've also had a major focus on improving nursing care throughout the Trust. 'Reclaiming the Nursing Landscape' is an important initiative that has looked at strengthening the role of leadership, governance, standards and education in our nursing and midwifery teams, giving these vital staff the tools and support they need to help them do their jobs to the high standards they aspire to. This programme has led to some significant improvements for our patients including better compliance with nursing risk assessments, improved nutritional care and reductions in hospital acquired pressure ulcers.

These successes have supported us in improving the quality of nursing-led care across the Trust, even with the additional pressure of the pandemic – thanks to the buy-in and support of our nursing and midwifery workforce.

We have had some great successes, but some disappointments too. Our performance against some of the key national targets has not been where we would like it to be. This hasn't been helped by the pandemic, but we must not hide behind that and we must continue to strive to be better.

It has been a very challenging year for all involved with Medway NHS Foundation Trust but there is no doubt that we approach 2021/22 with renewed optimism.

Our aim, to provide the right care from the right people, in the right place and at the right time remains our focus and we are committed to achieving this.
Thank you for your ongoing support for the Trust.

George Findlay

Chief Executive

Foreword from the Chief Nurse

Reclaiming the Nursing Landscape

Over the last year, despite the pandemic, we have made great strides in making the fundamental changes we needed to strengthen our nursing and midwifery workforce and the quality of our patient care.

As well as looking back at our achievements, this is an opportunity to look forward and introduce some of the priorities and initiatives that we have planned for the future.

Good health and care outcomes are highly dependant on the professional practice and behaviours of nurses and midwives. Professionalism in nursing and midwifery helps to ensure consistent delivery of safe, effective and person centred care and achieve the best outcomes for our patients.

Reclaiming the Nursing Landscape is a fundamental part of what we, as an NHS organisation, want to achieve. We want to ensure that we have a nursing, midwifery, allied health and care support staff workforce which is competent, compassionate and fit for the future, focused on the delivery of the best experience and outcomes for our patients and our community.

Medway's approach to improving quality

Recognising and celebrating achievements in quality and safety

Quality and patient safety is our organisation's top priority and has continued to be our main focus. The Trust's Quality Strategy is aligned to our fifth strategic objective aimed at delivering High Quality Care that is safe, effective and person centred.

Launch of the Quality Strategy Implementation Plan October 2019

The launch of the implementation of Medway NHS Foundation Trust's Quality Strategy took place in October 2019. We celebrated the successes and achievements to date and set out the priorities and actions for improvement at an organisational and divisional level, encompassing guiding principles and system enablers - creating the necessary conditions for patient safety and quality improvement.

Our three year Quality Strategy is our plan for achieving our strategic objective making it a priority for all staff, designing quality into every aspect of our services to support achievement of our quality goals.

Our goals have been developed in collaboration with Trust governors, staff members and patient group representatives and have been chosen to ensure we focus on where improvement is most needed and on sustaining improvements we have made. These are set out below:

Delivering consistent high quality care will be the priority of all staff

Safe

We will learn when things go wrong and reduce the incidence of hospital acquired harm

Effective

We will ensure that the right patient is in the right place receiving the best of care and that their care is safely transferred between care settings

Person Centred

Patients, carers and families will be listened to and supported to meet their needs

Delivering our priorities across all three domains will enable us to demonstrate that we provide safe and effective care for all of our patients and a positive patient experience for them and for their families

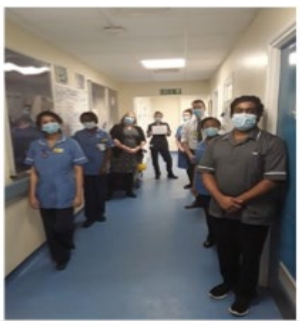
The Award Scheme celebrating improved performance in nursing standards

Quality and Safety Boards have been implemented to allow staff to display specific information relating to nursing fundamental standards and improving safety and quality. The boards display both outcomes (number of falls, pressure ulcers and infections) including the processes of how we monitor and measure improvements i.e.; care bundle audit results. These boards are visible and accessible to patients and are an example of how transparent we are at Medway.

The Boards promote the opportunity to celebrate increasing days since last infection, Fall, Pressure Ulcer with Bronze, Silver or Gold Stars. The award scheme to recognise and celebrate these achievements

- 50 days between harm occurring (infection, fall or pressure ulcer) – bronze star
- 100 days between harm occurring (infection, fall or pressure ulcer) – silver star
- 150 days between harm occurring (infection, fall or pressure ulcer) – gold star

The first Gold star award for quality and safety improvement, was awarded to Sapphire Ward, who at the end of September 2020, celebrated 239 days between acquiring a pressure ulcer



The end of January 2021 saw Nelson ward celebrated 157 days between acquisitions of pressure ulcers, and became the first ward to achieve two gold star awards (previously achieved for days between an infection acquisitions).

To date, 8 Gold star awards, 7 Silver Star awards and 20 Bronze awards have been presented.

BIG ROOM Events – sharing and learning together

The Chief Nursing and Quality Officer, supported by Director of Transformation led a successful multidisciplinary Pressure Ulcer `Big Room Event' with pilot wards and key stakeholders to share their successes and achievements to date. This event was also to promote learning from improving key processes known to impact on patient outcomes and reduce the number of hospital acquired pressure ulcers in the Trust.

A follow up sharing and learning event took place two months later to hear progress from the pilot teams. The pilot teams highlighted their continued focus on reducing hospital acquired pressure ulcers and the plan to involve new pilot teams as part of our approach to spread best practice across the Trust.

Another successful event focused on Nutrition and hydration, specifically relating to improving Nutritional Care and improving the key processes known to impact on patient outcomes, and recognising the need for further improvement work to improve nutritional care across the Trust. This Event included a session on Dementia and Nutrition and sets the scene for the next planned event on Dementia.

Jane Murkin
Chief Nursing and Quality Officer

Introduction to the Quality Account 2020/21

The Health Act 2009 requires all providers of NHS services in England to produce a Quality Account to provide information about the quality of those services. The aim of the Quality Account is to enhance the Trust's accountability to the public and its commissioners (purchasers of healthcare) on both the achievements made to improving the quality of services for our local communities as well as being very clear about where further improvement is required. Quality Accounts are both retrospective and forward looking.

Quality Accounts help NHS trusts improve public accountability for the quality of care they provide. The Quality Account is a key mechanism to provide demonstrable evidence of measures undertaken in improving the quality of the trust's services. The Quality Account also describes the organisation's quality priorities and aims for the coming year. The Quality Account incorporates all the requirements of the Quality Accounts Regulations as well as those of NHS Improvement's (NHSI) additional reporting requirements.

The purpose of the account is to:

• promote quality improvement across the NHS

• increase public accountability

• allow the Trust to review its services

• demonstrate what improvements are planned

• respond and involve external stakeholders' to gain their feedback including patients and the public

Our Quality Account provides an appraisal of achievements against our priorities and goals set for 2020/21. At Medway quality of the services provided has always been placed at the heart of decisions taken by the Board. Our quality strategy is also a call to action for everyone to make a difference and be part of the Medway quality improvement journey.

Our priorities are consistent with the objectives set out in our quality strategy and form an important part of its implementation. It is both ambitious and aspirational by design. Throughout the document, Medway sets out its priorities under the three well established headings of Patient Safety, Patient Experience and Clinical Effectiveness.

The events following COVID 19 pandemic have had an impact on some of the KPIs both locally and nationally within this report. Medway NHS Foundation Trust will continue following advice and guidance from NHS Improvement and NHS England to ensure patients continue to receive high quality care. NHS Improvement/NHS England has confirmed that NHS providers are no longer expected to obtain assurance from their external auditor on their quality account /quality report for 2020/21.

The Quality Account incorporates all the requirements of the Quality Accounts Regulations as well as those of NHS Improvement's (NHS Improvement) additional reporting requirements.

The purpose of the Account is to:

- promote quality improvement across the NHS
- increase public accountability
- allow the Trust to review its services
- demonstrate what improvements are planned by the Trust
- respond and involve external stakeholders' feedback including patients and the public

The Quality Account also describes the organisation's quality priorities and aims for 2021/22.

Part 2: Priorities for improvement and statements of assurance from the board

2.1 Progress with 2020/21 priorities

The quality priorities and targets which support delivery of our three year Quality Strategy will be reviewed each year. Our progress against the priorities will be redefined to ensure that we are focused on the areas where improvement is most needed. It is worth noting that the organisation has made impressive progress with the set priorities however as untestable achievements for all has not been possible due to impact of COVID 19 pandemic. Below are the list of 2020/21 priorities which are aligned with quality strategy priorities and agreed both locally and by external stake holders as well as our membership council.

Quality Priorities 2019 - 2022		
Domain	**No**	**Description**
Safety	1	Improve Infection Control (MRSA, CDIF, GRAM neg blood stream)
	2	Falls management and reduction
	3	Pressure damage reduction
	4	Saving babies lives care bundle
	5	National Maternity incentive scheme
Effectiveness	1	Transfer of Care
	2	In-patient Sepsis Management
	3	Prescribing and Management of Antibiotics
	4	Right and Proper Nutrition and Hydration
	5	Seven day services
	6	Unwell patient management
Patient Experience	1	Proactive Dementia and Consistent Delirium management
	2	Embed the Learning disability improvement standards
	3	Mixed Sex Accommodation breach reduction

The first year of the quality strategy (2019/20) involved assessing our core services, supporting each priority area to identify aims and measures driven by national guidance and evidence based best practice and chose pilot wards, based on data analysis.

The second year of the quality strategy (2020/21) focused on continuing improvement and embedding and sustaining improvements that had already been made. The Covid-19 pandemic had an impact on fully achieving some of the Quality Strategy priorities although despite the impact of the pandemic the organisation has achieved majority of the priorities.

2.2 Quality Priorities for Improvement 2021-22

As part of development of the Trust's 2020/21 Quality Account, a members event was held on 24th February 2021 to update and engage our governors, staff and patient group representatives on progress with the Quality Strategy and to discuss and agree quality priorities for 2021/22.

This successful event enabled our stakeholders to pose questions and gain understanding on the impact of Covid-19 as well as learn about our achievements despite the pandemic. It is worth noting that some of the members commended the Trust on working hard to maintain provision of high quality care to patients during the pandemic.

Six priorities will continue into 2021/22, the remaining proprieties from 2020-21 will be monitored by other programmes of works

Quality Priorities 2021-22		
Domain	**No**	**Description**
Safety	1	**Falls management and reduction**
	2	**Pressure damage reduction**
Effectiveness	1	**Nutrition and hydration**
	2	**In-patient Sepsis Management**
Patient Experience	1	**Proactive Dementia Consistent Delirium management**
	2	**Develop and implement the Patient Experience Strategy**

2.3 Progress made with the 2020/21 priorities:

Below is progress update with the priorities set for 2020/21. Having set aims against the quality priorities the trust has demonstrated progress against all priorities although full achievement has not always been possible. Below is an example of some of our achievements.

Quality Domain: SAFE ***Partially Achieved*** **Priority 1 : Healthcare acquired infections have an impact on patient safety and experience, increasing their length of stay and risk of mortality. This also poses significant cost implications as a result of treating infections.**	
Hospital Acquired Infections **Healthcare-associated infections (HCAIs) can develop either as a direct result of healthcare interventions such as medical or surgical treatment, or from being in contact with a healthcare setting. Infection prevention and control is a key priority for the Trust**	Our Priority has been to work towards achieving: Zero Tolerance to MRSA. Reduction in Clostridium Difficile and not to exceed trajectory. 15% reduction in Gram negative Blood Stream infections (Escherichia coli (E. coli), Klebsiella, Pseudomonas

Quality Domain: SAFE ***Partially Achieved***

Priority 1 : Healthcare acquired infections have an impact on patient safety and experience, increasing their length of stay and risk of mortality. This also poses significant cost implications as a result of treating infections.

What did we achieve to date?

The Trust continues to show a lower level of all key hospital acquired infections, including MRSA bacteremia, C difficile and gram negative blood stream infections than in 2019-20.

We have refreshed and updated our Trust' Infection Prevention and Control (IPC) improvement plan and IPC Board Assurance Framework, both of which were approved by the Trust board.

Focused effort has been on addressing both short and medium term actions within the IPC improvement plan.Several wards have achieved a reduction in the infection rate as well as increased days in between a health care associated infection and received gold star awards as part of the Chief Nurse awards scheme.

What will we do in 2021/22 to continue this work

Continue to deliver the actions within the trust IPC improvement plan.

Strengthen and improve IPC processes and practices across the trust.

Continue to build knowledge and skills in IPC practices and demonstrate further reductions in health care associated infections.

A focused improvement project to reduce C.DIFF infection is a priority quality improvement for High Quality Care Programme Board

Quality Domain: SAFE ***Achieved***

Priority 2 : The focus is on addressing the variation in practice and improving the reliability of the bundle known to reduce the risk of in patient falls

Falls

Falls have a number of direct and indirect impacts on patients and hospitals.

Patients who fall in hospital can be harmed, require surgical intervention have an increase in their length of stay, lose confidence and have a greater reliance on long term social care.

Covid-19 affected falls prevention strategy, not only due to the clinical manifestation of the disease but by the infection control precautions required to nurse patients i.e. nursed in side rooms with door shut and reduced response time due to the donning of appropriate personal protective equipment (PPE).

The Trust has maintained the delivery of safe care demonstrating an 11% reduction in there number of falls. This has been achieved by maintaining attention to the Falls CRASH bundle particularly the investment in further falls prevention

Our Priority has been to work towards achieving:

95% Reliable implementation of falls CRASH bundle

12% Reduction in number of falls with harm

6% Reduction in total number of falls

Quality Domain: SAFE *Achieved*

Priority 2 : The focus is on addressing the variation in practice and improving the reliability of the bundle known to reduce the risk of in patient falls

equipment such as falls alarms and low level trauma trolleys.

What did we achieve to date?

To improve the reliability of the falls CRASH Bundle the trust

Completed lying and standing blood pressure competencies for pilot ward staff

Ensured all wards had 2 dedicated falls alarms improving accessibility to equipment

Increased our supply of falls sensor pads to accommodate those patients on the delirium pathway and who have a tendency to remove the clip and cord alarm

Trialled low level trauma trolley's in the Emergency Department to improve accessibility to equipment and the ability for patients to mobilise from the trolley safely.

Achieved an 11 per cent reduction in the number of falls with harm.

Consistently remained below the national average for inpatient falls per 1000 occupied bed days

What will we do in 2021/22

This priority will continue in 2021/22 and we will continue to identify areas of staff education and support to improve the reliability on lying and standing blood pressure.

Continue to embed the achievements and learning from 2020/21 work.

Continue to focus on further reduction of harm from falls.

Strengthen and improve processes and practices around fall management.

Continue to build knowledge and skills in IPC practices and demonstrate further reductions in health care associated infections.

Quality Domain: SAFE *Achieved*

Priority 3: The focus is on addressing the variation in practice and improving the reliability of the bundle known to reduce the risk of hospital acquired pressure ulcers.

Pressure damage reduction

Pressure ulcers can cause significant pain and distress for patients. They contribute to longer stays in hospital and increase the risk of complications, including infection.

We have achieved a 38.3% reduction of Pressure Ulcer incidents across the Quality Strategy pilot wards from a 133 to a reduction of 82 Hospital Acquired Pressure ulcers.

There has also been a reduction of 50% in category 3 pressure ulcers and a reduction of 25% in category 2 pressure ulcers.

The Quality Improvement Specialist Nurse advisor and Tissue Viability team have been supporting pilot wards to reliably implement the ASSKING care bundle

Our Priority has been to work towards achieving:

- 10% Reduction in Hospital Acquired Pressure Ulcers (Pilot Wards)
- 95% process reliability with ASSKINg bundle

Quality Domain: SAFE *Achieved* Priority 3: The focus is on addressing the variation in practice and improving the reliability of the bundle known to reduce the risk of hospital acquired pressure ulcers.
(Assess Risk, Skin assessment and skin care, Surface selection and use, Keep patients moving, Incontinence assessment and care, Nutrition and hydration assessment/support, Giving information). **The team were able to share learning at a successful multi-disciplinary BIG ROOM Event on reducing harm from pressure ulcers in July 2020 with a follow up session in September 2020.**
What did we achieve to date? **Pilot wards have demonstrated increase day between pressure ulcers receiving Chief Nurse awards with Sapphire ward achieving 230 days between a hospital acquired pressure ulcer.** **We held a successful multidisciplinary BIG Room event on reducing harm from pressure ulcers, including a follow up event 6 months later.** **Implementation of Quality and Safety Boards to display outcome (days between a pressure ulcer occurring) and process measures (ASSKINg bundle audit results)** **Pressure ulcer free days increasing across quality wards** **Reduction in total number of pressure ulcers** **Several wards achieving gold star awards for more than 150 days between pressure ulcer acquisition**
What will we do in 2021/22 **Continue to embed the achievements and learning from 2020/21 work.** **Continue to focus on further reduction of harm from Pressure Ulcers.** **Strengthen and improve processes and practices around management of Pressure Ulcers** **Continue to build knowledge and skills in nursing practices and demonstrate further reductions in the number of Hospital Acquired pressure Ulcers.** **We will continue monitoring reliability of the process to ensure improved outcome.** **This priority will continue in 2021/22 and we will continue to work towards achieving 95% reliability in ASSKINg care bundle.** **Continue to distribute questionnaires to pilot ward teams to ascertain barriers and challenges to implementing pressure ulcer prevention strategies. Results will guide focused improvement work including individualised training requirements.**

Quality Domain: SAFE *Partially achieved* **Priority 4 : The Saving Babies' Lives Care Bundle is a bold step towards introducing many evidence-based and policy recommendations in maternity care towards the goal of reducing stillbirth in the UK. The impact of stillbirth on parents and professionals is well known to anyone faced with such a sad event.**	
Saving babies lives care bundle: **Aims to provide detailed information for providers and commissioners of** **Maternity care on how to reduce perinatal mortality across England. The care bundle brings together five elements of care that are widely recognised as evidence-based and/or best practice:**	Our Priority has been to work towards achieving:
Reducing smoking in pregnancy: **The CCG have funded a smoking cessation midwife however COVID has meant ceasing Carbon monoxide (CO) monitoring.**	Reducing smoking in pregnancy: SATOD (smoking at time of delivery) remains at 17% which is comparably high however our population is a challenging one.
Risk assessment, prevention and surveillance of pregnancies at risk of fetal growth restriction (FGR): **Midwives continue to use fundal height measurements to identify FGR. Specialist fetal medicine clinics demonstrate good identification and outcomes**	Risk assessment, prevention and surveillance of pregnancies at risk of fetal growth restriction (FGR): Specialist fetal medicine clinics demonstrate good identification and outcomes
Raising awareness of reduced fetal movement (RFM):	Raising awareness of reduced fetal movement (RFM): • All women offered USS for RFM • Induction of labour for RFM (more than one occasions) • Safety messaging using social media and Mama maternity notes folders
Effective fetal monitoring during labour:	Effective fetal monitoring during labor: • Guideline review and development to introduce FIGO (International Federation of Gynaecology and Obstetrics) which is a more physiological approach. • Cases referred to Healthcare Safety Investigation Branch (HSIB) had a Cardiotogography (CTG) common theme. • CNST money used to commission whole day CTG MDT training

Quality Domain: SAFE ***Partially achieved***

Priority 4 : The Saving Babies' Lives Care Bundle is a bold step towards introducing many evidence-based and policy recommendations in maternity care towards the goal of reducing stillbirth in the UK. The impact of stillbirth on parents and professionals is well known to anyone faced with such a sad event.

Reducing preterm birth: **Saving babies lives care bundle, all elements of bundle five in place**	Reducing preterm birth: Continue to monitor and report as required by Clinical Negligence Scheme for Trusts (CNST)

What did we achieve to date?

This work is led by Head of Midwifery and Clinical Director supported by Maternity Services. Monitoring of this priority has been Maternity Transformation Board and is chaired by Chief Nurse and Quality Officer.

The Chief Nursing and Quality Officer has encouraged the Head of Maternity and Clinical Director through the Transformation Board to identify the areas of greatest focus and progress

1. **Reducing smoking in pregnancy:**
   - **New Euro king IT digital system should improve reporting of SATOD**
   - **Reinstate Co monitoring**
   - **Smoking cessation midwife to work with others in the LMS to improve referral rates to stop smoking services and to improve SATOD rates.**
2. **Risk assessment, prevention and surveillance of pregnancies at risk of fetal growth restriction (FGR):**
   - **Continue specialist clinics**
   - **Improve training for fundal height measurements**
   - **Utilise fetal welling midwives to support further improvements**
3. **Raising awareness of reduced fetal movement (RFM):**
   - **Continue to monitor**
   - **Utilise fetal welling midwives to support further improvements in the used of Dawes Redman**
4. **Effective fetal monitoring during labour:**
   - **Multi Discipline Team interactive working, COVID has made us rethink how we deliver training, a new approach to go live June 2020 using online training and video.**
   - **Challenges with funding for 20/21 training**
5. **Reducing preterm birth:**
   - **Continue to monitor and report as required by CNST**

What will we do in 2021/22 to continue this work

1. **Reducing smoking in pregnancy:**
   - **CO monitoring was paused during COVID and this will be reinstated in 2021**
   - **eLearning for all staff can now be accessed via ESR**
2. **Risk assessment, prevention and surveillance of pregnancies at risk of fetal growth restriction (FGR):**
   - **Recruitment to an 8a Sonographer post has been approved and support SBLv2 by complying with USS**
   - **Seeking funding support for Fetal Wellbeing Midwife Post through workforce paper as LMS funding ceases 31/03/2021and this role is critical to the success of this part of the bundle and also meets Okenden IEA**
3. **Raising awareness of reduced fetal movement (RFM):**

Quality Domain: SAFE *Partially achieved*

Priority 4 : The Saving Babies' Lives Care Bundle is a bold step towards introducing many evidence-based and policy recommendations in maternity care towards the goal of reducing stillbirth in the UK. The impact of stillbirth on parents and professionals is well known to anyone faced with such a sad event.

- **New CTG monitors being rolled out so that Dawes Redman is readily available for antenatal FH monitoring.**
- **Seeking funding support for Fetal Wellbeing Midwife Post through workforce paper as LMS funding ceases 31/03/2021and this role is critical to the success of this part of the bundle and also meets Okenden IEA**

4. **Effective fetal monitoring during labour:**
   - **New risk assessment introduced with associated training**
   - **MDT training in place to meet NHSR guidance and Okenden IEA**
5. **Reducing preterm birth:**
   - **Funding for antenatal booking MSU approved**
   - **PReSept now fully imbedded**

Quality Domain: SAFE *Achieved*

Priority 5 : The maternity incentive scheme supports the delivery of safer maternity care through an incentive element to trusts contributions to the CNST.

National Maternity incentive scheme **The maternity incentive scheme supports the delivery of safer maternity care through an incentive element to trusts contributions to the Clinical Negligence Scheme for Trusts (CNST) CNST.**	Our Priority has been to work towards achieving: • Safety action 1: National Perinatal Mortality Review Tool to review perinatal deaths to the required standard • Safety action 2: Maternity Services Data Set (MSDS) to the required standard • Safety action 3: Transitional care services to support the recommendations made in the Avoiding Term Admissions into Neonatal units Programme • Safety action 4: Effective system of clinical* workforce planning to the required standard • Safety action 5: Effective system of midwifery workforce planning to the required standard? • Safety action 6: Compliance with all five • Safety action 7: Mechanism for gathering service user feedback, and that you work with service users through your Maternity Voices Partnership to coproduce local maternity services • Safety action 8: At least 90% of each maternity unit staff group have attended an 'in-house' multi-professional maternity emergencies training session within the last training year • Safety action 9: Trust safety champions (obstetrician and midwife) are meeting

Quality Domain: SAFE *Achieved*

Priority 5 : The maternity incentive scheme supports the delivery of safer maternity care through an incentive element to trusts contributions to the CNST.

bimonthly with Board level champions to escalate locally identified issues

- Safety action 10: 100% of qualifying cases to HSIB and (for 2019/20 births only) reported to NHS Resolution's Early Notification (EN) scheme?

What did we achieve to date?

- **The Chief Nurse and Quality Officer commissioned a map and gap assessment on achievement against CNST standards which was completed to inform focused areas of priority board that was reported to the Executive Team, Quality Assurance Committee (QAC) as well as the Trust board.**
- **Completed the Board declaration form, and met all 10 safety actions and received 10% CNST premium**
- **Continued to monitor all safety actions and report to CNST by the required deadlines**

What will we do in 2021/22 to continue work on this

- **NHS Resolution is operating a third year of the Clinical Negligence Scheme for Trusts (CNST) maternity incentive scheme to continue to support the delivery of safer maternity care. A Task & Finish group commenced October 2020, and there has been good progress on year three data submission which is due July 2021. A CNST support role has been included in the workforce review to ensure successful CNST submissions in a timely manner.**

Quality Domain: EFFECTIVE *Achieved*

Priority 1 : To reduce transfer of care concerns. Improving transfer of care is a priority for the health and care systems and a commitment of the NHS Long Term Plan. People may spend longer in hospital than they need to, or not receive the support they need after discharge.

Transfer of patient care

Delayed transfers of care are currently a significant concern to patients and staff in the health and care system. Longer stays in hospital are associated with increased risk of infection, low mood and reduced motivation, which can affect a patient's health after they've been discharged and increase their chances of readmission to hospital.

In August 2020 the Dept. Health and Social Care published the Hospital Discharge Service: Policy and Operating Model. This document sets out the requirements relating to hospital discharge of patients for all health and social care providers in

Our Priority has been to work towards achieving:

Reduction in the number of delayed transfers of care concerns

- Since January 2021 MFT has been delivering a transformation programme to improve our patient discharge processes. We have seen an improvement in the number of patients discharged before noon and also a significant increase in the numbers of patients discharged at the weekend with an overall reduction in length of stay in an acute bed. The programme aims to continue to improve patient experience and improve patient outcomes by reducing the time spent in an acute setting.
- We have been focusing on improving discharges.

Quality Domain: EFFECTIVE *Achieved* **Priority 1 : To reduce transfer of care concerns. Improving transfer of care is a priority for the health and care systems and a commitment of the NHS Long Term Plan. People may spend longer in hospital than they need to, or not receive the support they need after discharge.**	
England. MFT have been working with our community and council partners to implement this operating model and build our discharge processes around this guidance.	• We have further developed our Early Supported Discharge initiatives to enable our patients to be clinically monitored remotely in their place of residence. This reduces the time spent in an acute hospital setting and gives our patients reassurance that we can enable them to safely go home with the appropriate level of wrap around clinical care. Improvement in integrated working across health and social care to reduce delayed transfers of care. • The Medway and Swale Integrated Care Partnership (ICP) have a number of programmes to enhance and improve patient pathways through integrated discharge processes. The Covid Pandemic required us to find additional capacity across our acute bed base at pace. To enable us to do this we needed to collaborate with our partners in community healthcare and the local authority to reduce barriers to effective transfers of care. The local Health and Social Care system across Medway and Swale implemented changes to discharge pathways, to utilise government changes to social care funding due to the pandemic, and reduced delays in transfer of care for patients across the discharge pathways.
What did we achieve to date • **Improved staff engagement with regard to discharge pathways, barriers and frustrations.** • **Working with our ward teams to develop, agree and define processes to support consistent board rounds and pre-planning the patient discharge journey.** • **Encouraging appropriate discharge decisions by ensuring access to advise and support through the appropriate pathways** • **Reduced LOS for +7 and +14 days** • **Improved numbers of patients discharged over the weekend** • **Improved percentage of patients discharged before noon** • **Improved hospital flow which in turn supports improvement to overall hospital performance**	
What will we do in 2021/22 • **Initiation of a working group with Senior Community Stakeholders for quality improvement focus on our patient discharge process and improving collaboration with our community partners.**	

Quality Domain: EFFECTIVE *Partially Achieved*

Priority 2 : Focus on improving reliable recognition, escalation and prompt management of patients with sepsis

In-patient Sepsis Management

Sepsis can be triggered by any infection, but commonly occurs in response to bacterial infections of the lungs, urinary tract, abdominal organs or skin and soft tissues. If caught early, outcomes are excellent. Left unchecked, patients are likely to spiral to multi-organ failure, septic shock and die. It's estimated that, every year, sepsis costs the NHS £2 billion and claims the lives of at least 52,000 people.

Our Priority has been to work towards achieving:

- 95 % compliance with Sepsis 6 bundle.
- 90% of patients to have antibiotics within one hour of red flag trigger in patients referred to ART Team.

What did we achieve to date?

- **Significant improvement in antibiotic being given within 1 hour**
- **Compliance with Sepsis 6 Bundle consistently met**
- **Patient Group Directive to enable ART and ED nurses to prescribe antibiotics (Co -amoxiclav and gentamycin) near completion.**
- **Development of SEPSIS e-learning bundle**

What will we do in 2021/22 to continue this work

- **Continue measuring both processes and outcomes and ensuring Sepsis management remains a top priority for the organisation**
- **Continue embedding use of Sepsis Care Bundle**
- **Continue monitoring Sepsis related incidents and track outcomes**
- **Improve use of written information about symptoms for people with suspected sepsis discharged form Emergency Department**

Quality Domain: EFFECTIVE *Partially Achieved*

Priority 3: The focus is addressing the inconsistent approach to appropriate initial prescribing and reliable review of antibiotics

Prescribing and Management of Antibiotics:

Generally, antimicrobial resistance has risen which has led to increased pressure on existing antibiotics and greater challenges in treating patients. Ensuring patients receive the right antimicrobial which is prescribed and reviewed in line with national guidance will reduce the risk to patients of colonisation and infection with resistant organisms and subsequent transmission to other patients.

Our Priority has been to work towards achieving:

- Right antibiotic- first time
  - A (compliant, Target 100%) = Prescribed correctly In line with microguide/Trust policy.
  - B (appropriate, Target- less than 30% of all anti microbials) = Deemed appropriate to treat infection diagnosed but deviates from the Trust microguide.
  - C (non-compliant, Target- 0%) = Not appropriate and not in line with Trust microguide.
  - Reliable review of antimicrobial agents
  - Daily review for patients on antibiotics
  - Improved engagement and ownership to initiate timely review

Quality Domain: EFFECTIVE ***Partially Achieved***

Priority 3: The focus is addressing the inconsistent approach to appropriate initial prescribing and reliable review of antibiotics

- Improved reliability in prescribing and review on pilot wards

What did we achieve to date?

- **A consultant microbiologist ward round has been instated which reviews the use of restricted antimicrobials by visiting the ward with the antimicrobial pharmacist and discussing each prescription with the relevant medical team.**
- **Initiation of weekly antimicrobial safety huddle by the ward pharmacist**
- **We have refreshed a PIR approach to ensure timely review of infections with emerging themes identified that relate to antimicrobial prescribing**

What will we do in 2021/22 to continue this work

- **Ongoing monitoring of antimicrobials through the point prevalence audit which will be carried out by pharmacy team every 3 months to ensure appropriate prescribing and review of antimicrobial prescriptions Trust wide.**
- **Roll out via online learning of antimicrobial resistance online module to all medical, nursing and pharmacy clinical staff.**

Quality Domain: EFFECTIVE ***Partially Achieved***

Priority 4 : The focus is on improving the current levels of compliance with assessment, screening and implementation of a person centred care plan to address patient's hydration and nutritional needs

Right and Proper Nutrition and Hydration

Malnutrition is a common problem in the elderly population and can impact on morbidity and mortality, treatment, length of stay and patient outcomes.

Many of our patients have a higher risk of malnutrition, for example those undergoing major surgery, those with underlying medical conditions and those at the end of their life. Supporting our at risk patients is vital to aid recovery and maintain comfort.

A Malnutrition Universal Screening Tool (MUST) is used to measure the hydration and nutritional needs of every patient. In December 2019 compliance was 33 percent with improvements to date ranging to 80 percent compliance.

The Trust has demonstrated a significant improvement in timely and correct nutritional assessments. The Dieticians

Our Priority has been to work towards achieving:

- 95% process reliability with completed MUST score within 24 hours of admission in Pilot Wards.
- 95% of patients to have a nutritional care plan in place following screening.
- Protected meal times.
- % staff have completed nutrition and hydration training on ESR.
- Achievement of food standards.

Quality Domain: EFFECTIVE *Partially Achieved*

Priority 4 : The focus is on improving the current levels of compliance with assessment, screening and implementation of a person centred care plan to address patient's hydration and nutritional needs

were able to share learning at a successful multi-disciplinary BIG ROOM Event on nutrition and hydration in September 2020 with a follow up event planned when COVID-19 restrictions end.

What did we achieve to date?

- **We continued to improve the assessment of MUST within 24 hours of admission**
- **We improved the correct MUST score being calculated by ensuring a patients previous weight was accurately recorded**
- **Collaborative working with catering manager to transform meal service**

What will we do in 2021/22

- **Work is required to ensure patients have MUST completed within 24 hour admission.**
- **We will continue to improve nutrition and hydration training as recorded on our Electronic Staff Record (ESR)**
- **We will continue to improve nutritional assessment and referral to Dietician**
- **Nutrition and hydration will continue to be a priority for 2021/22, and has been added to the 2021/22 priority list**

Quality Domain: EFFECTIVE *Partially Achieved*

Priority 5 : Focusing on the 7 Day Hospital Service to tackle the variations in outcomes for patients admitted into hospitals as an emergency

7 Day Hospital Service

The 7 Day Hospital Services (7DS) Programme is a nationally driven Quality Improvement initiative and supports providers of acute services to tackle the variation in outcomes for patients admitted to hospitals in an emergency, at the weekend across the NHS in England. It stems from an initial perspective that patients admitted over the weekend were at a greater risk of dying than patients admitted during the week. The emphasis on the initiative is now more about reducing variation in care over the seven days for better patient experience, reduced LOS (length of stay) and readmissions, and possibly improved patient outcomes such as mortality.

There are ten standards in total the hospital has been working on the four standards as highlighted in the Quality

Our Priority has been to work towards achieving:

- Standard 2: Time to Consultant Review
- Standard 5: Diagnostics
- Standard 6: Consultant Directed Interventions
- Standard 8: On-going review in high dependency areas

Quality Domain: EFFECTIVE ***Partially Achieved***

Priority 5 : Focusing on the 7 Day Hospital Service to tackle the variations in outcomes for patients admitted into hospitals as an emergency

Improvement initiative priories from NHS England.

What did we achieve to date?

Standard 2: Further adjustments to consultant job plans – in particular providing two consultants to cover both the medical and frailty takes at the weekend. Working patterns should support the delivery of the consultant review standard, but formal audit would be needed to confirm this (particularly for the 'twilight' admissions who have proved difficult to see within the required timescales previously)

Standard 5: no change to previously reported position - Access to consultant directed diagnostics - Assessment based on weekday and weekend availability of six diagnostic tests to appropriate timelines, either on site or by formal arrangement with another provider.

Standard 6: no change to previously reported position - Access to consultant-led - Assessment based on weekday and weekend availability of nine interventions on a 24-hour basis, Interventions either on site or by a formal arrangement with another provider

Standard 8: Recent audit demonstrates low compliance with reviews of patients at the weekend. Newly admitted patients are seen by a consultant on the post take day, but then will often not be seen unless they are being cared for in certain specific areas (critical care, McCullough, Lister, Sapphire) or by certain specific teams (urology). Patients managed on downstream medical or frailty wards are generally not seen by a consultant at the weekend even if their medical condition suggests that this should happen. There has been no fundamental change to job plans to support weekend ward cover apart from a move to seven day cover rotas for every ward during Wave 1 of COVID (these rotas were in place for 2 months). This issue requires further review with medical teams to consider redistribution of work in order to provide a greater consultant and junior doctor presence at the weekend.

What will we do in 2021/22

Seven day service will continue to be implemented and monitored and by a different work programme.

Quality Domain: EFFECTIVE ***Partially Achieved***

Priority 6: Focus on reducing avoidable cardiac arrests which correlates with improvement in the reliable recognition and response to deteriorating patients and escalation process for patients who deteriorate.

Unwell patient management

Identifying deterioration early and escalating appropriately can allow prompt treatment to reduce the duration and severity of subsequent illness and in can reduce harm and prevent cardiac arrest.

Our Priority has been to work towards achieving:

- Reliable recognition and response to deteriorating patients.
- Reduction in avoidable cardiac arrests.
- Reduction in harm from unsafe transfers
- Reliable escalation process for the deteriorating patient.

What did we achieve to date?

- **The trust is now below national average for cardiac arrest.**

Quality Domain: EFFECTIVE ***Partially Achieved***

Priority 6: Focus on reducing avoidable cardiac arrests which correlates with improvement in the reliable recognition and response to deteriorating patients and escalation process for patients who deteriorate.

- **Anaphylaxis E-learning package: Anaphylaxis package has been created and approved, and added as mandatory training on ESR for all Doctors and registered practitioners in order to raise awareness of recognition and correct management of anaphylaxis with the aim of reducing the number of adverse incidents relating to anaphylaxis.**
- **Resus training compliance has improved staff awareness of when and how to escalate.**
- **Monitoring of adult and paediatric 2222 calls has enabled the Resus service to isolate areas requiring improvement and implement an action plan to address; this is monitored via the Trusts Resuscitation and Acute Deterioration Group (RADG).**
- **Improvement in National Cardiac Arrest Audit (NCAA) report December 2019 demonstrates that the Trust is now below the national average for ward cardiac arrests**

What will we do in 2021/22

- **Continue to improve recognition and response to deteriorating patients training with an increased focus on mandatory training.**
- **Continue to monitor by auditing and reporting of the root cause of all adult and paediatric 2222 calls on a daily basis, highlighting areas of improvement, via the Trusts NIHRation and Acute Deterioration Group (RADG).**
- **Plan to increase institute simulations on ward areas to target wards which require improvement in recognition and escalation of the deteriorating patient. Rolling programme to be implemented by the Resuscitation Service in conjunction with the Simulation department, this will also be monitored by the Trusts Resuscitation and Acute Deterioration Group (RADG).**

Quality Domain: PERSON CENTRED ***Partially Achieved***

Priority 1: The focus is addressing the inconsistent approach to person centred care for patients living with dementia and improving the variation in the reliable management and care planning. The focus is addressing the lack of reliable recognition and management of patients with delirium.

Proactive Dementia Management and Consistent Delirium
Every year, around a quarter of people with dementia will have at least one unplanned hospital admission.

Once in hospital, people with dementia have a longer length of stay and are at greater risk of harm.

Delirium has a rapid onset, and is a serious condition. People with delirium (particularly those who are frail, elderly and have cognitive impairment) are at risk of poor outcomes, increased patient safety risks and poor experience with a

Our Priority has been to work towards achieving:

- Reliable identification of patients living with Dementia.
- Reduction in avoidable harm.
- Reduction in length of stay.
- 95% reliability with Dementia care plan in pilot wards
- 95% of patients in pilot wards are reliably assessed using 4AT.
- 95% of patients with delirium have a completed delirium care plan.

Quality Domain: PERSON CENTRED *Partially Achieved*

Priority 1: The focus is addressing the inconsistent approach to person centred care for patients living with dementia and improving the variation in the reliable management and care planning. The focus is addressing the lack of reliable recognition and management of patients with delirium.

significantly longer length of stay in hospital when compared to non-delirious patients.

Reduced visitors and carers on site during the COVID -19 pandemic provided challenges in completing the person centred "This is me" document. Collaboration with the Dementia Buddy team enabled family/carers to be contacted at home to complete the document allowing nursing staff to concentrate efforts with hands on care. Activity packs were also initiated to engage patients and provide a more structured approach to occupying their time during their hospital stay.

What did we achieve to date?

- **We have been focusing on reliable recognition and management of patients with dementia and delirium with improvements noted and further focus areas identified.**
- **Collaboration with Dementia Buddies to improve completion off "This is me" document since reduced relative/carer visiting during Covid-19 pandemic**
- **Piloted This is me Boards and initiation of activity packs**
- **4AT(Assessment Tool) delirium screening tool has been made available digitally**
- **Delirium competence document initiated for staff.**
- **4AT competence document initiated for staff.**

What will we do in 2021/22

- **Continue to improve compliance with the Dementia Care Bundle through audit, competency assessments, training 'Butterfly Champions' (Dementia link workers) and re-establishing face-to-face dementia awareness training.**
- **We should be focusing on reliable implementation of Delirium Care Bundle including the 4AT memory test.**
- **Hold a successful multidisciplinary BIG Room event on care for patients living with Dementia**

Quality Domain: PERSON CENTRED *Partially Achieved*

Priority 2 : The focus is on improving knowledge and understanding related to the complexities of the learning Disability syndrome. Improved data collection on use of passport and implementing if appropriate

Embed the Learning disability improvement standards

People with learning disabilities are more likely to have health problems than the general population and die younger.

Our Priority has been to work towards achieving:

- Every patient living with a Learning Disability will have a Passport in place if required.

Quality Domain: PERSON CENTRED *Partially Achieved* **Priority 2 : The focus is on improving knowledge and understanding related to the complexities of the learning Disability syndrome. Improved data collection on use of passport and implementing if appropriate**	
Consequently, they are admitted to hospital more often than other people, allowing for their age, and tend to stay longer.	• Every patient living with a Learning Disability will have a "Flag" added to the Bed Management System once a decision to admit has been made. • Achievement of trajectory for clinical staff to receive 85% staff will receive learning Disability awareness training in Year one (then review). • Achievement of trajectory for clinical staff to receive specific Learning Disability Training (10% year 1, 20% year 2 and 50% year 3.). • Trust to have "Changing Places" Toilet by March 2021.
What did we achieve to date? • **90 per cent improvement since January 2020 that those patients requiring a hospital passport will have one.** • **50 per cent improvement ensuring that patients are identified quickly and prompt assessment by Learning Disability nurses** • **Changing room Project underway**	
What will we do in 2021/22 to continue this work • **Aim to have Changing Places toilet plan and location agreed and construction started** • **Continue to improve percentage of staff trained in Learning Disability Care**	

Quality Domain: PERSON CENTRED *Partially Achieved* **Priority 3 : To improve patient experience of care by reducing the number of mixed sex accommodation breaches**	
Mixed Sex Accommodation breach reduction **The trust has made demonstrable improvements in reducing breaches in general inpatient wards but remains challenging for intensive care unit and Same Day Emergency Care**	Our Priority has been to work towards achieving: • A reduction in the number of mixed-sex accommodation breaches
What did we achieve to date? • **During the first 9mths of 2020 there was a reduction in breaches of patients being cared for in same sex accommodation, there was a spike in numbers during Nov 20-Jan21, and this was due to the pressures on the organisation during the 2nd Covid 19 pandemic wave.** • **Continued to ensure privacy and dignity maintained within critical care and information provided to patients, relating to being in mixed sex accommodation.**	
What will we do in 2021/22 to continue this work	

Quality Domain: PERSON CENTRED *Partially Achieved*
Priority 3 : To improve patient experience of care by reducing the number of mixed sex accommodation breaches
• **We will continue to focus on reducing the number of same sex breaches, continuing to highlight breaches at the thrice daily site meetings with the expectation placement of these patients is prioritised alongside patients being admitted to the wards.** • **Continue to work on work streams and programmes to monitor same sex accommodation and reduce the number of breaches**

Statements of assurance from the board

Review of Services

During 2020/21 the Medway NHS Foundation Trust provided and/or sub-contracted 50 relevant health services.

The Medway NHS Foundation Trust has reviewed all the data available to it on the quality of care in 50 of these relevant health services.

The income generated by the relevant health services reviewed in 2020/21 represents 100 per cent of the total income generated from the provision of relevant health services by Medway NHS Foundation Trust for 2020/21.

Participation in Clinical Audits 2020/21

During 2020/21, forty nine national clinical audits and one national confidential enquiry covered relevant health services that Medway NHS Foundation Trust provides.

The national clinical audits and national confidential enquiries that Medway NHS Foundation Trust participated in, and for which data collection was completed during 2020-21, are listed below alongside the percentage number of cases submitted to each audit or enquiry.

National Clinical Audits and National Confidential Enquiries

Audit Title	Participation	Percentage of required number of cases submitted
BAUS Urology Audit – Renal Colic	N	Data collection suspended *
BAUS Urology Audit – Radical Nephrectomy	N	Data collection suspended *
National Audit of Cardiac Rhythm Management Devices and Ablation (CRM)	Y	100%
Case Mix Programme (CMP)	Y	100%
Elective Surgery (National PROMs Programme)	Y	100%
Falls and Fragility Fracture Audit Programme (FFFAP) National Audit of Inpatient Falls	Y	100%
Falls and Fragility Fracture Audit Programme (FFFAP) - National Hip Fracture Database	Y	100%

Audit Title	Participation	Percentage of required number of cases submitted
Falls and Fragility Fracture Audit Programme (FFFAP) Fracture Liaison Service Database	Y	100%
Falls and Fragility Fracture Audit Programme (FFFAP) Vertebral Fracture Sprint Audit	Y	Data collection delayed *
Inflammatory Bowel Disease Registry	N	N/A
Learning Disability Mortality Review Programme (LeDeR)	Y	100%
Major Trauma Audit (TARN)	Y	70%
Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis)	Y	TBC
Mandatory Surveillance of HCAI	Y	TBC
Myocardial Ischaemia National Audit Project (MINAP)	Y	100%
National Asthma and COPD Audit Programme - COPD Secondary Care Audit	Y	100%
National Asthma and COPD Audit Programme - Adult Asthma Secondary Care Audit	Y	100%
National Audit of Breast Cancer in Older People	Y	100%
National Audit of Care at the End of Life (NACEL)	Y	100%
National Audit of Dementia (NAD)	Y	Data collection delayed to June 21
National Audit of Percutaneous Coronary Interventions (PCI) – Angioplasty	Y	100%
National Audit of Seizures and Epilepsies in Children and Young People (Epilepsy 12)	N	Trust not participating
2021 Audit of the perioperative management of anaemia in children undergoing elective surgery	N	Audit postponed to May 2021
National Bowel Cancer Audit (NBOCA)	Y	100%
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis (NCAREIA)	Y	Figure not available – currently collecting data
National Diabetes Audit - Inpatient Audit	Y	100% - demographic data only required
National Diabetes Foot Care Audit	Y	100%
NaDIA-Harms – reporting on diabetic inpatient harms in England	N	Trust did not participate during COVID-19
National Emergency Laparotomy Audit (NELA)	Y	100%
Perioperative Quality Improvement Programme (PQIP)	Y	100%

Audit Title	Participation	Percentage of required number of cases submitted
National Heart Failure Audit	Y	100%
National Joint Registry (NJR), Hips, Knee, Elbow, Shoulder	Y	100%
National Lung Cancer Audit (NLCA)	Y	100%
National Maternity and Perinatal Audit (NMPA)	Y	100%
National Neonatal Audit Programme (NNAP)	Y	100%
National Oesophago-gastric Cancer (NAOGC)	Y	100%
National Paediatric Diabetes Audit (NPDA)	Y	100%
National Pregnancy In Diabetes (NPID)	Y	100%
National Prostate Cancer Audit (NPCA)	Y	100%
National Vascular Registry	Y	100%
Paediatric Intensive Care (PICANet)	N	N/A
Sentinel Stroke National Audit programme (SSNAP)	N	NA
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance	Y	100%
Society for Acute Medicine Benchmarking Audit (SAMBA)	N	Trust did not participate
Surgical Site Infection Surveillance Service	Y	100%
Fracture Neck of Femur (Care in Emergency Departments (RCEM)	Y	138 (100%)
Infection Control (Care in Emergency Departments) (RCEM)	Y	127 (100%)
Pan in Children (Care in Emergency Departments (RCEM)	Y	Figure not available – currently collecting data
Cleft Registry & Audit Network (CRANE)	Y	100%

*Please note not all national audits were open for participation as data collection was suspended or delayed due to pressure on clinical teams during the Covid 19 pandemic.

National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Participation	Percentage of required number of cases submitted
Dysphagia in Parkinson's Disease	Y	100%

The published reports of six national clinical audits were reviewed by Medway NHS Foundation Trust in 2020/21 and the Trust intends to take the following actions to improve the quality of healthcare provided.

Audit Title	Actions
National Audit of Inpatient Falls audit report 2020	• Quality and Safety Boards have been trialled on 4 wards which displays days between data with the date the last incident occurred. This will provide assurance that during huddles staff can use the board to ensure the data is correct and all incidents have been reported. Boards are currently being ordered for adult acute areas. Speciality areas such as maternity will be reviewed to order Boards which display relevant data • All slings hoists now have a laminated sign warning staff NOT to use if clinical signs of hip fracture or spinal injury are apparent. • Develop e-learning package that will have a learning section on care after an inpatient fall to incorporate all recommendations.
National Perinatal Mortality Review tool – second annual report	• Review bereavement support offered to parents who have lost their baby in NNU. • Improve administrative support for mortality reviews in NICU as currently the resource available is insufficient with the workload generated from these reviews. • Ensure that neonatal PMRT reviews have the minimal required number of staff attending the reviews. Discuss with Kent CDOP manager the logistics of inviting external mortality lead member to support local review meetings. • Action plans if issues in care had been identified are collected regularly following PMRT reviews. These are added to the neonatal governance action plans and monitored. Any audits or QI identified will be added to the QI project lists.
MBRRACE UK Perinatal Confidential Enquiry, Stillbirths and neonatal deaths in twin pregnancies	• Start simulation sessions involving twin deliveries in neonates including various gestations
National Neonatal Audit Programme 2020 Annual report on 2019 data	• Review British Association of Perinatal Medicine (BAPM) Normothermia (core body temperature) Toolkit and implement any changes if required • Perform audit on admission temperature Jul-Dec 21 • Baby Friendly Initiative (BFI) preparation for stage 2 assessment • Implement BAPM optimisation toolkit program to improve admission temperature,

Audit Title	Actions
	delayed cord clamping and respiratory management
National Prostate Cancer Audit Variation in the treatment of men with high-risk/locally advanced prostate cancer in England – short report	• It was reflected that decisions regarding treatment do not get influenced by age or other bias as previously and consider overall patient fitness for treatment. The department will continue to practice these principles

National Hip Fracture Database (NHFD) Annual report 2020	• To improve time to surgery for patients with hip fractures
	  ○ Expansion of orthopaedic consultants and consultant led trauma list from 8 am
	  ○ Additional trauma theatre slot to accommodate trauma and hip fracture patients
	  ○ Clear anaesthetic policy regarding cancellation of hip fracture patients
	  ○ Standardised policy for patients on anti-coagulants
	  ○ Patients adequately prepared for surgery
	• To improve post-op mobilisation after hip fracture surgery
	  ○ 7 days a week physiotherapy services
	• To improve discharge of patients to their original homes or care homes
	  ○ MDT regarding discharge planning
	• To improve NICE compliant surgery
	  ○ Awareness/education regarding adequate pre-operative assessment and use of appropriate implants and prosthesis in compliance with NICE guidelines for hip fractures

Local Audits

Clinical audit drives improvement through a cycle of service review against recognised standards, implementing change as required. We use audit to benchmark our care against local and national guidelines so we can put resource into any areas requiring improvement; part of our commitment to ensure best treatment and care for our patients. Over the 2020/21 year there were 254 local audits undertaken, any action plans are reviewed through local audit meetings and logged centrally.

Examples of the action to improve the quality of healthcare provided include:
1920.002N - Relationship between core needle biopsy type and the accurate diagnosis of screen-detected micro-calcifications, carried out by the Breast Care Unit, and Diagnostic accuracy of 14G was 96.4% and that of 10G VAB was 93.6%. This indicates a marginally better diagnostic accuracy with 14G needle compared to 10G VAB. Statistical analysis found no significant relationship between CNB type and diagnostic accuracy (P=0.211). The key actions to improve diagnostic accuracy by the team include: **Practitioners to record data on National Breast Screening Service (NBSS) about procedures they carried to improve accuracy of data recording.** **Advanced practitioners to strictly adopt sampling protocol which emphasizes further sampling where non-representative or no MCC is seen on the X-ray specimen (except where it is physically impossible, the patient faints or there are complications which hinder further sampling) and adopt 10G VAB excision protocol for sampling where a B3 lesion is suspected (except when there are contra-indications preventing the use of 10G VAB). The team to develop a proforma for the advanced practitioners to use to log cases where 10G is used instead of 14G CNB.**
1920.148N - Assessing the prevalence of sarcopenia and nutritional status in individuals admitted with fractured neck of femur at MMH. Carried out by Geriatric Medicine, the review showed that Sarcopenia and frailty were detected in a high proportion of fracture NOF individuals who were also at risk of malnutrition and inpatient complications, with a longer inpatient Length of Stay, a handheld dynamometer can be used as a simple practical tool for detecting sarcopenia in this group. This allows effective strategies such as nutritional supplementation, mobilisation and individualized exercise regime to be started early, delivered as part of a multidisciplinary intervention. The key action from the audit concluded that all patients admitted with fractured NOF to be assessment for sarcopenia and where required nutritional supplements prescribed and referral made to dietitian.
2021.042N - Documenting DNACPR decisions on Electronic Discharge Notification (eDN), carried out by the Care of the Elderly programme, and reviewed the recording of DNA CPR decision on eDN, the findings showed that recording of DNA CPR decisions on eDN is being recorded, but not all in the same sections. After extensive discussions it was decided not to add an extra box or text to eDN as it was felt that this might lead to mistakes. It was agreed that departmental induction should specifically cover the subject of documenting DNAR decisions on eDNs.
2021.075N Paediatric diabetes transition to adult service, carried out by the Paediatric team to review the number of appointments offered to paediatric diabetic children, and the number of DNA patients, and to identify if there is any relation between regular attendance to clinics and glycaemic control. The findings showed that 50% of appointments were not attended. The key actions to, offer telephone consultations, video clinics, appointment reminders and offer children to attend without their parents, adult service to include patients under insulin pump therapy in the transition clinic, annual meetings to review transition planning, offer appointments every 3 months to support the transfer from children to adult services.
2021.124N Eye Care in Intensive Care Unit, carried out by the Critical Care Unit, as Ocular surface diseases (OSD) affect up to 60% of patients in Intensive Care Unit (ICU). The audit reviewed current practice, identify high risk patients and formulate guidelines for prevention and management. The audit found that eye care was being carried out; however there was a lack of clear guidelines and documentation. The key action is to, educate doctors and nurses on Eye care protocol via Metavision, and update Metavision to promote better documentation of eye examination and eye care.

Participation in Clinical Research

The number of patients, receiving relevant health services provided or sub-contracted by Medway NHS Foundation Trust, that were recruited during the period 2020/2021 to participate in research approved by the Health Research Authority was 6,357.

Medway NHS Foundation Trust has a commitment to research as a driver for improving the quality of care and patient experience. The Trust is actively involved in research supported by the National Institute for Health Research (NIHR). The Trust Research & Innovation (R&I) strategy is linked to specialty priorities agreed by the Department of Health (DoH) and NIHR.

The comparative data shows NIHR requirement target and actual recruitment figures of Medway NHS Foundation Trust. The Trust has exceeded recruitment targets for previous years with the exception of 2017/18, where the recruitment target set was overestimated based on the projected activity of a large-scale trial in Fetal Medicine Unit. The recruitment target set for 2020/2021 was in line with agreed projects and the high recruitment figure for 2020/2021 is comparable to other previous years' attainment figures.

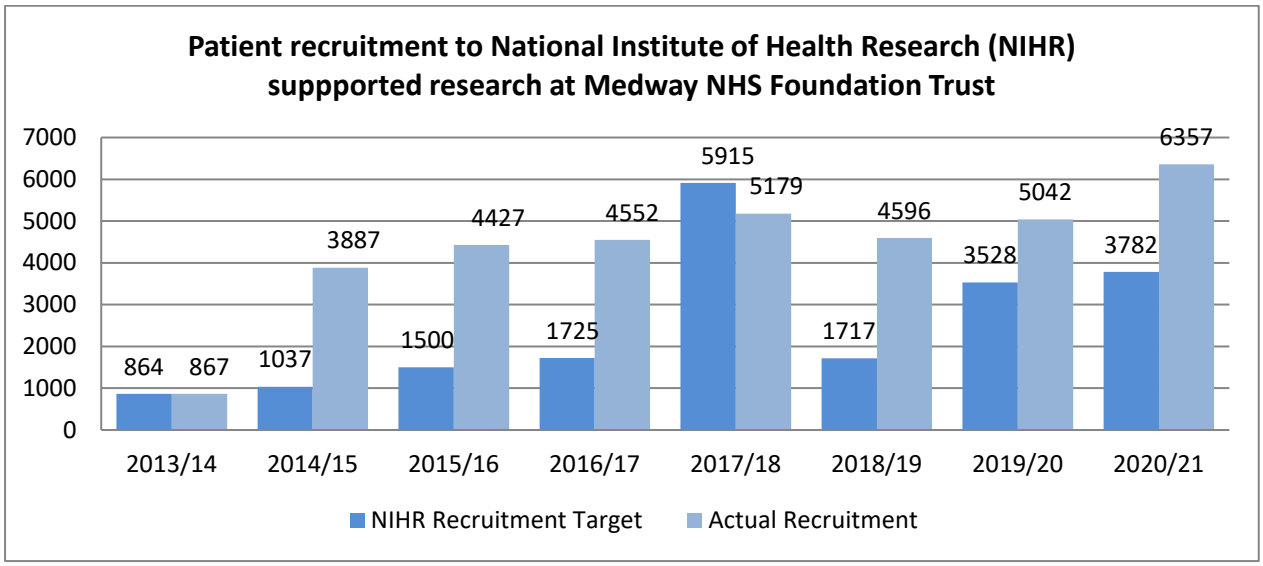


Figure.1. the annual recruitment target and the actual number of patients recruited into the NIHR adopted studies between 1 April 2013 and 31March 2021.

Staff at Medway NHS Foundation Trust stays abreast of the latest treatment possibilities through active participation in many different types of research which leads to successful patient outcomes. For the period 2020/2021, there were a total of 130 research studies conducted at Medway NHS Foundation Trust, including staff undertaking MSc final year dissertations. For the same period, the Trust took part in 110 NIHR supported studies, including 37 cancer specialty studies.

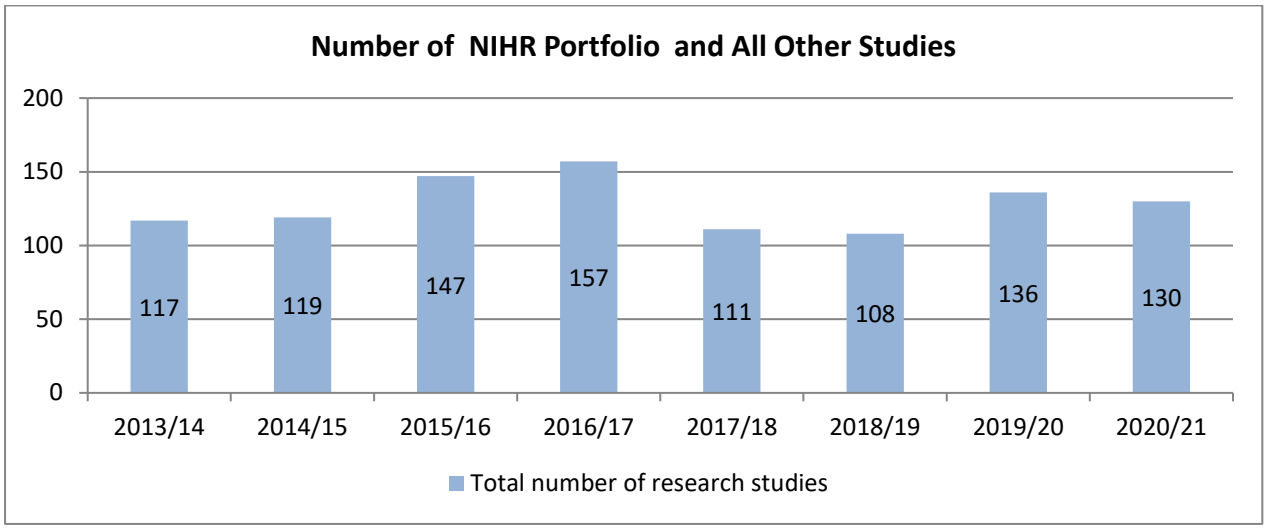


Figure.2. the number of studies that Medway NHS Foundation Trust participated in between 1 April 2013 and 31 March 2021.

Conducting research requires commitment from staff and there were approximately 166 clinical staff participating in research approved by the Health Research Authority at Medway NHS Foundation Trust between 1 April 2020 and 31 March 2021.

Staff participating in research covers 22 disease specialties including studies looking into Urgent Public Health Research such as COVID-19 studies.

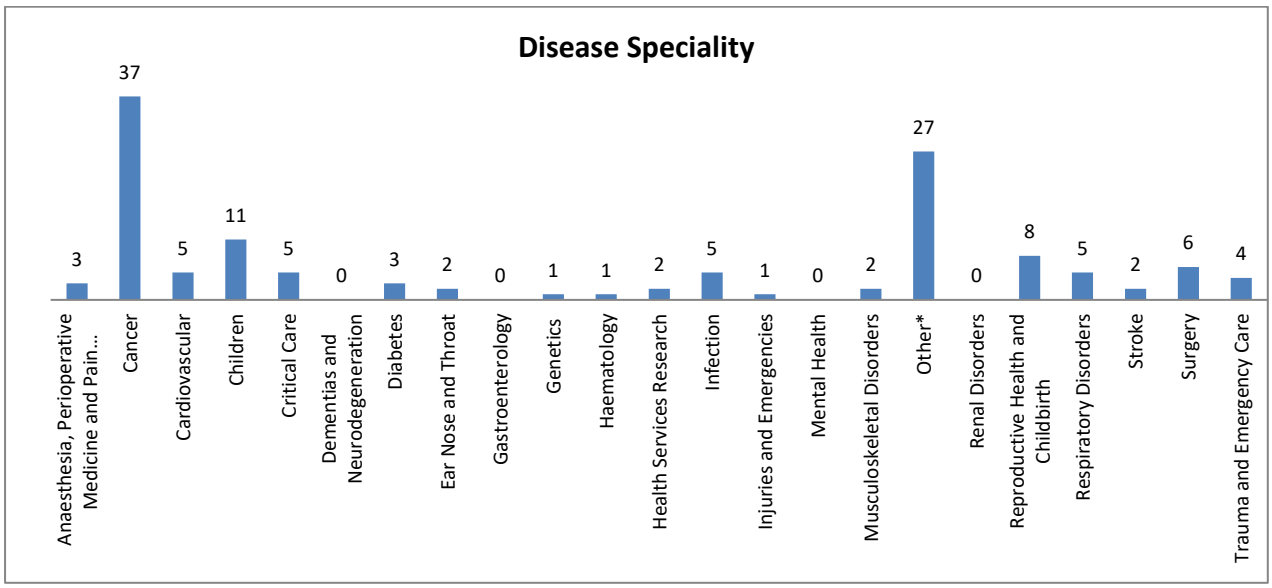


Figure 3 Number of Studies Conducted Per Disease Speciality at Medway NHS Foundation Trust during 01 April 2020-31 March 2021

***Studies outside of clinical speciality for example educational studies or research into overall patient experience.**

The COVID-19 pandemic brought new challenges but also opportunities for clinical research and the Medway NHS Foundation Trust participate in the majority of leading global trials. Being able to offer up to date, novel treatments to the patients is at the forefront of the Trust agenda. Currently, Medway NHS Foundation Trust is taking part in 19 COVID-related studies including the RECOVERY Trial which focuses on a range of suggested potential treatments. Further details of this study along with other examples of studies undertaken during this period can be found below in Table 1.

Table1. Examples of studies undertaken during 2020-2021

Study Name / Acronym	Description
RECOVERY trial	**Randomised Evaluation of COVID-19 Therapy (RECOVERY)** In early 2020, when this study was being developed, there were no approved treatments for COVID-19. The UK New and Emerging Respiratory Virus Threats Advisory Group (NERVTAG) advised that several possible treatments should be evaluated, including Lopinavir-Ritonavir, low dose corticosteroids and Hydroxychloroquine (which has now been completed). All eligible patients are randomly allocated between several treatment arms, each to be given in addition to the usual standard of care in the participating hospital.
ARCADIA Trials	**A Phase II, randomised double-blind, placebo-controlled clinical trial to assess the safety and efficacy of AZD1656 in diabetic patients hospitalised with suspected or confirmed COVID-19** The primary objective of this randomised, placebo-controlled, double-blind clinical trial is to assess the safety and efficacy of AZD1656 on the cardiorespiratory complications of COVID-19 in hospitalised diabetic patients with known or suspected COVID-19. The secondary objective is to assess the extent to which AZD1656 supports maintenance of adequate glycaemic control in hospitalised diabetic patients with known or suspected COVID-19 The hypothesis is that the AZD1656 will reduce length of hospital stay, requirement for mechanical ventilation and mortality in this patient group.
AZTEC **(Azithromycin Therapy for Chronic Lung Disease of Prematurity)**	**A randomised, placebo controlled trial of azithromycin for the prevention of chronic lung disease of prematurity in preterm infants.** Premature births account for a tenth of all world-wide births. Many premature babies, especially those who are born extremely prematurely, sadly do not survive. Out of those that survive, many develop the disease called Chronic Lung Disease of Prematurity (CLD). The condition happens when breathing machines or oxygen, essential for baby's underdeveloped lungs, injures its lungs. Previous studies found an association between Ureaplasma urealyticum colonization and development of CLD. As the Ureaplasma is typically treated by an antibiotic, azithromycin, the purpose of the study is to evaluate effectiveness of the antibiotic in reducing prevalence of the CLD. If the study is successful, the treatment will allow babies to be discharged without further need for oxygen, relieving burden on the parents, and reducing number of hospital admissions and chest infections in childhood.
MK6482-005	**An Open-Label, Randomized Phase 3 Study of MK6482 Versus Everolimus in Participants with Advanced Renal Cell Carcinoma That has Progressed After PD-1/L1 and VEGF-Targeted Therapies** This research study is designed to test a drug called MK-6482. This is an alternative to currently used Everolimus which has been approved by certain health authorities for the treatment of various cancers and other conditions.
Medical Device Tracking	**Using the IoT and Big Data to Determine Armamentarium Utilisation**

Study Name / Acronym	Description
	This is non-portfolio study, being developed by a student from Canterbury Christ church University working with the Clinical Engineering team at MFT. The purpose of the study is to identify a methodology or algorithm that can be applied to any hospital to calculate the optimal number of medical devices/equipment in a clinical setting to provide best value. Which will reduce overall capital and maintenance on medical devices and equipment in a clinical setting.

The Trust Clinical Lead for Research and Innovation, Prof. Ranjit Akolekar, stated that "Clinical research isn't a luxury for academics but it is an essential part of every-day patient care. It is through Research and Innovation that we introduce new and improved care, strive to become better and fill gaps in knowledge. Ultimately, it is the provision of evidence-based care that improves the patient journey, experience and outcomes."

The improvement in patient health outcomes in Medway NHS Foundation Trust demonstrates that a commitment to clinical research leads to better treatments for patients. Continual growth in research activity indicates our commitment to work in successful partnership to provide flexible, first class health care to local people and our desire to improve patient outcomes and experience across the NHS. In the period between 2020/2021, the Investigators at Medway NHS Foundation Trust published 44 articles.

Commissioning for Quality and Innovation (CQUIN)

Medway NHS Foundation Trust income in 2020/21 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation payment framework, according to the Concordat.

Contracting under Covid 19 pandemic, block payments would be made to the Trust, at levels set nationally by NHSE/I. The operation of CQUIN was also suspended for all providers for the same period.

Care Quality Commission

Medway NHS Foundation Trust is required to register with the CQC and its current overall rating is requires improvement.

The Trust received a CQC announced inspection of six core services on 3, 4, 5 December 2019, which were; Emergency and Urgent Care, Medicine (including older persons care), Surgery, Critical Care, Children's and Young People's services and End of Life Care and the report was published 30 April 2020. In responding to and addressing the concerns raised, the Trust immediately developed an action plan. This included providing a detailed response to the CQC on the immediate actions the Trust had taken to address the safety concerns and provide assurance that the quality of care the Trust provides to the patients is our number one priority.

During the period of 1 April 2020 and 31 March 2021 the CQC has taken enforcement action against Medway NHS Foundation Trust following an unannounced inspection of the Emergency Department on 14 December 2020. The Trust received a Section 29a Letter of Intent on 22 December. In response to the unannounced inspection and the section 29a letter, the Trust produced an ED action plan. Progress of the action plan is monitored as part of the Patient First programme with oversight at the Quality and Evidence panels and reported to the Quality Assurance Group.

Overall trust quality rating	Requires improvement
Are services safe?	Requires improvement
Are services effective?	Requires improvement
Are services caring?	Good
Are services responsive?	Requires improvement
Are services well-led?	Inadequate

Well-led Inspection

The Trust had a Well Led review in January 2020 this inspection involved an assessment of; the leadership and governance at trust board and executive team-level, organisational vision and strategy; organisation-wide governance, management of risk, organisational culture, levels of engagement, innovation and improvement. This draws on the CQC's wider knowledge of quality in the trust at all levels. Following the review of the inspection the Trust produced an action plan; progress of the action plan is monitored and reviewed at executive level

The following table represents the outcome of the Trusts latest CQC report which was published 30 April 2020:

Rating for acute services/acute trust

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency care Services	Requires improvement ↔ Mar 2020	Good ↔ Mar 2020	Good ↔ Mar 2020	Requires improvement ↔ Mar 2020	Good ↔ Mar 2020	Requires improvement ↔ Mar 2020
Medical Care (Including older peoples care)	Requires improvement ↓ Mar 2020	Requires improvement ↓ Mar 2020	Requires improvement ↓ Mar 2020	Inadequate ↓ Mar 2020	Inadequate ↓↓ Mar 2020	Inadequate ↓↓ Mar 2020
Surgery	Requires improvement ↔ Mar 2020	Good ↔ Mar 2020	Good ↔ Mar 2020	Requires improvement ↔ Mar 2020	Requires improvement ↔ Mar 2020	Requires improvement ↔ Mar 2020
Critical Care	Good ↑ Mar 2020	Good ↔ Mar 2020	Outstanding ↑ Mar 2020	Good ↑ Mar 2020	Outstanding ↑↑ Mar 2020	Outstanding ↑↑ Mar 2020
Maternity and Gynaecology	Good Mar 2017	Good Mar 2017	Outstanding Mar 2017	Good Mar 2017	Good Mar 2017	Good Mar 2017
Services for Children and Young People	Requires improvement ↔ Mar 2020	Requires improvement ↓ Mar 2020	Good ↔ Mar 2020	Requires improvement ↓ Mar 2020	Good ↔ Mar 2020	Requires improvement ↓ Mar 2020
End of Life Care	Good ↔ Mar 2020	Good ↔ Mar 2020	Good ↔ Mar 2020	Good ↑ Mar 2020	Good ↑ Mar 2020	Good ↑ Mar 2020
Outpatients	Good Jul 2018	N/A	Good Jul 2018	Requires improvement Jul 2018	Requires improvement Jul 2018	Requires improvement Jul 2018
Diagnostic Imaging	Requires improvement Jul 2018	N/A	Good Jul 2018	Requires improvement Jul 2018	Requires improvement Jul 2018	Requires improvement Jul 2018
Overall trust	Requires improvement ↔ Mar 2020	Requires improvement ↓ Mar 2020	Good ↔ Mar 2020	Requires improvement ↔ Mar 2020	Requires improvement ↔ Mar 2020	Requires improvement ↔ Mar 2020

Our response to CQC inspections:

CQC Improvement Plan

As a result of the core service and well led inspection in 2019 and the unannounced visit in December 2020, an improvement plan was developed. This was to ensure the organisation puts immediate actions in place to ensure patients continue to receive high quality care. Progress and delivery of all actions continues under the direction and leadership of the Chief Nursing & Quality Officer, supported by the accountable named executive leads and responsible operational leads and actions are regularly discussed at the Quality Panel.

The improvement plan is subject to a robust monitoring arrangement both internally and externally; and is shared regularly with the CQC, NHS England & Improvement and Kent & Medway CCG.

Reporting to Secondary Uses Service (SUS)

Medway NHS Foundation Trust submitted records during 2020/21* to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was:

- 99.8 per cent for admitted patient care
- 99.7 per cent for outpatient care
- 99.2 per cent for accident and emergency care

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

- 99.7 per cent for admitted patient care
- 99.6 per cent for outpatient care
- 99.8 per cent for accident and emergency care

*Up to January 2021

Information Governance Toolkit (IGT)

The Data Security and Protection Toolkit enables the Trust to measure its compliance against the law and central guidance and to see whether information is handled correctly and protected from unauthorised access, loss, damage and destruction.

In 2019/20, our Information Governance Assessment submission met most of the conditions, and an action plan produced to guarantee all requirements are met going forward. Medway NHS Foundation Trust's response for 2020/21 has not been submitted as the deadline is 30 June 2021.

Clinical Coding

The Payment by Results coding audit no longer is a requirement. The Trust undertakes an annual Data Quality audit for our coding accuracy, however the deadline for this audit is extended until June 2021 due to the Covid pandemic, and results are not currently available.

Learning from Deaths

In 2020/21 we implemented our medical examiner (ME) service in line with national guidance; we are pleased to say that our service was fully operational by the 1 July 2020. The ME service has fundamentally changed how we learn from deaths. Our ME service now identify cases where a SJR should be conducted, this is based on a review of clinical notes and most importantly a conversation with the bereaved. Our ME service now reviews every death that occurs in our

hospitals and: a) ensures that the proposed cause of death is accurate, b) the bereaved understand the cause of death and have an opportunity to raise any concerns and c) identify any cases that should be referred for SJR.

Deaths which occurred in 2020/21

During 2020-21, 1926 of Medway NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

	Qrt.1	Qrt.2	Qrt3.	Qrt4.	Total 2020/21
Total Number of Deaths	418	325	599	584	1926
Adult Deaths	417	314	596	575	1904

By April 2021, 42 case record reviews and 15 investigations had been carried out, relating to 57 deaths of the 1904 adult deaths for the reporting period. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

	Qrt.1	Qrt.2	Qrt3.	Qrt4.	Total 2020/21
Number of case record reviews carried out	24	18	0	0	42
Number of investigations carried out	11	4	0	0	15
Both investigation and case record carried out	0	0	0	0	0

3 representing 0.16 per cent of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

	Qrt.1	Qrt.2	Qrt3.	Qrt4.	Total 2020/21
Number of deaths more likely than not to have been due to problem in care	2	1	0	0	3
Percentage of all deaths	0.5	0.3	0	0	0.16

These numbers have been estimated based on the Royal College of Physicians Structured Judgement Review (SJR) process. Clinicians reviewing cases are asked to whether, in their opinion, the patient was more likely than not to have died due to problems in care.

The Trust has identified areas of learning from case record reviews and has taken actions to address these; key learning and action points are detailed below.

- For most of 2020/21, the Trust has been responding to the global Covid-19 pandemic; this has impacted on the ability to complete Structured Judgement Reviews for deceased patients.
- This has been mitigated by the introduction of the Medical Examiner System at the Trust from July 2020. 904 deaths occurring between 01 July 2020 and 31 March 202 were scrutinised by an independent Medical Examiner (ME).
- Where the ME has identified problems with care, these have been referred for investigation through the relevant governance channels so that learning can be identified.

Zero case record reviews and 15 investigations completed after 01 April 2020 related to deaths which took place before the start of the reporting period.

Two representing 0.5 percent of the patient deaths during April 2019-March 2020 were judged to be more likely than not to have been due to problems in the care provided to the patient.

Reporting against core indicators

The Summary Hospital-level Mortality Indicator (SHMI) reports on mortality at trust level across the NHS in England. This indicator is produced and published monthly as a National Statistic by NHS Digital.

Reporting Period	SHMI	Lower Control Limit	Upper Control Limit	Banding	Palliative care coded (%)
Apr 2020 – Mar 2021				TBC Aug 21	
Mar 2020 – Feb 2021				TBC Jul 21	
Feb 2020 – Jan 2021				TBC Jun 21	
Jan 2020 – Dec 2020				TBC 13/05/21	
Dec 2019 – Nov 2020	1.05			As expected	*42.0*
Nov 2019 – Oct 2020	1.05			As expected	*43.0*
Oct 2019 – Sep 2020	1.07	0.89	1.13	As expected	*42.0*
Sep 2019 – Aug 2020	1.07			As expected	*43.0*
Aug 2019 – Jul 2020	1.05			As expected	*44.0*
Jul 2019 – Jun 2020	1.05	0.89	1.13	As expected	*44.0*
Jun 2019 – May 2020	1.06			As expected	*46.0*
May 2019 – Apr 2020	1.07			As expected	*47.0*

The SHMI is the ratio between the actual number of patients who die following hospitalisation at the trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there. It covers all deaths reported of patients who were admitted to non-specialist acute trusts in England and either die while in hospital or within 30 days of discharge. The expected number of deaths is calculated from statistical models derived to estimate the risk of mortality based on the characteristics of the patients (including the condition the patient is in hospital for, other underlying conditions the patient suffers from, age, gender and method of admission to hospital).

The SHMI has been consistently within the acceptable limits during 2020/21. The impact of Covid-19 has limited opportunities to pursue quality improvement, something that has been recognised by the publisher of the SHMI, who has excluded all Covid related deaths from the statistical data.

The only diagnosis groups to have raised concerns in the 2020/21 period were lung cancer and acute myocardial infarction. Over the course of the year, the SHMI for lung cancer normalised without any targeted intervention. The Trust participates in the Myocardial Infarction National Audit Project, which monitors the care of patients with an acute myocardial infarction and provides insight into the management of these patients. It is believed that the increased SHMI

for this diagnosis group may be related to patients presenting later, outside of the optimal window for treatment, and not as a result of practice within the hospital.

Medway NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is extracted directly from NHS Digital: Clinical Indicators which is an independent, established and recognised source of data nationally.
- There are assurance processes via the Trust wide Mortality and Morbidity group which oversee, monitor and receive validation of the position as and when required.

The Trust has taken the following action, to improve these indicators, and so the quality of its services:

- Introduction of the Medical Examiner System at the Trust from July 2020. Where the ME has identified problems with care, these have been referred for investigation through the relevant governance channels so that learning can be identified.
- Review the learning from death process, to ensure that the death process complies with the National Learning from Death framework.

Medway NHS Foundation Trust – Current HSMR position

The Hospital Standardised Mortality Ratio (HSMR) is a calculation used to monitor death rates in a trust. The indicator is produced and published nationally by Dr Foster Intelligence. It is the ratio of the observed number of in-hospital deaths to the expected number of in-hospital deaths (multiplied by 100) for 56 diagnosis groups (which give rise to 80 per cent of in-hospital deaths). The national benchmark for the HSMR is 100 – meaning that the number of expected deaths and the number of observed deaths are exactly the same.

Reporting Period	*HSMR*	*Lower Control Limit*	*Upper Control Limit*	*Banding*
Apr 2020 – Mar 2021				TBC 24/06/2021
Mar 2020 – Feb 2021				TBC 20/05/2021
Feb 2020 – Jan 2021				TBC 22/04/2021
Jan 2020 – Dec 2020	105.3	98.8	112.0	As expected
Dec 2019 – Nov 2020	102.5	96.4	109.0	As expected
Nov 2019 – Oct 2020	99.0	93.1	105.2	As expected
Oct 2019 – Sep 2020	101.1	95.1	107.3	As expected
Sep 2019 – Aug 2020	101.2	95.2	107.5	As expected
Aug 2019 – Jul 2020	98.7	92.8	104.8	As expected
Jul 2019 – Jun 2020	99.1	93.3	105.2	As expected
Jun 2019 – May 2020	98.7	93.0	104.7	As expected
May 2019 – Apr 2020	98.3	92.7	104.2	As expected

Medway NHS Foundation Trust considers that this data is as described for the following reasons:

- The data is extracted directly from Dr Foster's Mortality data for English NHS acute trusts documents. Dr Foster is an independent, established and recognised source of data nationally.
- The data is reviewed regularly through the Trust's Mortality and Morbidity Group and within the Divisions and Care Groups

The Trust has taken the following actions, to improve these indicators, and so the quality of its services:

- The HSMR for the Trust has been within the expected limits for the duration of 2020/21.

- In view of concerns regarding differing HSMR in Medway and Swale, the Trust performed an audit of patients presenting via the frailty and acute pathways in the summer of 2020. Preliminary results suggested that there were no significant differences in treatment or acuity of patients, but as the project was prospective, further analysis will be undertaken twelve months after the data was collated.

Whilst Covid-19 was excluded from the HSMR, the SMR for viral infection was high throughout the reporting period. The Trust has recognised that this is related to the pandemic, and has undertaken work on understanding the impact of Covid-19 on patients in conjunction with our public health colleagues

Patient Reported Outcome Measures PROMs (EQ-5D Index Score)

PROMs use a standardised instrument for use as a measure of health outcome. It is applicable to a wide range of health conditions and treatments and provides a simple descriptive profile and a single index value for health status, the health gain index is primarily designed for self-completion by respondents and is ideally suited for use in postal surveys, in clinics and face-to-face interviews. It is cognitively simple, taking only a few minutes to complete. Instructions to respondents are included in the questionnaire.

Type of surgery	Sample time frame	% improved	Trust adjusted health gain	National average health gain	National highest	National lowest
Groin hernia*	Not applicable					
Varicose veins*	Not applicable					
Hip Replacement (primary)	Apr 2019 – Mar 2020	92.7%	0.527	0.468	0.536	0.330
	Apr 2020 – Mar 2021	Not yet published				
Knee replacement (primary)	Apr 2019 – Mar 2020	82.5%	0.322	0.342	0.421	0.243
	Apr 2020 – Mar 2021	Not yet published				

* Oct 2017 - NHS England has now taken the decision to discontinue the mandatory varicose vein surgery and groin-hernia surgery national PROM collections.

A higher score indicates better health and/or greater improvement in function after the operation. Medway NHS Foundation Trust is reliant on feedback from our patients in relation to the results of their surgery. If our patients choose not to complete the post-surgery questionnaire, this can result in the recording of low numbers in some or all procedures.

Medway NHS Foundation Trust considers that this data is as described for the following reason: The data is extracted directly from the NHS Digital which is an established and recognised source of data nationally

The Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Ensure that there is a robust, consistent and sustainable process in place for ensuring that all patients are provided with the opportunity to complete the initial survey pre-procedure.
- Ensure that compliance with the above process is monitored within the appropriate directorates and areas for improvement are identified, acted upon and tested.
- Continue to make timely PROMS data submission

28 Day Readmissions

28 day Readmissions	2019-20			2020-21*		
	0-15	16 and over	Total	0-15	16 and over	Total
Discharge	13008	67556	80564	3687	20955	24642
28 day readmissions	1415	6933	8348	344	2481	2825
28 day readmission rate	10.9%	10.3%	10.4%	9.4%	11.9%	11.5%

** Data up to August 2020*

Medway NHS Foundation Trust considers that this data is as described for the following reason: The data is extracted directly from Dr Foster which is an established and recognised source of data nationally.

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Ensuring that all readmissions data is validated internally by the Business Intelligence Team.
- Ensuring that the data is monitored on a monthly basis at both Divisions and at Trust Level.

The Friends and Family Test (Responsiveness)

The Friends and Family Test (FFT) is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience. This kind of feedback is vital in transforming NHS services and supporting patient choice.

Friends and Family Test	2019-20		2020-21*	
	A and E	Inpatient	A and E	Inpatient
Response Rate	13.76%	20.60%	15.95%	21.49%
% would recommend	77.73%	86.82%	84.75%	82.93%
% would not recommend	14.53%	7.87%	9.41%	7.33%

** Data up to February 2021*

Medway NHS Foundation Trust considers that this data is as described for the following reason: The data has been extracted directly from the NHS England which is an established and recognised source of data nationally.

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, by:

- Exploring alternative suppliers to offer a fresh approach in 2021
- Explore the possibility of maternity services becoming digital which would mitigate the postnatal delay with uploading data.

Percentage of staff who would recommend the trust as a provider of care to their family or friends-Staff Family and Friends Test (FFT)

Staff FFT gives staff an opportunity to feedback their views on Medway NHS Foundation Trust. It is hoped that staff will help to promote and have a further opportunity and the confidence to 'speak', have their views heard and have them acted upon.

The data made available to the Trust by NHS Digital with regard to the percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends is as follows.

Staff Recommendation	2018-19	2019-20*
Our Trust	67.03%	67.04%
National average	80.39%	80.83%
Best performing trust	98.86%	97.73%
Worst performing trust	45.71%	52.63%
** Data up to Q2, Q4 is published 28th May 2020*		

The Staff FFT was suspended nationally during 2020.

Venous Thromboembolism

VTE assessments	2019-20	2020-21
Our Trust	74.03%	94.23%
National average	93.11%	-
Best performing trust	100.00%	-
Worst performing trust	71.84%	-

2020/21 data not available as national submission has been suspended

Medway NHS Foundation Trust considers that this data is as described for the following reasons: The data has been extracted directly from the NHS Digital website which is an established and recognised source of data nationally and all data is subjected to internal validation.

Medway NHS Foundation Trust recognises that the performance for 2019/20 has demonstrated an increase in comparison to 2018/19 although still consequently has not met the trajectory set by the national requirement of 95 percent every month. A contributing factor was due to the vacant VTE Nurse post for five months at the end of 2018 and the service needing a great deal of input to turn things around. There has been a significant improvement in compliance due to robust data collection processes being initiated from January 2019 and a review in the delivery of the service has seen us spilt the role from a band 7 full time nurse to a part time band 7 nurse and a supporting full time band 2 admin clerk. Assurance can be given that patients were receiving the correct medical management as tested by clinical audit and will continue to do so.

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Re structure of the service provided – now part time band 7 nurse supported by band 2 admin clerk
- VTE daily live dashboard to clinical areas and service leads
- Trust wide training to ensure input of data from VTE risk assessments, supporting the ward clerks to create a single checking and recording the VTE assessment in their wards
- More focus, support and structure for the wards struggling with compliance.

Clostridium difficile (C.diff)

Infection Control – CDIFF	2019-20	2020-21
Trust apportioned cases	57	32
Trust bed-days	163684	164209
Rate per 100,000 bed days	**34.8**	**19.5**
National average	23.5	-
Best performing trust	0.0	-
Worst performing trust	90.5	-

20/21 National Data is not yet available; apportioned cases include both hospital-onset and community-onset

Medway NHS Foundation Trust considers that this data is as described for the following reasons. The data has been extracted directly from NHS Digital which is an established and recognised source of data national and the data is subject to a rigorous checking process overseen by the Infection Control nurse and the testing laboratory.

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Continue to implement the Trust wide IPC improvement plan
- Continue with the audit cycle for hand hygiene, use of PPE and uniform compliance.
- Re-instate the antimicrobial stewardship group
- Review of decontamination policy
- Review of the Antimicrobial Stewardship Policy
- Risk assessments for patients in side rooms to be carried out regularly
- Review Scottish National Infection Prevention and Control Manual and utilise any relevant policy
- Practical skills sessions will be delivered in clinical areas to maximise the impact and relevance

Patient Safety Incidents resulting in severe harm or death as reported to the National Recording and Learning System

Medway NHS Foundation Trust encourages all healthcare professionals to report incidents as soon as they occur and ensure the timely investigation and learning to reflect a positive safety culture.

The Trust uses the nationally reported and verified data from the National Reporting and Learning System (NRLS). The data shows all incidents reported by us for the period Oct 19 - March 20 our incident reporting rate for this period was 15.7% rate per 1000 bed days against the national average of 50.7%. Our individual incident reporting data is made available by the NRLS every six months, and the trust has shown to have a low reporting level for the acute non-specialist trust cohort.

Medway NHS Foundation Trust considers that this data is as described for the following reason:

- The trust uses an electronic reporting system DATIX which is used to report nationally and verified data to the National Reporting and learning System (NRLS)

- The Serious Incident data has been extracted directly from the Strategic Executive Information System (StEIS) which is an established and recognised source of data nationally.
- The Trust has a bi-weekly SI panel, chaired by the Chief Medical Officer, which considers in details those incidents that fall within the scope of the terms of reference of the panel.

The trust intends to take the following actions to improve tis data, and so the quality of its service by:

- On-going scrutiny of quality of the Serious Incident reports
- Continue to educate staff on the importance of improving the reporting of incidents and near misses to support a positive safety culture for our patients
- Continue with the patient safety newsletter, sharing lessons learnt from incidents
- Review the current policies to ensure they are accurate and fit for purpose, taking into account the new Patient Safety Incident Response Plan which is proposed to be required by 2022

The table below shows the total number of reported Patient Safety Incidents (PSI) during the period April 2018 to March 2020.Medway

Total number of reported PSIs

Patient safety incidents	April 18 – Sep 18	Oct 18 – Mar 19	April 19-Sep 20	Oct 19-March 20
Total reported incidents	2288	2297	2173	1271
Rate per 1000 bed days	**27.2**	**26.89**	**26.3**	**15.7%**
National average (acute non-specialist)	44.5	46.06	49.8%	50.7%
Highest reporting rate	107.4	95.94	103.8%	110.2%
Lowest reporting rate	13.1	16.90	26.3%	15.7%

The table below presents a summary update of the total number of PSIs which resulted in severe harm or death that were reported across the trust from April 2018 to March 2020.

Number of PSIs resulting in severe harm or death

Patient safety incidents	April 18 – Sep 18	Oct 18 – Mar 19	April 19-Sep 20	Oct 19-March 20
Incidents causing severe harm or death	20	42	26	19
% incidents causing severe harm or death	0.90%	1.80%	1.20%	1.50%
National average (acute non-specialist)	0.30%	0.40%	0.30%	0.30%
Highest reporting rate	1.20%	1.80%	1.60%	1.50%
Lowest reporting rate	0.00%	0.00%	0.00%	0.00%

Serious Incidents

We investigate all patient safety incidents, which are reported on our incident reporting system, Datix. Incidents that are deemed to be serious incidents or never events then undergo an

investigation which involves root cause analysis (a systematic investigation that looks beyond the people concerned to try and understand the underlying causes and environmental context in which the incident happened).

Medway NHS Foundation Trust reported 231(148 in 2019/20) Serious Incidents to the Clinical Commissioning Group via StEIS (Strategic Executive Information System which supports the monitoring of investigations between NHS providers and commissioners).

The following themes of serious incidents are as follows:

Serious Incidents Themes	No.
Abuse/alleged abuse of adult patient by staff	7
Apparent/actual/suspected self-inflicted harm meeting SI criteria	3
Confidential information leak/information governance breach meeting SI criteria	1
Diagnostic incident including delay meeting SI criteria (including failure to act on test results)	25
HCAI/Infection control incident meeting SI criteria	8
Maternity/Obstetric incident meeting SI criteria: baby only (this include foetus neonate and infant)	2
Maternity/Obstetric incident meeting SI criteria: mother and baby (this include foetus, neonate and infant)	10
Maternity/Obstetric incident meeting SI criteria: mother only	5
Medication incident meeting SI criteria	12
Pressure ulcer meeting SI criteria	3
Slips/trips/falls meeting SI criteria	22
Sub-optimal care of the deteriorating patient meeting SI criteria	21
Surgical/invasive procedure incident meeting SI criteria	9
Treatment delay meeting SI criteria	103

The four most reported serious incident themes have been reviewed and summarised below:

Serious Incidents Themes	
Slips/Trips/Falls meeting SI criteria	The trust reported 22 fall to fractures. The most common fracture was a fracture neck of femur resulting in SI's. Other fractures reported include wrist, spine, nose and Elbow, which resulted in one patient dying.
Treatment delay meeting SI criteria	103 incidents were reported in this criterion, 64 of these were relating to 12 hour breaches in ED, no harm to patients was identified to the patients. The remaining 39 incidents have identified observations' not being carried out and failing to communicate between as the most common theme reported in this group of incidents
Diagnostic incident including delay meeting SI criteria (including failure to act on test results):	25 incidents were reported in this criterion, there was one case which was a potential avoidable death as the patient was sent home before the results were reported, the patient died. 20 incidents where failure to act on test results were declared - three of these resulted in the patient passing away. Two patients had COVID swab results not available prior to the patients having surgery, resulted in the surgery having to

Serious Incidents Themes	
	be cancelled; the patients had to be recalled for surgery. Two patients had a missed cancer diagnosis; however as soon as this was identified the patients were seen.
Sub-optimal care of the deteriorating patient meeting SI criteria:	21 incidents relating to Sub-optimal care. Two incidents were downgraded by the CCG as the investigation showed that there were no failings in care. One incident was related to Reg 28 which was issued around an unsafe discharge were the patient had died. The remaining 18 SI`s were around observations not being monitored and recorded, no action for treatments being started and medications not being given straight away leading to a deteriorating patient.

Duty of Candour (DoC)

The Trust is committed to being open and honest with our patients. The Duty of Candour is a legal requirement that for all safety incidents recorded as 'moderate' or 'severe' harm, we will formally apologies to the patient and/or family involved and undertake an investigation into their care. This is undertaken by the responsible clinical team. We will feedback in writing the findings of our review and any actions we are taking to prevent a similar incident from happening again. The Duty of Candour was applied to 163 of our reported incidents in 2020/21.

Never Events

During 2020/21 the Trust reported two never events. One case has been investigated and closed by the CCG. The other one has also been investigated and awaiting closure by CCG. These incidents should never occur so we strive to learn lessons and take actions to mitigate risk of reoccurrence.

Never Events	
Mis-Match of a hip prosthetic poly liner.	The patient had a total hip replacement for a neck of femur fracture a prosthetic 28mm poly-liner was used with a 32mm metal head, which was not noted at the time of surgery. Intra-operative stability was confirmed but the mismatch was identified only when post-operative radiographs were scrutinised. Patient returned to theatre for revision.
Misplaced Nasogastric Tube.	NG tube was inserted to provide nutrition, patient sent for x-ray and it was documented that the NG was safe to use and feed was commenced. Patient later desaturated, the NG tube found to be in the lung and not the stomach. NG feeding was discontinued and the NG tube removed, Patient was commenced on End of life pathway.

2.4 Other quality information

Emergency Department (ED)

Overall attendances for the first 11 months were 26.8% lower than the same period in 19/20 (90,652 vs 123,869) due to the impact of the COVID-19 pandemic. With 4hr Emergency Care Standard compliance for all types improved from 79.1% to 82.4%.

Throughout the pandemic the Emergency Department offered only emergency care pathways for patients with COVID-19 or COVID-19 symptoms (Red pathway), reducing the ability to use Same Day Emergency Care (SDEC) and MedOCC. At the peak over 70% of attendances to ED presented under the Red pathway. ED was able to discharge over 60% of these patients; meaning over 6,000 patients were not admitted.

The change of the Urgent Treatment Centre (UTC) model made a significant contribution in the improvement in non-admitted performance from 88.2% to 90.9%. The new model implemented in June has been recognised and is a finalist for the HSJ 2021 'Acute Service Redesign Initiative' award.

MedOCC (Type 3) 4 hour compliance improved from 78% for the first 11 months of 2019/20 to 98% the same period in 2020/21.

Between October and February 64% of mental health patients met the 4 hour standard, however 9% of patients spent more than 12 hours in the department. During this period 19 patients have stayed in ED for more than 2 days with the longest stay being nearly 7 days.

We had 24.8% less type 1 attendances (66,812 vs 88,869) than the first 11 months of 2019/20. Type1 4hr Emergency Care Standard compliance improved by 5% to 76%, with an average length of stay in ED of 187 minutes. However the aggregated patient delay (average time over the 4 hour standard) was 307 minutes, meaning patients that breach the 4 hours standard have an average length of stay in ED of over 9 hours. The impact on this extended length of stay in ED is the lack of capacity to accept incoming demand, especially our arrivals by ambulance.

We took handover of 6.3% less ambulances than the first 11 months of 2019/20 (33,171 vs 35,418). This made us the busiest trust for ambulance conveyances with nearly 10% more than the next busiest trust in the SECamb region. Average handover time was 21 minutes and there was an improvement of over 10% in compliance with the 15min standard 60.1% (vs 49.8%). This was in large part due to the implementation of the 'Nursing Ambulance Commander' role from June and change in pathway to book in all ambulances at the ambulance entrance.

However 60 minute handover breaches increased from 3% to 5.5%, which was the worst in the SECamb region, despite being third best for 15m handover compliance. 120 handovers took over 4 hours with the longest delay nearly 9 hours and 7 handovers over 8 hours. The longest delays occurred in November and January, with a peak of 18 ambulances being held at once in November. These incidents led to an unannounced CQC inspection of the department in December.

Subsequent to the CQC inspection the average time lost per handover (in excess of 15 minutes) has decreased significantly from 35 minutes to 5 minutes in February.

Data Quality

High quality information leads to improved decision making, which in turn results in better patient care, wellbeing and safety. We continued to focus on improving the quality of our performance data; Medway NHS Foundation Trust is taking the following actions to improve data quality:

- Both the Data Quality Policy and the Data Quality & Assurance Strategy have now been re-drafted, refreshed, realigned and published as of January-21.
- Redesign and launch of the Data Assurance Framework

- Launch of the Data Assurance Committee (DAC) to deliver the Strategy, with first iterations focused on efficiencies and the process flow of Data Quality issues together with escalation
- Rebuild and refocus of all Data Quality reporting, including the Data Quality Dashboard
- On-going development of data quality reports to address data quality issues.
- Data Quality Audit conducted by KPMG, focusing on:
    - RTT
    - Diagnostics/DM01
    - Discharge Time
- Reviewing all Key Performance Indicators within the Trust Board report using the Data Assurance Framework, giving assurance of accuracy of reports generated.
- Data Quality and Business Intelligence teams provide a rounded approach to data entry and reporting issues. This will ensure that the Trust reports a true reflection of performance.

Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway.

Medway NHS Foundation Trust considers that this data is as described for the following reasons.

- The Trust took on over 2000 patients from other NHS providers in Q3 resulting in the RTT position going down to 79.67% in November 2019. Since then, through the targeted Best Access Programme, there has been an improvement in the pathways and performance within the Referral to Treatment Target (RTT) standard. Improvements have been made in most specialties due to the implementation of weekly RTT meetings with senior programme leaders and a specific focus on reducing the length and complexity of some clinical pathways. This has resulted in a reduction in the time from referral to when patients are seen by a clinician. Coupled with a more robust and timely validation process, the PTL's are now optimised and easy to manage. An agreed trajectory was instigated at the latter end of Q3, 19/20 for each service and the Trust worked with NHS Improvement to reach an agreed trajectory for 2019/20. Consequently, prior to the COVID-19 pandemic, the Trust had reached 82.63% performance against the RTT Standard. With the continuation of these measures, the predicted performance was 86% or above by the end of the fiscal year.

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Working closely with commissioners and regulators to improve our constitutional RTT 18-week target
- Through a dedicated recovery programme, designed and agreed with commissioners and NHSE/I, services were held to account on their trajectory at weekly RTT PTL meetings. The meetings were a source of support to provide solutions to blockages to improvement. Each meeting resulted in service-level action plans which were monitored on a weekly basis. At these meetings, the PTL Chair and Programme Team investigated individual programme activity including the management of long waiters, volumes of referrals, ASI's, uncashed appointments, theatre scheduling efficiency, cancellation rates, duplicate pathways, trajectories and corrective actions

Maximum six-week wait for diagnostic procedures

6-Week Diagnostic Wait	2019-20	2020-21*
Our Trust	95.31%	71.39%
National average	95.89%	61.78%
Best performing trust	100.00%	100.00%
Worst performing trust	57.53%	8.86%

** Data up to January 2021 only*

Medway NHS Foundation Trust considers that this data is as described for the following reasons:

- The delivery of a daily automated reporting, stating the current DM01 position, by modality and patients current wait by week
- Due to daily and weekly reporting, current and up to date service-specific validation is completed on an, at least, weekly basis

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and so the quality of its services, by:

- Implementation of a robust DM01 PTL reporting and action group, chaired on a weekly basis by the Head of Imaging with the Programme Director, Best Access, as SRO. Membership of the PTL comprises Service and Pathway Leads for reportable modalities and other diagnostic teams, Data Quality and Business Intelligence leads who have had clear responsibilities and expectations defined as part of their membership. The PTL operates under specified Terms of Reference which ensure improvement plans are generated, monitored and transitioned to business as usual
- Development of training across the diagnostic services at various levels, including appointment clerks, team leaders, service managers and General Managers in order to ensure a clear understanding of the rules surrounding the management of patients on a diagnostic pathway. Training also included the correct process for validation and inclusion/exclusion criteria
- Ongoing support to validate and clear historical data inaccuracies in the system, resulting in the overall reduction of errors in the records
- A thorough Demand and Capacity review of all diagnostic services, resulting in the permanent increase in capacity for MRI and support for the uplifting of capacity for Endoscopy, ECHO and Angiography. The Endoscopy service was further enhanced through a programme of session optimisation, additional endoscopy rooms and additional insourced clinical support

National NHS Staff Survey response rate 2020

Theme	2020/21		2019/20		2018/19		2017/18	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	8.7		8.9	9	8.8	9.1	8.8	9
Health and wellbeing	5.6		5.6	5.9	5.4	5.9	5.8	6
Immediate managers	6.3		6.6	6.8	6.2	6.7	6.6	6.7
Morale	5.8		5.8	6.1	5.4	6.1	n/a	n/a
Quality of appraisals	n/a	n/a	5.7	5.6	5.5	5.4	5.5	5.4
Quality of care	7.3		7.4	7.5	7	7.4	7.3	7.5
Safe environment - bullying and harrasment	7.7		7.8	7.9	7.4	7.9	7.7	8
Safe environment - violence	9.5		9.4	9.4	9.4	9.4	9.4	9.4
Safety culture	6.3		6.4	6.7	6.1	6.6	6.2	6.6
Staff engagement	6.6		6.8	7	6.4	7	6.7	7
Team working	6.2							

The NHS staff survey is a vital measure of the Trust's level of staff engagement, how staff are feeling, their morale and their experiences of working here. This is used by the Trust to listen and adapt to make improvements. The survey is conducted annually and compared against other NHS acute organisations and also against the Trust's own results from the previous year. This provides not only an opportunity to learn from our staff, but also how we compare to the national picture and look at where learning can be used to improve too.

This year's Staff Survey response rate was 35%, and has decreased from 43% in 2019.

This year's results show that the theme safe environment – violence section of the survey, shows an increase in staff feeling safer at work, and health and wellbeing and morale have stayed the same as in 2019.

The theme indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

Staff Survey workbooks are produced for each department and priorities identified to help improve areas identified in their results.

The Trust's People Strategy retains culture as a key delivery programme for the future and has interdependencies on all other projects and initiatives being achieved. By continuing the embedding of our culture improvement programme in tandem with our staff survey action planning and implementation, values-based recruitment and continuous improvement methodologies – the Trust is committed to improving our staff experience which, in turn, will improve patient experience.

Medway NHS Foundation Trust considers that this data is as described for the following reason:

The data has been extracted directly from the NHS Digital which is an established and recognised source of data nationally

Medway NHS Foundation Trust has taken the following actions, to improve this indicator, and thus the quality of its services by:

- You Are The Difference programme
    - This programme sets the tone and type of behaviour we want to see in the Trust at all levels and was designed to re energise the organisation to gear up for a new way of working and displaying a consistent and positive mind-set. It is now fully embedded as part of Trust induction and positioned alongside the Trust values and behaviours.
- Culture Change programme

  - With the support of NHSEI resources and engaging with HEE “Best Place to Work” the Trust has completed the Discovery Phase of their Culture Change programme and has moved into the Design and Implementation phase.
  - Embedded cultural key messages including ‘Making the Difference’, ‘This is Us’, ‘Best of People’ and ‘High-Quality Care’ into every day work practices.

- Developing the Health and Wellbeing Programme
  - The Trust is proud to have developed its health and wellbeing strategies to support staff with occupational health accreditation, bronze award for Medway Workforce Wellbeing and the introduction of an employee assistance programme

- Relaunched the Freedom to Speak Up Guardians to enable staff and volunteers to raise concerns with confidence that these will be listened to and acted upon.

Complaints

All complaints data is sourced from Datix. The Complaints and PALS Department records and responds to complaints, concerns, comments and compliments received from all areas of the Trust. The Trust ensures that all potential complainants have the option to have their concerns dealt with informally via the PALS service or formally via the NHS Complaints Procedure. Offering both services through one department allows the Trust to monitor all concerns raised, whether formally or informally, to see if there are any trends and to provide a consistent approach for patients, carers and the public

In accordance with the Local Authority Social Services and National Health Service Complaints (England) Regulations 2009, this part of the report sets out analysis of the nature and number of complaints in Medway NHS Foundation Trust during 2020/21.

It is important to note that not all formal complaints are the result of a Trust failing or poor service. For example, a complainant may not be happy with the service provided because they consider their needs are different to what the Trust has assessed them as needing.

For the period 1 April 2020 and March 31 2021 the Trust registered 492 complaints averaging 41 per month. This compares with a total of 797 complaints received in 2019/20, which is a decrease of 38 per cent.

There are two reasons for the decrease in registered complaints:

- The complaints process was paused from the end of March to the end of June 2020 due to the Covid 19 Pandemic. Complaints were registered and then paused during this time unless the Care Group were in a position to investigate and respond and if this was the case, the complaint was opened.
- A responsive model for managing concerns and complaints has been introduced within the complaints and PALS teams with the focus on providing immediate remedy wherever possible and with the agreement of the complainant.

The Chief Nurse and Quality Officer commissioned a Trust wide review of how complaints are managed. The aim was to identify opportunities and barriers to effective complaints management to strengthen and improve systems and processes’ ensuring the service is providing a timely, effective and person centred complaints service. The new system will begin in 2021/22

Complaint Themes	
Admission, discharge and transfer arrangements	35
Aids and appliances, equipment, premises, access	5
All aspects of clinical treatment	264
Appointments, delay/cancellation (outpatient incl. ED)	22
Appointments, delay/cancellation (inpatient)	13
Attitude of staff	75
Communication/information to patients	43
Consent to treatment	1
Failure to follow agreed procedure	0
Hotel services	2
Other	8
Patients' property and expenses	15
Personal records (incl. medical and/or complaints)	7
Results	2
Total	492

Each complaint is assessed and managed individually, although issues raised may be similar to others, the circumstances and experiences are often different for the individual concerned. Complaints are given a 'BRAG' (Blue, Red, Amber, and Green) rating according to the severity of the concerns raised. The Trust has a key performance indicator to measure the number of amber complaints that were responded to within 30 working days.

- Overall 63 percent of amber complaints received during 2020/21 were closed within the target response rate of 30 working days
- 37 percent of complaints did not meet their target response
- There are 136 open complaints entering into the new financial year.

Parliamentary and Health Service Ombudsman complaints

Four new cases were referred to the Parliamentary and Health Service Ombudsman (PHSO) during 2020/21 compared to six in 2019/20. Cases referred to the PHSO are often with them for a long time and therefore those that are opened are often not the ones that close in the same year. Only two of the four that were referred in 2020/21 were closed in the same year. Six cases were closed during 2020/21; two were not upheld and three were partially upheld with recommendations and one was returned for ongoing resolution. Currently there is one case still being investigated by the Ombudsman and one case being assessed before a decision is made whether or not to investigate.

Medway NHS Foundation Trust is committed to providing patients with the Best of Care and ensuring that their experience is as positive as it can be when using our services. Some of the actions taken as a result of a complaint are detailed below:

- A Trust-wide review of complaint handling
- Emphasis during a junior doctor teaching session on post-surgical risks, ceiling of care and the importance of discussion with a family member.
- A report detailing data and thematic learning between serious incidents, incidents and complaints

- Complaints are reviewed within each Directorate on a monthly basis. Themes of complaints are used as an opportunity to learn and to take action to improve the experience of patients.
- A drop off system for patient property during visiting restrictions.
- Daily contact with a family member during restricted visiting
- The use of electronic devices for patients to speak with their loved one.
- A review of the patient property policy including how patient property is managed

Patient Advice and Liaison Service (PALS)

The Patient Advice and Liaison Service (PALS) offer confidential advice, support and information on health-related matters to patients and their families and provide a 'much needed point of contact for patients, their families and their carers' (NHS.UK 2018).

The Patient Advice and Liaison Service (PALS) registered 3,057 enquiries in 2020/21. This is significantly less (15.8%) than the 2019/20 total of 2,571 and is undoubtedly due, in the main, to a more efficient approach to registering and handling concerns with the ambition to provide remedy and resolution at the earliest stage. 3 per cent of PALS contacts were compliments for staff and departments.

The PALS team work collaboratively with the care groups, wards and departments to highlight and help resolve patient concerns and enquiries. It requires a responsive approach from staff to address concerns swiftly and effectively.

Patients and their families can contact PALS by telephone, email or visit in person. Additionally, contact can be made via 'Have Your Say' on the Trust website.

PALS Themes	
Admission, discharge & transfer arrangements	149
Aids & appliances, equipment, premises, access	21
All aspects of clinical treatment	436
Appointments, delay/cancellation (outpatient incl. long wait in ED) (Urology, Colorectal, Trauma & Orthopaedics, Neurology and Gastroenterology received the most enquiries)	733
Appointments, delay/cancellation (inpatient)	48
Attitude of staff	154
Code of openness	1
Communication/information to patients	726
Complaint handling	1
Compliments	102
Consent to treatment	2
Failure to follow agreed procedure	3
Hotel services	13
Information relating to other organisations	31

PALS Themes	
Mortuary and post mortem arrangements	1
Other	174
Patients' privacy & dignity	1
Patients' property & expenses	113
Patients' status, discrimination	4
Personal records (incl. medical and/or complaints)	106
Results	238
Total:	3,057

Part 3: Other information Annex 1: Statements from commissioners, local Healthwatch organisations and Overview and Scrutiny Committees

Lead Governor's Submission on the Quality Account Report for 20/21 of the Medway NHS Foundation Trust

During the past year, we have all experienced anxiety, sadness and loss as a result of the pandemic, but we have also seen staff in our hospital rising to unimaginable challenges to care for patients. There is no doubt that amidst all the difficulties, there have been countless examples of excellent, compassionate, and high quality care.

The Quality Account sets out the Trust's Quality priorities across three domains: Safe, Effective, and Person-Centred, and in spite of the pandemic there have been improvements in all these areas.

Under the Safe domain it has been encouraging to see a reduction in Hospital Acquired Infections including MRSA bacteraemia, C difficile and gram negative blood stream infections, and the recognition of these achievements through the Chief Nurse Awards Scheme is to be welcomed.

I note that the falls prevention strategy has been impacted by COVID-19, nonetheless the Trust has demonstrated an 11 per cent reduction in the number of falls, which is good to see.

The 38.3 per cent reduction in the number of pressure ulcers is also a commendable achievement, indicating better care for patients.

While there is more to do in some areas, such as to reduce the number of stillbirths, it is encouraging to see improvements in safe care at the Trust.

In the Effective domain the improvements in discharge and the transfer of care mean a better experience for patients, and it is good to see health and social care working better together towards this goal.

I note there is more to do to fully achieve other priorities for Effective care, including the management of patients with sepsis, use of antibiotics, and addressing patients' hydration and nutritional needs.

In relation to Patient-Centred care, while there is more to do in this domain, it is clear there has been progress with 'This is me' boards and activity packs to support patients with dementia, and on improving understanding around the complexities of caring for patients with a learning disability.

I note there will be a continued focus on reducing Mixed Sex Accommodation breaches, which had seen improvements prior to the second wave of COVID-19 at the end of 2020.

As highlighted within the Quality Account, a member event was held on 24 February 2021 to involve governors, staff, Trust members and members of the public in agreeing quality priorities for 2021/22.

The six priorities discussed and agreed build on last year's. They are:

- Falls management and reduction
- Pressure damage reduction
- Nutrition and hydration
- Sepsis management for inpatients
- Dementia and delirium management
- Developing a patient experience strategy.

The foundations for further improvements have been laid, and I am optimistic that during 2021/22 we will see greater progress as we emerge from the pandemic. One of the initiatives of the past year that supports better quality of nursing-led care is Reclaiming the Nursing Landscape. This aims to strengthen the role of leadership, governance, standards and education in the nursing and midwifery teams, supporting them to consistently deliver the best of care. This is an important step forward as the Trust strives to become more clinically led.

Unsurprisingly, and in common with other trusts, Medway's performance against national standards has been impacted by the pandemic. Ambulance handover times were a particular concern at the peak of the second wave in December 2020. It is encouraging to note that this has improved since that time.

Meanwhile, the change of the Urgent Treatment Centre (UTC) model made a significant contribution in the improvement in non-admitted performance and the new model implemented in June 2020 has been recognised and is a finalist for a Health Service Journal award.

The Trust's performance for elective surgery and diagnostics was also affected by COVID-19 as the hospital needed to prioritise caring for patients with the virus. I recognise the work that has taken place to address the waiting times and look forward to seeing further improvements over the coming year.

The Quality Account describes the Care Quality Commission inspections of the Trust during the past 12 months, along with the outcomes and actions taken. The inspection of the urgent and emergency care service in December 2020 took place at the height of the second wave of the pandemic in Medway, when the Emergency Department was experiencing severe pressure, and this was reflected in some of the concerns raised by inspectors. Monitoring and reporting shows that progress has been made in these areas. At the time of writing we await the outcome of the most recent inspections during April and May 2021.

The Council of Governors is regularly updated on progress to enhance care across the Trust as described in the Trust's 'Our Medway' improvement plan, which covers high quality care, integrated healthcare, innovation, 'our people', and financial stability.

Governors also attend the Quality Assurance Committee and a number of other Board committees, through which we receive assurance regarding key areas, such as performance, strategic and corporate risks, and financial stability. It has been particularly encouraging to note that the Trust has achieved its financial control total once again, while maintaining high quality of care.

Engaging with our community during the past year has been challenging, but Governors have embraced technology to hold a number of virtual member events and Meet the Governor sessions, ensuring our community was kept well informed about the hospital and able to raise questions. We look forward to returning to a wider range of ways to engage people in the quality of care, with face to face meetings at the appropriate time.

Glyn Allen

Lead Governor

08 June 2021

Statement from Kent and Medway Clinical Commissioning Group

We welcome the Quality Account for Medway NHS Foundation Trust. The CCG has a responsibility to review the Quality Accounts of the organisation each year, using the Department of Health's Quality Accounts checklist tool to ascertain whether all of the required elements are included within the document and the CCG confirms that the Quality Account has been developed in line with the national requirements with all of the required areas included.

Your report clearly sets out your quality focus for the coming year, for providing care that is safe, effective and person centred. There is a thorough summary of the work that you have all undertaken this year with a focus on quality. You have transparently looked at and provided narrative to the areas that still require work, and how you plan to work towards these further improvements through the 'Our Medway' improvement programme, which is aligned to your strategic objective of High Quality Care.

There is clear evidence of the work completed described against each of the quality priorities in the report, noting achievements to date and work still to be done, set out against the three quality domains of safe, effective, person centred care. We note the challenges you faced as an organisation during the pandemic response. You talk about the effect of the pandemic response on your organisation, which has been felt deeply and is an important point to reflect on and you have taken the time to comment on the commitment, determination and sacrifice of your colleagues, which is so important to have noted in your report. We would like to thank all of the staff at the trust for their hard work during this unprecedented time.

You have talked about the audits that you have undertaken and discussed how this supports identification of areas requiring improvement, as part of your commitment to ensure best treatment and care for your patients. You have given examples of how actions arising from the audits have improved the quality of healthcare.

The Trust's continued commitment to research as a driver for improving the quality of care and patient experience is noted. Work on research, although affected by the pandemic, brought new opportunities for clinical research and for the Trust to participate in global trials.

You have set six clear priorities for the coming year, aligned to the three quality domains. We note your efforts on engagement at a local level, evidenced by your engagement with governors, staff and patient group representatives on your progress with the Quality Strategy, and in discussing and agreeing the Trust's quality priorities for the coming year.

Throughout the report you have provided clear and measurable recommendations, and have maintained the focus within the three clear domains, which gave the report a clear flow, that would be easy to follow for members of the public who may have an interest in reading this report.

In conclusion, the report is well structured and highlights that the quality of patient care remains a clear focus for the organisation and at the forefront of service provision. The CCG thanks the organisation for the opportunity to comment on these accounts and looks forward to further strengthening the relationships with the organisation through continued collaborative working in the future.

Paula Wilkins Executive
Chief Nurse for NHS Kent and Medway Clinical Commissioning Group

Statement from Medway Council's Health and Adult Social Care Overview and Scrutiny Committee

Awaiting response

Statement of adjustment following receipt of written statements required by section 5(1)(d) of the National Health Service (Quality Account) Regulations 2010

Lead Governor's statement added to the Quality Account.

Annex 2: Statement of directors' responsibilities for the quality report -

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS foundation trust annual reporting manual 2020/21 and supporting guidance Detailed requirements for quality reports 2020/21
- the content of the quality report is not inconsistent with internal and external sources of information including:
    - board minutes and papers for the period April 2020 to March 2021
    - papers relating to quality reported to the board over the period April 2020 to March 2021
    - feedback from commissioners dated 27 May 2021
    - *feedback from governors* dated 8 June2021
    - *feedback from local Healthwatch organisations dated* ***to be added***
    - *feedback from overview and scrutiny committee dated* ***to be added***
    - the trust's 20-21 complaints report for the period April 2020 to March 2021published under Regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009
    - the 2020/21 national patient survey results have not yet been published
    - the 2020/21national staff survey
    - the Head of Internal Audit's annual opinion of the trust's control environment NHS providers are expected to obtain assurance from their external auditor on their quality account / quality report for 2020/21
    - CQC inspection report dated 30 April 2020
- the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the quality report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review
- the quality report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the quality accounts regulations) as well as the standards to support data quality for the preparation of the quality report.

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

By order of the board

June 2021 

.....Date.....Chair

June 2021 

.....Date.....Chief Executive

Independent auditor's report to the council of governors of Medway NHS Foundation Trust on the quality report

There is no requirement for a foundation trust to commission external assurance on its quality report for 2020/21.

Glossary

Acronym	Meaning
ASSKING	Assess Risk, Skin assessment and skin care, Surface selection and use, Keep patients moving, Incontinence assessment and care, Nutrition and hydration assessment/support, Giving information
CCG	Clinical Commissioning Group
C-DIFF	Clostridium difficile
CNST	Clinical Negligence Scheme for Trusts
CO	Carbon monoxide
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation
CRASH	CRASH Bundle C= call bell, R= Review medication, A= Appropriate equipment, S = shoes (appropriate footwear), H= Hypotension (postural)
DATIX	National Risk Management and reporting system
DQ	Data Quality
E. coli	Escherichia coli
ED	Emergency Department
EOLC	End of Life Care
FFT	Friends and Family Test
FGR	Fetal growth restriction
GRAM	Gram-negative bloodstream infections
HSMR	Hospital Standardised Mortality Ratio
IPC	Infection Prevention and Control
KPI	Key Performance Indicator
LeDER	Learning Disabilities Mortality Review Programme
MRSA	Methicillin-Resistant Staphylococcus Aureus
NCAA	National Cardiac Arrest Audit
NELA	National Emergency Laparotomy Audit
NHS	National Health Service
NHSI	National Health Service Improvement
NIHR	National Institute for Health Research
NRLS	National Reporting and Learning System
PALS	Patient Advice and Liaison Service
PAS	Patient Administration System
PHSO	Parliamentary and Health Service Ombudsman
PPE	Personal Protective Equipment
PROM	Patient Reported Outcome Measures
PST	Patient Safety Team
QIP	Quality improvement project
RADG	Resuscitation and Acute Deterioration Group
RTT	Referred to Treatment
SATOD	Smoking at time of delivery
SHMI	Summary Hospital Level Mortality Indicator
SJR	Structured Judgement Review
StEIS	Strategic Executive Information System
SUS	Secondary Uses service

Acronym	Meaning
UTI	Urinary tract infection
VTE	Venous thromboembolism

ANNUAL ACCOUNTS

Contents

Foreword to the Accounts

Medway NHS Foundation Trust

These accounts, for the year ended 31 March 2021 have been prepared by Medway Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name George Findlay

Job title Chief Executive

Date June 2021

Statement of the Chief Executive's responsibilities as the Accounting Officer of Medway NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Medway NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Medway NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

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

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

George Findlay
Chief Executive
June 2021

Independent auditor's report to the Council of Governors of Medway NHS Foundation Trust - 15 June 2021

Report on the Audit of the Financial Statements

Qualified opinion on financial statements

We have audited the financial statements of Medway NHS Foundation Trust (the 'Trust') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021.

In our opinion, except for the possible effects on the corresponding figures of the matter described in the Basis for qualified opinion section of our report, the financial statements:

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

Basis for qualified opinion

Due to the national lockdown arising from the Covid-19 pandemic in March 2020, we were not able to observe the counting of the physical inventories at 31 March 2020 or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the Statement of Financial Position of £6.306 million. Consequently, we were unable to determine whether there was any consequential effect on the drug costs and supplies and services for the year ended 31 March 2020. Our audit opinion on the financial statements for the year ended 31 March 2020 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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

Conclusions relating to going concern

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

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

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

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

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

Other information

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

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

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the inventory quantities of £6.306 million held as at 31 March 2020, and related balances.

Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2020/21 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, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006; and
- based on the work undertaken in the course of the audit of the financial statements and our knowledge of the Trust, the other information published together with the financial statements in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006 in the course of, or at the conclusion of the audit; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

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

Responsibilities of the Accounting Officer and Those Charged with Governance for the financial statements

As explained more fully in the Statement of the Chief Executive's responsibilities as the accounting officer, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2020/21, for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Integrated Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (international accounting standards and the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2020 to 2021).
- We enquired of management and the Integrated Audit 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 Integrated Audit Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and the risk of improper revenue recognition. We determined that the principal risks were in relation to journals:
    - Using data analytics, we consider all journal entries for fraud and set specific criteria to identify entries we considered to be high risk. Journals considered high risk for the purposes of our 2020/21 audit included: large value manual journals in excess of £4,550,000; journals posted on non-working days; journals posted by members of senior management and journals posted after the 31st March 2021.
- 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 the journals deemed to be high risk as noted above;
    - challenging assumptions and judgements made by management in its significant accounting estimates in respect of property, plant and equipment valuations and revenue recognition;
    - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

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

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

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

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

Responsibilities of the Accounting Officer

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

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

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

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

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

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

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

We cannot formally conclude the audit and issue an audit certificate for Medway NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice until we have completed our work on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Use of our report

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

Darren Wells

Darren Wells, Key Audit Partner

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

Date: 15 June 2021

Independent auditor's report to the Council of Governors of Medway NHS Foundation Trust - 6 September 2021

In our auditor's report issued on 15th June 2021, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2021, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had:

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

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2021 issued on 15th June 2021 we reported that, in our opinion, except for the possible effect of the matter described in the Basis for qualified opinions section of our report, the financial statements:

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

The Basis for qualified opinion section of our opinion was as follows:

- Due to the national lockdown arising from the Covid-19 pandemic in March 2020, we were not able to observe the counting of the physical inventories at 31 March 2020 or satisfy ourselves by alternative means concerning the inventory quantities held at that date, which had a carrying amount in the Statement of Financial Position of £6.306 million. Consequently, we were unable to determine whether there was any consequential effect on the drug costs and supplies and services for the year ended 31 March 2020. Our audit opinion on the financial statements for the year ended 31 March 2020 was modified accordingly. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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

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

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

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

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

Responsibilities of the Accounting Officer

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

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

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and

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

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

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

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

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of Medway NHS Foundation Trust for the year ended 31 March 2021 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

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

Darren Wells

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

Date: 6th September 2021

Statement of Comprehensive Income for the year ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Operating income from patient care activities	3	315,419	269,260
Other operating income	4	65,682	56,519
Operating expenses	5	(373,676)	(342,914)
Operating surplus/(deficit) from continuing operations		**7,425**	**(17,135)**
Finance income	9	0	204
Finance expenses	10	(33)	(4,070)
PDC dividends payable		(6,180)	0
Net finance costs		**(6,213)**	**(3,866)**
Surplus/(deficit) for the year		**1,212**	**(21,001)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	12	(6,803)	(6,662)
Revaluations	12	1,499	12,748
Total comprehensive expense for the period		**(4,092)**	**(14,915)**

Statement of Financial Position as at 31 March 2021

	Note	31 March 2021 £000	31 March 2020 £000
Non-current assets			
Property, plant and equipment	11	221,291	204,276
Receivables	14	660	915
Total non-current assets		**221,951**	**205,191**
Current assets			
Inventories	13	6,962	6,306
Receivables	14	16,216	36,286
Cash and cash equivalents	15	49,184	12,385
Total current assets		**72,362**	**54,977**
Current liabilities			
Trade and other payables	16	(37,101)	(24,481)
Borrowings	18	(137)	(292,111)
Provisions	19	(1,255)	(1,812)
Other liabilities	17	(7,584)	(2,706)
Total current liabilities		**(46,077)**	**(321,110)**
Total assets less current liabilities		**248,236**	**(60,942)**
Non-current liabilities			
Borrowings	18	(2,151)	(2,278)
Provisions	19	(1,424)	(1,317)
Total non-current liabilities		**(3,575)**	**(3,595)**
Total assets employed		**244,661**	**(64,537)**
Financed by			
Public dividend capital		453,870	140,580
Revaluation reserve		36,062	41,366
Income and expenditure reserve		(245,271)	(246,483)
Total taxpayers' equity		**244,661**	**(64,537)**

The notes on pages 167 to 201 form part of these accounts.

Signed	.....	.....
Name	**Dr George Findlay**	**Alan Davies**
Position	**Interim Chief Executive**	**Chief Finance Officer**
Date	**15 June 2021**	**15 June 2021**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2020 - brought forward	**140,580**	**41,366**	**(246,483)**	**(64,537)**
Surplus for the year	0	0	1,212	**1,212**
Transfers between reserves	0	0	0	**0**
Impairments	0	(6,803)	0	**(6,803)**
Revaluations	0	1,499	0	**1,499**
Transfer to retained earnings on disposal of assets	0	0	0	**0**
Public dividend capital received	313,290	0	0	**313,290**
Taxpayers' equity at 31 March 2021	**453,870**	**36,062**	**(245,271)**	**244,661**

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2019 - brought forward	**138,912**	**35,043**	**(225,245)**	**(51,290)**
Deficit for the year	0	0	(21,001)	**(21,001)**
Transfers between reserves	0	249	(249)	**0**
Impairments	0	(6,662)	0	**(6,662)**
Revaluations	0	12,748	0	**12,748**
Transfer to retained earnings on disposal of assets	0	(12)	12	**0**
Public dividend capital received	1,668	0	0	**1,668**
Taxpayers' equity at 31 March 2020	**140,580**	**41,366**	**(246,483)**	**(64,537)**

Public dividend capital

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

Revaluation reserve

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

Income and expenditure reserve

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

Statement of Cash Flows for the year ended 31 March 2021

	Note	2020/21 £000	2019/20 £000
Cash flows from operating activities			
Operating surplus / (deficit)		7,425	(17,135)
Non-cash income and expense:			
Depreciation and amortisation	5	10,085	10,554
Net impairments	12	107	(585)
Income recognised in respect of capital donations	4	(740)	0
(Increase) / decrease in receivables and other assets		20,649	2,237
Decrease / (Increase) in inventories		(656)	(435)
Increase / (decrease) in payables and other liabillties		9,664	(1,022)
Decrease / (Increase) in provisions		(445)	2,076
Net cash flows from / (used in) operating activities		**46,089**	**(4,310)**
Cash flows from investing activities			
Interest received		0	196
Purchase of property, plant, equipment and investment property		(23,947)	(21,707)
Receipt of cash donations to purchase capital assets		10	0
Net cash used in investing activities		**(23,937)**	**(21,511)**
Cash flows from financing activities			
Public dividend capital received		313,290	1,668
Movement on loans from the Department of Health and Social Care		(291,543)	29,755
Interest on loans		(587)	(4,042)
Other interest		(9)	(16)
PDC dividend (paid)/refunded		(6,504)	0
Net cash generated from financing activities		**14,647**	**27,365**
Increase in cash and cash equivalents		**36,799**	**1,544**
Cash and cash equivalents at 1 April - brought forward		**12,385**	**10,841**
Cash and cash equivalents at 31 March	15	**49,184**	**12,385**

Notes to the Accounts for the year ended 31 March 2021

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 2020/21 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.

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

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

Note 1.3 Revenue from contracts with customers

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

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

Note 1.3.1 Revenue from NHS Contracts

The accounting policies for revenue recognition and the application of IFRS 15 are consistently applied. The contracting arrangements in the NHS changed between 2019/20 and 2020/21 affecting the application of the accounting policy under IFRS 15. This difference in application is explained below.

2020/21

The main source of income for the Trust is contracts with commissioners for health care services. In 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. During the first half of the year the trust received block funding from its commissioners. For the second half of the year, block contract arrangements were agreed at an Integrated Care System/Sustainability and Transformation Partnership level. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

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

Comparative period (2019/20)

In the comparative period (2019/20), the trust's contracts with NHS commissioners included those where the trust's entitlement to income varied according to services delivered. A performance obligation relating to delivery of a spell of health care was generally satisfied over time as healthcare was received and consumed simultaneously by the customer as the Trust performed it. The customer in such a contract was the commissioner, but the customer benefited as services were provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligned with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that were substantially the same and had a similar pattern of transfer. At the year end, the Trust accrued income relating to activity delivered in that year, where a patient care spell was incomplete. This accrual was disclosed as a contract receivable as entitlement to payment for work completed was usually only dependent on the passage of time.

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

Note 1.3.2 Revenue from Research Contracts

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

Note 1.3.3 NHS Injury cost recovery scheme

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

Note 1.3.4 Other Income

Grants and Donations

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

Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.4 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 NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, 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.

Employer's pension cost 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 schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

Note 1.5 Expenditure on other goods and services

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

Note 1.6 Property, plant and equipment

Note 1.6.1 Recognition

Property, plant and equipment is capitalised where:

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

- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.
- costs form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

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

The finance costs of bringing fixed assets into use are not capitalised.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g., plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software is assessed on a case by case basis and is either capitalised as a tangible asset or expensed over the life of the licence.

Note 1.6.2 Measurement

Valuation

All property, plant and equipment is measured initially at cost, representing the cost 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 that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts 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, modern equivalent asset basis.

Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements of the service being provided.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. Assets are revalued and depreciation commences when they 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 economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

All land and buildings are restated to current value using professional valuations in accordance with IAS 16 every five years. A yearly interim valuation is also carried out. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. In accordance with this policy the valuation undertaken on 2020/21 was therefore a desktop revaluation.

The valuation exercise was carried out in March 2021 with a valuation date of 31st March 2021.

Properties in the course of construction for services or administration purposes are carried at cost, less any impairment loss. Costs includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Subsequent expenditure

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

Depreciation

Items of property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated economic lives. Freehold land is considered to have an infinite life and is not depreciated.

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

Buildings, installations and fittings and depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust’s professional valuers. Assets held under a finance lease are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset - see 1.6.5.

Revaluation gains and losses

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

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

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

Impairments

At each financial year end, the Trust checks whether there is any indication that its property, plant and equipment or intangible assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure.

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

Note 1.6.3 De-recognition

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

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

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

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

Note 1.6.4 Donated and grant funded assets

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

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

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

Note 1.6.5 Useful lives of property, plant and equipment

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

	Min Years	Max Years
Buildings (set-up costs in new buildings)	3	10
Buildings & Dwellings	3	80
Plant & machinery	5	15
Transport (Vehicles)	7	7
Information technology	5	8
Furniture & fittings	7	10

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.7 Inventories

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

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

Note 1.8 Cash and cash equivalents

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

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

Note 1.9 Financial assets and financial liabilities

Note 1.9.1 Recognition

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

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

Note 1.9.2 Classification and measurement

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

Financial assets are classified as subsequently measured at amortised cost.

Financial liabilities classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

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

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that

exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

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

Impairment of financial assets

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

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

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

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

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

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

Note 1.9.3 Derecognition

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

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

Note 1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.10.1 The trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental charge is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the

Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Note 1.11 Provisions

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

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.95% in real terms.

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 19 but is not recognised in the Trust’s accounts.

Non-clinical risk pooling

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

Note 1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity’s control) are not recognised as assets, but are disclosed in note 20 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

Note 1.13 Public dividend capital

Public dividend capital is a type of public sector equity finance, which represents the Department of Health and Social Care’s investment in the trust.

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

An annual 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, except for

- donated assets and grant funded assets
- charitable funds
- average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility.
- approved expenditure on COVID-19 capital assets
- assets under construction for nationally directed schemes
- any PDC dividend balance receivable or payable.

The average relevant net assets are calculated as a simple average of opening and closing relevant net assets.

Note 1.14 Value added tax

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

Note 1.15 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, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However 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 1.16 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 1.17 Critical judgements in applying accounting policies

Any judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS foundation trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are disclosed in the notes:

Going Concern - See note 1.2.

Credit Loss Provision - See note 1.10.2 Financial Asset Impairments

Note 1.17.1 Sources of estimation uncertainty

Any 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 are disclosed in the notes:

Note 1.6.2 The only estimation uncertainty relates to the valuation of the Trust Estate

Note 1.18 Accounting standards that have been amended during the reporting year

No new standards or revisions to existing standards have been adopted in 2019/21.

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

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. [For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition]. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

The Trust currently has a minimal number and value of operating leases therefore no material financial impact is foreseen on implementation. The Trust continues to develop processes to implement and assess.

Note 1.20 Charitable Funds

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

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

Note 2 Operating Segments

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

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

Significant amounts of income are received from transactions with the Department of Health and other NHS bodies. Disclosure of all material transactions with related parties is included in note 27 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 1.3

Note 3.1 Income from patient care activities (by nature)	2020/21	2019/20 Restated
	£000	£000
Block contract / system envelope income	242,359	182,012
High cost drugs income from commissioners	22,644	23,274
Other NHS clinical income*	39,989	51,727
Private patient income	44	146
Additional pension contribution central funding**	8,797	8,189
Other clinical income	1,586	3,912
Total income from activities	**315,419**	**269,260**

*As part of the coronavirus pandemic response, transaction flows were simplified in the NHS and providers and their commissioners moved onto block contract payments at the start of 2020/21. In the second half of the year, a revised financial framework built on these arrangements but with a greater focus on system partnership and providers derived most of their income from these system envelopes. Comparatives in this note are presented to be comparable with the current year activity. This does not reflect the contracting and payment mechanisms in place during the prior year.

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

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2020/21	2019/20
	£000	£000
NHS England	47,281	44,798
Clinical commissioning groups	265,815	221,996
Department of Health and Social Care	0	138
Other NHS providers	717	14
Non-NHS: private patients	44	146
Non-NHS: overseas patients (chargeable to patient)	571	756
Injury cost recovery scheme	559	1,248
Non NHS: other	432	164
Total income from activities	**315,419**	**269,260**

Injury Cost Recovery income is subject to a provision for doubtful debts of 22.43% (2019/20: 21.79%) to reflect expected rates of collection.

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

	2020/21	2019/20
	£000	£000
Income recognised this year	571	756
Cash payments received in-year	51	107
Amounts added to provision for impairment of receivables	718	348
Amounts written off in-year	0	0

Note 4 Other operating income

	2020/21 £000	2019/20 £000
Other operating income from contracts with customers:		
Research and development (contract)	1,065	1,091
Education and training (excluding notional apprenticeship levy income)	10,194	9,357
Non-patient care services to other bodies	4,315	5,800
Provider sustainability fund / Financial recovery fund / Marginal rate emergency tariff funding	0	31,208
Reimbursements and top up funding	38,274	0
Income in respect of employee benefits accounted on a gross basis	701	322
Other contract income	4,681	8,229
Other non-contract operating income		0
Education and training - notional income from apprenticeship fund	212	381
Receipt of capital grants and donations	740	0
Charitable and other contributions to expenditure	5,500	131
Total other operating income	**65,682**	**56,519**

Other Income includes:	**2020/21 £000**	2019/20 £000
Car Parking income	**698**	2,036
Catering	**565**	975
Pharmacy sales	**101**	172
Property rental (not lease income)	**0**	0
Staff accommodation rental	**391**	460
Estates recharges (external)	**219**	427
Crèche services	**178**	304
Clinical tests	**1,020**	1,819
Clinical excellence awards	**84**	107
Other income not already covered (recognised under IFRS 15)	**1,425**	1,929
	4,681	8,229

Note 5 Operating expenses

	2020/21	2019/20
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	13,057	15,461
Purchase of healthcare from non-NHS and non-DHSC bodies	1,382	1,063
Staff and executive directors costs [1]	239,336	211,130
Remuneration of non-executive directors	137	149
Supplies and services - clinical (excluding drugs costs)	31,009	30,137
Supplies and services - general	8,837	7,172
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	30,326	30,579
Inventories written down	107	0
Consultancy costs	651	1,429
Establishment	1,194	1,051
Premises	8,225	6,951
Transport (including patient travel)	681	867
Depreciation on property, plant and equipment	10,085	10,554
Net impairments	107	(585)
Movement in credit loss allowance: contract receivables / contract assets[3]	2,052	1,614
Increase/(decrease) in other provisions	(378)	1,707
Change in provisions discount rate(s)	34	57
Audit fees payable to the external auditor		
audit services- statutory audit	77	61
other auditor remuneration[4]	0	6
Internal audit costs	133	124
Clinical negligence	15,005	12,320
Legal fees	245	507
Insurance	190	148
Research and development	1,091	1,080
Education and training	5,546	5,652
Operating lease expenditure	931	821
Redundancy	218	0
Car parking & security	246	189
Hospitality	0	8
Losses, ex gratia & special payments	1,134	43
Other services, eg external payroll	340	319
Other	1,678	2,300
Total	**373,676**	**342,914**

[1] Staff and Executive Directors costs - excluded from this are Research and Development costs, Non Executives costs and Education and Training costs, as they are reported separately.
This includes £8,787k (2019/20 £8,189k) relating to 6.3% pensions increase paid directly by Department of Health.

[2] Net movement in credit losses (previously provision for impairment of receivables). Credit risk is only associated with Non NHS receivables, the inherent risk has been increased due to uncertainty relating to COVID-19.

[3] Not disclosed in the accounts are other audit Fees of £2.5k for the Independent Examination of Medway Foundation Trust Charity note 1.2.1

Note 5.1 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2,000k (2019/20: £2,000k).

Note 6 Employee Benefits

	2020/21 £000	2019/20 £000
Salaries and wages	188,961	164,496
Social security costs	19,922	17,696
Apprenticeship levy	924	838
Employer's contributions to NHS pensions	20,152	18,728
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	8,797	8,189
Pension cost - other	12	11
Temporary staff (including agency)	5,934	6,470
Total gross staff costs	**244,702**	**216,428**

Note 6.1 Directors Remuneration and Other Benefits

	2020/21 £000	2019/20 £000
Directors Remuneration	1,465	1,377
Social Security Costs	187	100
Employer contributions to NHS Pension scheme	114	183
Total Remuneration	**1,766**	**1,660**

8 Directors are accruing pension benefits under the NHS Pension defined benefit scheme (2019/20;10)

Note 6.2 Retirements due to ill-health

During 2020/21 there were 2 early retirements from the Trust agreed on the grounds of ill-health (0 in the year ended 31 March 2020). The estimated additional pension liabilities of these ill-health retirements are £12k (£0k in 2019/20).

Please Note: In line with the HM Treasury requirements, some previous accounts disclosures relating to staff costs are now required to be included in the staff report section of the annual report instead.

Note 7 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2021, is based on valuation data as at 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

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

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

c) Alternative Pension Scheme

For those employees who do not have access to the NHS pensions scheme but who are otherwise classified as employees with an entitlement to automatic enrolment in an appropriate pension the Trust has put in place an alternative workplace pension scheme. This scheme is administered by NEST (National Employment Savings Trust) and is a defined contribution pension scheme. The total contribution costs for this scheme for the financial year 2020/21 amount to £12k (2019/20: £11k).

Note 8 Operating expenses

Note 8.1 Medway NHS Foundation Trust as a lessee

Operating expenses include:

Payments recognised as an expense

	2020/21 £000	2019/20 £000
Operating lease expense		
Minimum lease payments	931	821
Total	**931**	**821**

	2020/21 £000	2019/20 £000
Future minimum lease payments due:		
- not later than one year;	344	429
- later than one year and not later than five years;	330	1,236
- later than five years.	0	0
Total	**674**	**1,665**

In general, operating leases are for various pieces of equipment over varying periods. Generally all equipment leases are taken out under the 'NHS Conditions of Contract for the Lease of Goods'.

Note 9 Finance income

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

	2020/21	2019/20
	£000	£000
Interest on bank accounts	0	204
Total finance income	**0**	**204**

Note 10 Finance expenditure

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

	2020/21	2019/20
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	29	4,051
Interest on late payment of commercial debt	9	16
Total interest expense	**38**	**4,067**
Unwinding of discount on provisions	(5)	3
Total finance costs	**33**	**4,070**

Note 10.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2020/21	2019/20
	£000	£000
Amounts included within interest payable arising from claims under this legislation	9	16

Note 11 Property, plant and equipment

Note 11.1 Property, plant and equipment - 2020/21

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2020 - brought forward	**7,327**	**162,124**	**4,513**	**12,111**	**40,091**	**86**	**18,510**	**2,828**	**247,590**
Additions	0	0	0	31,771	740	0	0	0	**32,511**
Impairments	(196)	(6,803)	0	0	0	0	0	0	**(6,999)**
Reversals of impairments	0	89	0	0	0	0	0	0	**89**
Revaluations	177	(4,863)	221	0	0	0	0	0	**(4,465)**
Reclassifications	0	11,196	90	(21,765)	3,104	0	7,624	(249)	**0**
Disposals / derecognition	0	0	0	0	0	0	0	0	**0**
Valuation/gross cost at 31 March 2021	**7,308**	**161,743**	**4,824**	**22,117**	**43,935**	**86**	**26,134**	**2,579**	**268,726**
Accumulated depreciation at 1 April 2020 - brought forward	**0**	**0**	**0**	**0**	**26,566**	**75**	**14,644**	**2,029**	**43,314**
Provided during the year	0	5,725	218	0	2,730	9	1,282	121	**10,085**
Impairments	0	0	0	0	0	0	0	0	**0**
Revaluations	0	(5,746)	(218)	0	0	0	0	0	**(5,964)**
Reclassifications	0	21	0	0	(2)	0	0	(19)	0
Disposals / derecognition	0	0	0	0	0	0	0	0	0
Accumulated depreciation at 31 March 2021	**0**	**0**	**0**	**0**	**29,294**	**84**	**15,926**	**2,131**	**47,435**
Net book value at 31 March 2021	**7,308**	**161,743**	**4,824**	**22,117**	**14,641**	**2**	**10,208**	**448**	**221,291**
Net book value at 31 March 2020	**7,327**	**162,124**	**4,513**	**12,111**	**13,525**	**11**	**3,866**	**799**	**204,276**

Note 11.2 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**6,240**	**136,772**	**6,045**	**17,992**	**48,738**	**140**	**16,263**	**4,413**	**236,603**
Additions	0	0	0	23,693	0	0	0	0	**23,693**
Impairments	(137)	(5,286)	(1,239)	0	0	0	0	0	**(6,662)**
Revaluations	1,224	7,031	(395)	0	0	0	0	0	**7,860**
Reclassifications	0	23,936	102	(29,515)	2,488	0	2,989	0	**0**
Disposals / derecognition	0	(329)	0	(59)	(11,135)	(54)	(742)	(1,585)	**(13,904)**
Valuation/gross cost at 31 March 2020	**7,327**	**162,124**	**4,513**	**12,111**	**40,091**	**86**	**18,510**	**2,828**	**247,590**
Accumulated depreciation at 1 April 2019 - brought forward	**0**	**0**	**0**	**0**	**34,983**	**120**	**13,184**	**3,439**	**51,726**
Provided during the year	0	5,210	263	0	2,695	9	2,202	175	**10,554**
Impairments	0	362	345	0	0	0	0	0	**707**
Reversals of impairments	0	(1,292)	0	0	0	0	0	0	**(1,292)**
Revaluations	0	(4,280)	(608)	0	0	0	0	0	**(4,888)**
Disposals / derecognition	0	0	0	0	(11,112)	(54)	(742)	(1,585)	**(13,493)**
Accumulated depreciation at 31 March 2020	**0**	**0**	**0**	**0**	**26,566**	**75**	**14,644**	**2,029**	**43,314**
Net book value at 31 March 2020	**7,327**	**162,124**	**4,513**	**12,111**	**13,525**	**11**	**3,866**	**799**	**204,276**
Net book value at 31 March 2019	**6,240**	**136,772**	**6,045**	**17,992**	**13,755**	**20**	**3,079**	**974**	**184,877**

Note 12 Revaluations and Impairments of property, plant and equipment

Note 12 Revaluations and Impairments of property, plant and equipment

Note 12.1 Revaluations

	2020/21	2019/20
Changes in market price	**£000**	**£000**
Land	177	1,224
Property, Plant and Equipment	1,322	11,524
Total Revaluations	**1,499**	**12,748**

Note 12.2 Impairments

In 2020/21 net impairments of £6,910k have occurred as result of a full revaluation of The Trust estate, this includes;

	2020/21	2019/20
	£000	£000
Impairments charged to Revaluation Reserve	**6,803**	**6,662**
Impairments charged to operating expenditure	196	707
Impairment reversals credited to operating expenditure	(89)	(1,292)
Net Impairment Reversal credited to Operating Expenditure	**107**	**(585)**
Total Net Impairments	**6,910**	**6,077**

Note 12.3 Impairments

Information on the economic life of property, plant and equipment is included in the accounting policies.

An interim revaluation of land, buildings and dwellings on a Modern Equivalent Asset basis has been conducted by professional valuers in 2020/21.

Note 13 Inventories

	2020/21	2019/20
	£000	£000
Drugs	1,704	2,364
Consumables	5,258	3,943
Total inventories	**6,962**	**6,306**

Inventories recognised in expenses for the year were £61,370k (2019/20: £60,716k)

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2020/21 the Trust received £5,156k of items purchased by DHSC.

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.

Note 14 Trade and other receivables

	2020/21 £000	2019/20 £000
Current		
Contract receivables*	16,555	35,576
Allowance for impaired contract receivables / assets	(5,171)	(3,484)
Prepayments (non-PFI)	2,672	3,367
Interest receivable	0	14
PDC dividend receivable	324	0
VAT receivable	1,658	683
Other receivables	178	130
Total current trade and other receivables	**16,216**	**36,286**
Non-current		
Contract receivables*	243	657
Allowance for impaired contract receivables / assets	(54)	(143)
Clinician pension tax provision reimbursement funding from NHSE	471	401
Total non-current trade and other receivables	**660**	**915**
Of which receivables from NHS and DHSC group bodies:		
Current	10,148	30,216

*Contract receivables includes invoiced £16,288k (2019/20 £17,714k) and uninvoiced accruals of £510k (2019/20 £18,519k).

Note 14.1 Allowances for credit losses

	Contract receivables and contract assets		
	2020/21 £000		2019/20 £000
Allowances as at 1 April - brought forward	**3,627**	**2020/21**	**2,400**
New allowances arising	2,580		2,008
Reversals of allowances	(528)		(394)
Utilisation of allowances	(454)		(387)
Allowances as at 31 Mar 2021	**5,225**		**3,627**
Loss / (gain) recognised in expenditure	**2,052**		**1,614**

**The Impairment allowance relates to £5,225k Non NHS and Injury Cost Recovery Scheme receivables only. Intra Group receivables are deemed to be risk free as they are backed by a guarantee from the Department of Health and Social Care.

Note 15 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	2020/21	2019/20
	£000	£000
At 1 April	**12,385**	**10,841**
Net change in year	36,799	1,544
At 31 March	**49,184**	**12,385**
Broken down into:		
Cash at commercial banks and in hand	328	266
Cash with the Government Banking Service	48,856	12,119
Total cash and cash equivalents as in SoFP	**49,184**	**12,385**

Note 16 Trade and other payables

	2020/21 £000	2019/20 £000
Current		
Trade payables	7,123	7,635
Capital payables	13,868	6,034
Accruals	15,331	10,019
Social security costs	0	125
VAT payables	1	0
Other taxes payable	0	141
Other payables	778	527
Total current trade and other payables	**37,101**	**24,481**
Of which payables from NHS and DHSC group bodies:		
Current	5,753	5,124

Note 16.1 Better Payment Practice code

	2020/21 Number	2020/21 £000	2019/20 Number	2019/20 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	61,211	119,975	55,692	103,242
Total non-NHS trade invoices paid within target	45,103	75,091	40,597	64,352
Percentage of non-NHS trade invoices paid within target	73.7%	62.6%	72.9%	62.3%
NHS Payables				
Total NHS trade invoices paid in the year	1,196	32,860	1,029	29,858
Total NHS trade invoices paid within target	301	24,758	248	22,893
Percentage of NHS trade invoices paid within target	25.2%	75.3%	24.1%	76.7%

The Better Payment Practice code requires that 95% of all valid invoices are paid by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 17 Other Liabilities

	2020/21 £000	2019/20 £000
Current		
Deferred income: contract liabilities	7,584	2,706
Total other current liabilities	**7,584**	**2,706**

Note 18 Borrowings

	2020/21 £000	2019/20 £000
Current		
Loans from the Department of Health and Social Care*	137	292,111
Total current borrowings	**137**	**292,111**
Non-current		
Loans from the Department of Health and Social Care	2,151	2,278
Total non-current borrowings	**2,151**	**2,278**

*Includes £10k (£568k 2019/20 of interest payable in accordance with IFRS9 (table below excludes)
The Trust held 35 Department of Health loans at the start of 2020/21, in year PDC was issued by the Department to allow the Trust to repay all interim support loans(4 to 35). The Trust also fully repaid capital investment loan 2 during the year, leaving only one loan balance outstanding, the principal sum of which can be seen below:

Loan	Loan Type	Principal Repayment date	Amount £000	Balance @ 1st April 2020 £000	Loans Received £000	Loans Repaid £000	Balance @ 31st March 2021 £000	Interest %
1	Capital investment	Oct-19	1,600	0			0	0.8%
2	Capital investment	Sep-20	5,400	420		(420)	0	1.3%
3	Capital investment	Nov-38	3,100	2,404		(126)	2,278	1.3%
Total Normal Course of Business Loans			10,100	2,824	0	(546)	2,278	
4	Revenue Support	Sep-20	22,500	22,500		(22,500)	0	1.5%
5	Revenue Support	Sep-20	56,800	56,800		(56,800)	0	1.5%
6	Revenue Support	Jul-20	21,300	21,300		(21,300)	0	1.5%
7	Revenue Support	May-20	5,070	5,070		(5,070)	0	1.5%
8	Revenue Support	Jun-20	4,609	4,609		(4,609)	0	1.5%
9	Revenue Support	Jul-20	6,268	6,268		(6,268)	0	1.5%
10	Revenue Support	Aug-20	3,249	3,249		(3,249)	0	1.5%
11	Revenue Support	Sep-20	5,141	5,141		(5,141)	0	1.5%
12	Revenue Support	Jun-20	5,860	5,860		(5,860)	0	1.5%
13	Revenue Support	Jul-20	3,100	3,100		(3,100)	0	1.5%
14	Capital investment	Feb-36	3,700	3,125		(3,125)	0	1.6%
15	Revenue Support	Aug 2020	5,128	5,128		(5,128)	0	1.5%
16	Revenue Support	Sep-20	7,493	7,493		(7,493)	0	1.5%

Loan	Loan Type	Principal Repayment date	Amount	Balance @ 1st April 2020	Loans Received	Loans Repaid	Balance @ 31st March 2021	Interest %
17	Revenue Support	Oct-20	4,326	4,326		(4,326)	0	1.5%
18	Revenue Support	Nov-20	10,015	10,015		(10,015)	0	1.5%
19	Revenue Support	Dec-20	4,865	4,865		(4,865)	0	1.5%
20	Revenue Support	Jan-21	3,615	3,615		(3,615)	0	1.5%
21	Capital investment	Feb-43	8,790	8,549		(8,549)	0	2.6%
22	Revenue Support	Mar-21	31,260	31,260		(31,260)	0	1.5%
23	Capital investment	Feb-43	10,548	10,548		(10,548)	0	2.6%
24	Revenue Support	Apr-21	4,400	4,400		(4,400)	0	1.5%
25	Revenue Support	Jun-21	5,312	5,312		(5,312)	0	1.5%
26	Revenue Support	Jul-21	4,054	4,054		(4,054)	0	1.5%
27	Revenue Support	Aug-21	5,532	5,532		(5,532)	0	1.5%
28	Revenue Support	Sep-21	3,244	3,244		(3,244)	0	1.5%
29	Revenue Support	Oct-21	2,458	2,458		(2,458)	0	1.5%
30	Revenue Support	Nov-21	5,568	5,568		(5,568)	0	1.5%
31	Revenue Support	Dec-21	2,956	2,956		(2,956)	0	1.5%
32	Revenue Support	Jan-22	2,747	2,747		(2,747)	0	1.5%
33	Revenue Support	Feb-22	2,269	2,269		(2,269)	0	1.5%
34	Revenue Support	Mar-22	10,001	10,001		(10,001)	0	1.5%
35	Revenue Support	Mar-23	19,635	19,635		(19,635)	0	1.5%
Total Interim Loans			291,813	290,997	0	(290,997)	0	
				293,821	**0**	**(291,543)**	**2,278**	

Note 18.1 Reconciliation of liabilities arising from financing activities

	DHSC Loans £000
Carrying value at 1 April 2020	**294,389**
Cash movements:	
Financing cash flows - payments and receipts of principal	(291,543)
Financing cash flows - payments of interest	(587)
Non-cash movements:	
Application of effective interest rate (interest charge arising in year)	29
Carrying value at 31 March 2021	**2,288**

	DHSC Loans
	£000
Carrying value at 1 April 2019	**264,625**
Cash movements:	
Financing cash flows - payments and receipts of principal	29,755
Financing cash flows - payments of interest	(4,042)
Non-cash movements:	
Transfers by absorption	0
Additions	0
Application of effective interest rate (interest charge arising in year)	4,051
Carrying value at 31 March 2020	**294,389**

Note 19 Provisions for liabilities and charges analysis

	Pensions relating to staff	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2020	**1,406**	**375**	**0**	**1,348**	**3,129**
Change in the discount rate	34	0	0	0	**34**
Arising during the year	171	(3)	0	1	**169**
Utilised during the year	(88)	(83)	0	0	**(171)**
Reversed unused	0	(64)	0	(413)	**(477)**
Unwinding of discount	(5)	0	0	0	**(5)**
At 31 March 2021	**1,518**	**225**	**0**	**936**	**2,679**
Expected timing of cash flows:					
- not later than one year;	94	225	0	936	**1,255**
- later than one year and not later than five years	935	0	0	0	**935**
- later than five years.	489	0	0	0	**489**
Total	**1,518**	**225**	**0**	**936**	**2,679**

The provision for pensions relating to staff reflects the liabilities due to early retirements prior to 6 March 1995. The legal claims provision reflects liabilities arising from Public and Employee Liability claims. Other provisions are for dilapidations and onerous contracts.

	Pensions relating to staff	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2019	**954**	**96**	**0**	**0**	**1,050**
Change in the discount rate	57	0	0	0	**57**
Arising during the year	479	336	0	1,348	**2,163**
Utilised during the year	(87)	0	0	0	**(87)**
Reversed unused	0	(57)	0	0	**(57)**
Unwinding of discount	3	0	0	0	**3**
At 31 March 2020	**1,406**	**375**	**0**	**1,348**	**3,129**
Expected timing of cash flows:					
- not later than one year;	89	375	0	1,348	**1,812**
- later than one year and not later than five years	845	0	0	0	**845**
- later than five years.	472	0	0	0	**472**
Total	**1,406**	**375**	**0**	**1,348**	**3,129**

Note 19.1 Clinical negligence liabilities

At 31 March 2021, £198,706k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Medway NHS Foundation Trust (31 March 2020: £177,466k).

Note 20 Contingent assets and liabilities

	2020/21 £000	2019/20 £000
Value of contingent liabilities		
NHS Resolution legal claims	(50)	(59)
Gross value of contingent liabilities	**(50)**	**(59)**
Amounts recoverable against liabilities	0	0
Net value of contingent liabilities	**(50)**	**(59)**
Net value of contingent assets	0	**0**

Note 21 Financial Instruments

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

Interest-Rate Risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. The only element of the Trust's assets that are subject to a variable rate are short term cash investments. The Trust is not, therefore, exposed to significant interest-rate risk.

Foreign Currency Risk

The Trust has negligible foreign currency income or expenditure.

Credit Risk

The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations. There is therefore little risk that one party will fail to discharge its obligations with the other. Disputes can arise, however, around how the amounts owed are calculated, particularly due to the complex nature of the Payments by Results regime. For this reason the Trust makes a provision for irrecoverable amounts based on historic patterns and the best information available at the time the accounts are prepared. The Trust does not hold any collateral as security. The Trust's maximum exposures to credit risk at 31 March 2021 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity Risk

The Trust's net operating costs are incurred under contracts with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust received such contract income in accordance with Payments by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The Trust receives cash each month based on an annually agreed level of contract activity.

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

The Trust presently finances its capital expenditure from internally generated funds or funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the Trust can borrow from the Department of Health and commercially to finance capital schemes. Financing is drawn down to match the capital spend profile of the scheme concerned and the Trust is not, therefore, exposed to significant liquidity risks in this area.

Note 21.1 Carrying values of financial assets

	Held at amortised cost £000	Total book value £000
Carrying values of financial assets as at 31 March 2021		
Trade and other receivables excluding non financial assets	12,198	**12,198**
Cash and cash equivalents at bank and in hand	49,184	**49,184**
Total at 31 March 2021	**61,382**	**61,382**

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial assets as at 31 March 2020		
Trade and other receivables excluding non financial assets	32,750	32,750
Cash and cash equivalents at bank and in hand	12,385	12,385
Total at 31 March 2020	45,135	45,135

Note 21.2 Carrying value of financial liabilities

	Held at amortised cost	Total book value
	£000	£000
Carrying values of financial liabilities as at 31 March 2021		
Loans from the Department of Health and Social Care	2,288	2,288
Trade and other payables excluding non financial liabilities	34,129	34,129
Provisions under contract	1,633	1,633
Total at 31 March 2021	38,050	38,050

	Held at amortised cost	**Total book value**
	£000	**£000**
Carrying values of financial liabilities as at 31 March 2020		
Loans from the Department of Health and Social Care	294,389	294,389
Trade and other payables excluding non financial liabilities	24,212	24,212
Other financial liabilities	0	0
Provisions under contract	2,125	2,125
Total at 31 March 2020	**320,726**	320,726

Note 21.3 Maturity of financial liabilities

	31 March 2021	**31 March 2020**
	£000	**£000**
In one year or less	323,572	150,933
In more than one year but not more than five years	2,288	2,278
In more than five years	0	0
Total	**325,860**	**153,211**

**This table has been restated from book values to undiscounted future contractual cash flow in accordance with IFRS7.*

Note 22 Losses and special payments

	2020/21 Total number of cases	2020/21 Total value of cases	2019/20 Total number of cases	2019/20 Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses[1]	2	188	0	0
Fruitless payments[2]	9	806	1	0
Bad debts and claims abandoned	0	0	0	0
Stores losses and damage to property[3]	2	241	0	0
Total losses	**13**	**1,235**	**1**	**0**
Special payments				
Compensation under court order or legally binding arbitration award	0	0	1	28
Extra-contractual payments	0	0	0	0
Ex-gratia payments	15	6	27	14
Special severance payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Total special payments	**15**	**6**	**28**	**42**
Total losses and special payments	**28**	**1,241**	**29**	**42**
Compensation payments received		**0**		**0**

[1] Includes £81k mandate fraud, £107k DHSC PPE stock write down

[2] Includes £195k abandoned HR contract, £534k abandoned IT project.

[3] Includes £ 128k theft of equipment, £113k expired drug stock.

Note 23 Gifts

No gifts of more than £300,000 have been declared in 2020/21 (£0k 2019/20).

Note 24 Third Party Assets

The Trust held £0k cash at bank and in hand at 31 March 2021 (£7k at 31 March 2020) which relates to monies held on behalf of patients. .

Note 25 Public Dividend Capital

The Trust is required to demonstrate that the PDC dividend payable is in line with the actual rate of 3.5% of average relevant net assets. £6,180K is payable this year

Note 26 Capital Commitments

There are capital commitments in 2020/21 totalling £9,423k to report (£4,000k in 19/20).

Note 27 Related Parties

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

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

The Trust has taken advantage of the exemption provided by IAS 24 'Related Party Disclosures', where the parent's own financial statements are presented together with the consolidated financial statements and any transactions or balances between group entities have been eliminated on consolidation.

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

NHS England

Clinical Commissioning Groups

NHS Trusts and NHS Foundation Trusts

NHS Arms Length Bodies

Health Education England

There are no prior year balances 2019/20 to disclose

Note 28 Events after the reporting date

There are currently no events after the reporting date (to be added or removed as applicable)

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