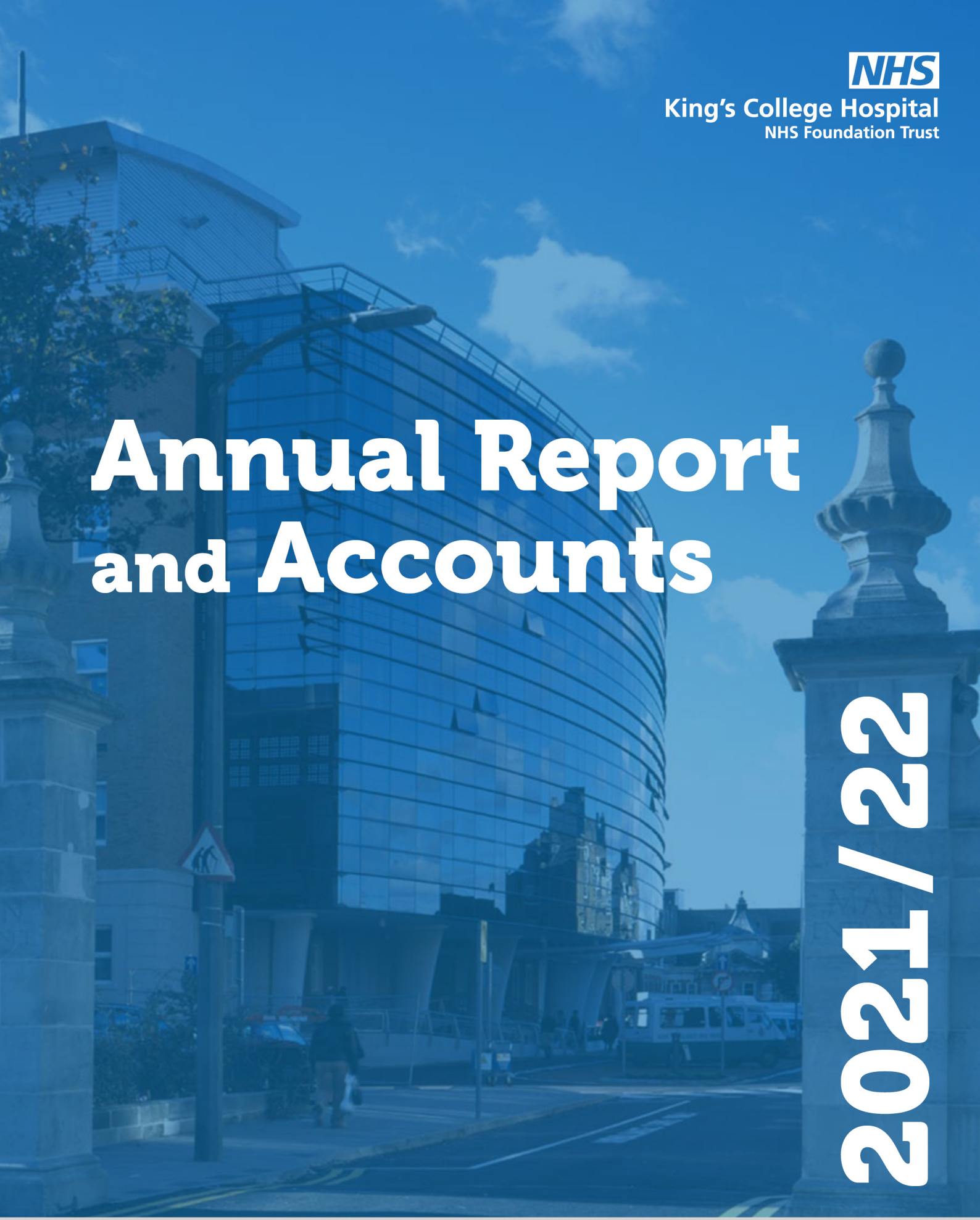

NHS
King's College Hospital
NHS Foundation Trust

Annual Report and Accounts

2021/22

OUR VALUES: AT KING'S WE ARE A KIND, RESPECTFUL TEAM

KIND RESPECTFUL TEAM

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King's College Hospital NHS Foundation Trust

Annual Report and Accounts 2021/22

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

CONTENTS

SECTION

GLOSSARY

ACRONYM	MEANING
BAF	Board Assurance Framework
BREEAM	Building Research Establishment Environmental Assessment Method
BAME	Black, Asian and Minority Ethnic
CCU	Critical Care Unit
CDEL	Capital Departmental Expenditure Limit (the Trust's capital budget)
CHP	Combined Heat and Power
CIP	Cost Improvement Programme
CO2	Carbon Dioxide
COO	Chief Operating Officer
CQC	Care Quality Commission
CQRG	Clinical Quality Review Group
CQUIN	Commissioning for Quality and Innovation
DH	Denmark Hill Site (King's College Hospital, Denmark Hill)
DHSC	Department of Health and Social Care
DIPC	Director of Infection Prevention and Control
DNA	Did Not Attend
DSPT	Data Security and Protection Toolkit
ECS	Emergency Care Standard (four-hour target)
ED	Emergency Department
EDS	Equality Delivery System
EMS	Environmental Management Scheme
EPR	Electronic Patient Record
ERAS	Enhanced Recovery after Surgery
ESR	Electronic Staff Record
FFT	Friends and Family Test
FSM	Financial Special Measures
FTSUG	Freedom to Speak Up Guardian
GIRFT	Getting It Right First Time
GMC	General Medical Council
GSTT	Guy's and St Thomas' NHS Foundation Trust
H&S	Health and Safety
HFMA	Healthcare Financial Management Association
HIN	Health Innovation Network
HR	Human Resources
ICO	Information Commissioner's Office

ACRONYM	MEANING
ICT	Information Computer Technology
IFRS	International Financial Recording Standards
IGSC	Information Governance Steering Committee
ISO	International Organization for Standardization
IT	Information Technology
JSCC	Joint Staff Consultative Committee
KCH	King's College Hospital
KCL	King's College London
KE	King's Executive
KFM	King's Facilities Management
KHP	King's Health Partners
KITE	King's Improvement Through Engagement
KWfW	King's Way for Wards
LGFC	Lambeth GP's Food Co-op
LGBT	Lesbian, Gay, Bisexual, Transgender
MRSA	Meticillin-resistant staphylococcus aureus
NCEPODS	National Confidential Enquiry into Patient Outcome and Death Studies
NED	Non-Executive Director
NHSI	NHS Improvement
NICE	National Institute for Health and Care Excellence
OHSEL	Our Healthy South East London
PDC	Public Dividend Capital
PHE	Public Health England
PPE	Personal Protective Equipment
PRUH	Princess Royal University Hospital
PSF	Provider Sustainability Fund
PTL	Patient Tracking List
QI	Quality Improvement
R&I	Research and Innovation
QPPC	Quality, People and Performance Committee
RGD	Regulatory Governance Department
RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
RTT	Referral to Treatment
SDEC	Same Day Emergency Care
SDMP	Sustainable Development Management Plan
SDU	Sustainable Development Unit
SHMI	Standardised Hospital-level Mortality Index
SIRO	Senior Information Risk Owner
SLAM	South London and Maudsley NHS Foundation Trust

ACRONYM	MEANING
SOF	Single Oversight Framework
UCC	Urgent Care Centre
ULEZ	Ultra Low Emission Zone
USP	Unique Selling Point
VBHC	Value Based Healthcare
VR	Virtual Reality
WRA	Workplace Risk Assessment
WRES	Workforce Race Equality Scheme

INTRODUCTION

Chairman's Statement

As I reflect on the last year, the COVID-19 pandemic has continued to dominate our lives. . The COVID-19 vaccination programme – which King's has ably supported – has saved lives, and outcomes for patients with the virus have improved significantly. However, our hearts go out to all the individuals and families whose lives have been disrupted and above all to those who have lost family and friends.

It has been another hugely challenging 12 months for our 14,000 staff. The way they have responded continues to impress and inspire the Trust Board, our Governors, and the many different communities we serve.

Like all hospitals, our waiting lists have grown as a direct result of COVID-19. However, over the past year, teams at the Trust have worked incredibly hard to reduce the number of patients waiting longer than they should for routine treatment.

This is testament to the efforts of colleagues across King's, as well as Guy's and St Thomas' and Lewisham and Greenwich NHS Trust as part of the South East London Acute Provider Collaborative: proving yet again that by working together, we can deliver more effectively for our patients than we do as individual organisations.

It has been another busy year, but I am particularly pleased that, despite the pressures, the Trust agreed and launched its five year *Strong Roots, Global Reach* strategy and BOLD vision in July 2021. This is a big step forward for the organisation, and I am grateful to the 4,500 people who helped shape this vital document. It is now for us to ensure that we now deliver on our strategic ambitions, and turn them into real and meaningful improvements for patients and staff. A plan for action for 2022/23 has recently been agreed, and I am confident this will help drive important changes and innovations over the coming year.

For the second year in a row, as well as meeting our financial control total, we have been able to make significant capital investments on both our main sites. We have also secured approval and funding for the implementation of the EPIC capital patient record system in partnership with Guy's and St Thomas'.

Despite this real progress on a number of fronts, there are areas where we need to improve – with emergency care performance a particular concern. Our Emergency Departments at King's College Hospital and the Princess Royal University Hospital are under unprecedented pressure. But we know there is more we – and our system partners - need to do to improve the experience of patients accessing this vital service.

On behalf of the Board and as Chairman of the Council of Governors, I would also like to record my thanks to our governors here at King's. Like others in the Trust they have continued to adapt to new ways of working imposed on us by the pandemic and, despite the inevitable frustrations, have continued to provide essential oversight of our efforts to ensure the best possible care for the communities we serve.

Finally, we are once again very grateful to King's College Hospital Charity for their continued generous support, and for all the support we receive from local charities and partner organisations.

Sir Hugh Taylor, Chairman

Performance Report

Chief Executive's Statement

I have now been Chief Executive at King's for three years, and I remain prouder than ever to lead this superb organisation.

The past year has been another challenging one for King's, our staff, and the one million people we serve across Lambeth, Southwark and Bromley. However, the support we've had from some local communities has never wavered, for which I am extremely grateful.

We have treated over 10,000 COVID-19 positive patients in our hospitals since the start of the pandemic. And the past 12 months, in particular the Omicron surge at the turn of the year, has tested our teams to the limit once again, with a high number of admissions and staff sickness in December and January presenting particular challenges. Despite this, we have – as always – found a way to provide patients with the care and treatment they need. This includes patients treated for COVID-19 – with survival rates among the very best nationally – as well as those awaiting treatment for routine operations.

King's has reduced its waiting lists faster than many other Trusts, which is down to the work of our staff, and our close links with hospitals and partner organisations in south east London. There is still a long way to go, but new initiatives - including additional operating theatres at Orpington and Queen Mary's Hospitals – are helping us ensure patients get the treatment they need.

Our new five year strategy published in July 2021 has given shape, purpose and drive to our work as an organisation, together with our BOLD vision for the future. As part of our **Brilliant People** ambition, we also launched our new organisational values during 2021/22, and our new values – Kind Respectful Team – have been well received both inside and outside our hospitals.

We aim to provide **Outstanding Care** at all times, and over the past year, our clinical outcomes across a range of specialities continued to be amongst the very best nationally, and internationally. We've also introduced a number of initiatives to improve patient experience – such as our new Patient Entertainment System launched in March 2022, which was used by hundreds of patients in its first week alone.

Unfortunately, we have not delivered the improvements we would wish in some key areas, such as timely access to emergency care. An improvement plan has been agreed to reduce the number of patients waiting more than four hours to be seen, admitted and/or discharged within four hours of visiting our Emergency Departments – and I hope to be in a position to report significant improvements in my introduction to this report next year.

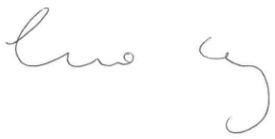
We have committed to being **Leaders in Research, Innovation and Education**, and during 2021/22, our teams recruited over 17,300 patients into research studies, with over 650 separate studies running as I write – an excellent achievement, which is only possible thanks to the willingness of patients to take part. During the past year, we have also started work on the creation of a new electronic health record for King's, as part of the Apollo programme. This is going to be a real game-changer for the Trust, with the new EPIC system set to go live in October 2023.

As important, we aim to put **Diversity, Equality and Inclusion at the heart of everything we do**, and to this end, I am pleased that we appointed Funmi Onamusi as our first executive level Director of Equality, Diversity and Inclusion last year. Our new staff networks are bedding in well, and in May 2022, we will publish our Equality, Diversity and Inclusion Roadmap, which is an important step forward for our organisation. Over the past year, we also launched a new internship programme for people with learning disability at both King's College Hospital and Princess Royal University Hospital. This has been an invaluable experience for a number of young people, who we rightly regard as highly capable and respected colleagues in their own right.

We have continued to invest in our hospitals, with work underway on a new outpatient building at King's College Hospital, and plans for a new endoscopy facility well advanced at the Princess Royal University Hospital. Work also continues on our new critical care facility, which – once fully opened – will provide a truly world-class service for our most seriously unwell patients. In total, we have made a £90 million capital investment in the Trust during 2021/22 – whilst also securing a year end break-even position for the third year running.

Going forward, we need to maintain and build on our COVID-19 recovery, whilst also continuing to innovate, and supporting our staff in the process.

As ever, I am incredibly grateful to staff for their efforts, together with the full support of partners, stakeholders, our Governors, and the Trust Board, led by Sir Hugh Taylor, our Chairman.



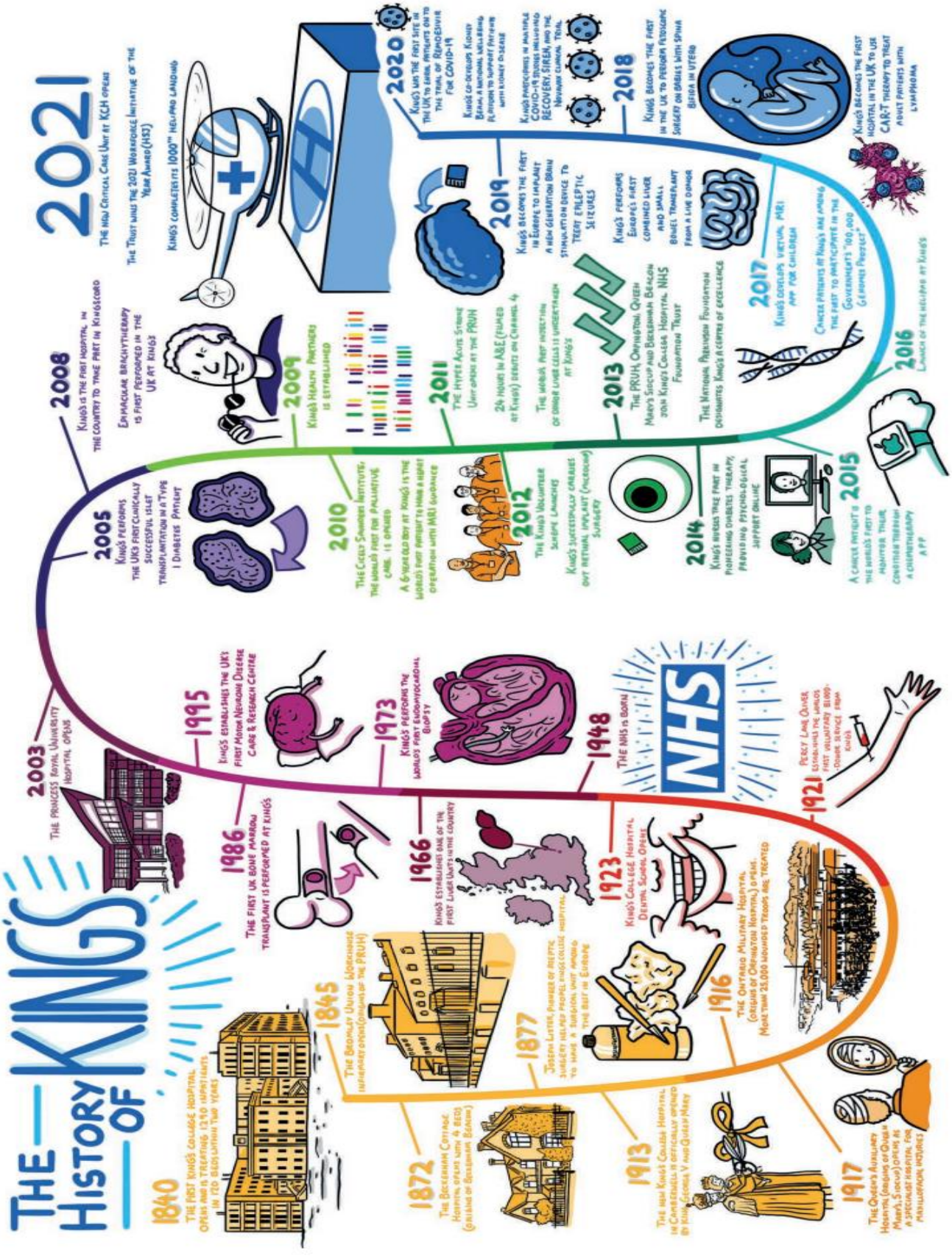
Professor Clive Kay
Chief Executive

Overview of Performance
This section provides information about the Trust, its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Purpose
King's College Hospital NHS Foundation Trust has as its principal purpose the provision of goods and services for the purposes of the health service in England.

ABOUT KING'S COLLEGE HOSPITAL NHS FOUNDATION TRUST

A BRIEF HISTORY OF KING'S



Activities

King’s College Hospital NHS Foundation Trust is renowned for the international reputation of its specialty services. These include the tertiary services for liver disease and transplantation, neurosciences, diabetes, cardiac services, haematology and fetal medicine.

For people across south-east London and Kent, King’s College Hospital is the designated major trauma centre, as well as a heart attack centre and the regional hyper-acute stroke centre. The helipad at King’s College Hospital, which opened in November 2016, has reinforced the hospital’s position as a major trauma centre for the south of England.

The Trust provides services to local residents of the London Boroughs of Lambeth, Southwark, Bromley, Bexley and Lewisham from its sites at King’s College Hospital (Denmark Hill), Princess Royal University Hospital, Farnborough Common, and Orpington Hospital. It also provides services at Beckenham Beacon and Queen Mary’s Hospital, Sidcup. These include accident and emergency services, maternity, care of the elderly, orthopaedics, diabetes, ophthalmology, oncology, dermatology and many more. The Trust provides a number of community-based services including dentistry.

The Trust has a reputation as a pioneer in medical research, with a record of innovation in a number of key fields. It is home to a number of leading clinical units and research centres, such as the Clinical Age Research Unit, the HIV Research Centre and the Harris Birthright Centre. Developments have recently begun to establish a new leading-edge Haematology Institute.

King’s College London was founded in 1829. Clinical teaching in the medical faculty was dependent upon the Middlesex Hospital until 1839 when King’s College London gained its own hospital in Portugal Street, which was rebuilt in 1861.

Established in 1840, the original King's College Hospital – a former workhouse – was based on Portugal Street, Holborn, close to Lincoln’s Inn Fields in central London. It was first used as a training facility for students at King's College London, but quickly developed into a major hospital for the area. The hospital moved to its Camberwell site in 1913.

King’s became part of the NHS in 1948 as a teaching hospital. The 1960s saw the introduction of a new dental school, maternity block (now the Ruskin Wing) and the King’s Liver Unit. This was followed by the Normanby College of Nursing, Midwifery and Physiotherapy. In 1995 the UK’s first specialist Motor Neurone Disease Care and Research Centre was established, and the Weston Education Centre was opened in 1997, accommodating the medical school, library and lecture theatres. A new Accident and Emergency Department was opened in the same year.

King’s College Hospital gained Foundation Trust status on 1 December 2006. Following the dissolution of South London Healthcare Trust, King’s took over Princess Royal University Hospital (PRUH) and Orpington Hospital in October 2013.

The Trust is one of London's leading trauma centres, saving lives by providing immediate specialist care to the most urgent, life-threatening cases. In 2016, a helipad was opened on top of King's College Hospital in Camberwell. The helipad has transformed trauma care across south east London and Kent, and serves more than 4.5 million people. In 2019, King's became the first major trauma centre in London to be granted permission for air ambulances to land at night, ensuring patients have access to highly-specialised treatment any time of the day.

King's is recognised globally as a world-leading innovation centre. From conducting the UK's first bone marrow transplant to helping to establish the world's first voluntary blood donor service, King's has been at the forefront of new healthcare for over a century. Over 50 years ago, King's established one of the first liver units in the country, and has since been a major European transplant programme, completing over 6,000 successful liver transplants.

We are a founding member of King's Health Partners (KHP) - one of eight accredited Academic Health Science Centres in the UK committed to delivering better health for all through high impact innovation. King's is also a member of the Shelford Group - a group of the top 10 teaching and research-active NHS Trusts.

Structure
During 2020/21, the Trust moved to a group structure, based around the two main hospital sites, Denmark Hill and the Princess Royal University Hospital and South Sites (PRUH). The Trust has twenty-seven care groups, aligned to the site structure as well as a number of pan-Trust corporate services such as Workforce, Finance and ICT.

By organising in this way, the Trust is able to group the resources required for delivering similar types of care so that it could improve patient pathways and increase the efficiency of service delivery. It also aims to provide clearer accountability.

More about the Trust governance model can be found on page 44.

The Trust's Strategic Objectives 2021/22

During 2021/22, the Trust published its new five year Strategy, Strong Roots, Global Reach. Our vision is for King's to be BOLD.

Brilliant People: we will attract, retain and develop pasionat and talented people, creating an environment where they can thrive.

Outstanding care: We deliver excellent health outcomes for our patients, and they always feel safe, cared for and listened to.

Leaders in Research, Innovation and Education: we continue to develop world-class research, innovation and education, providing the best teaching, and brining new treatments and technologies to patients.

Diversity, Equality and Inclusion at the heart of everything we do: we proudly champion diversity and inclusion at King's, and act decisively to deliver more equitable experiences and outcomes for our patients and people.

The Performance Analysis section on page 19 provides further information on how we have delivered against these objectives in 2021/22.

Risks to achieving our strategic goals
The Trust's approach to managing risk is outlined in the accountability report later in this document Through its Board Assurance Framework, the Trust has identified a number of risks that could affect the delivery of its strategy including:

- **Recruitment & Retention** If the Trust is unable to recruit and retain sufficient staff with the appropriate skills, this will affect our ability to deliver our services and future strategic

ambitions which may adversely impact patient outcomes and staff and patient experience

- **King's Culture & Values** If the Trust does not implement effective actions to develop the 'Team King's' culture and embed the Trust values, staff engagement and wellbeing may deteriorate, adversely impacting our ability to provide compassionate and culturally competent care to our patients and each other
- **Financial Sustainability** If the Trust is unable to improve the financial sustainability of the services it provides, then we may not achieve our financial plans, adversely impacting our ability to deliver our investment priorities and improve the quality of services for our patients in the future
- **Maintenance and Development of the Trust's Estate** If the Trust is unable to maintain and develop the estate sufficiently, our ability to deliver safe, high quality and sustainable services will be adversely impacted
- **Apollo Implementation** If the Trust fails to deliver the Apollo Electronic Patient Record (EPR) transformation programme effectively then the clinical and operational benefits may not be realised
- **Research & Innovation** If the Trust fails to capitalise on innovative and pioneering research opportunities, this may affect our ability to support the development of new treatments and technologies for patients now and in the future, adversely impacting the Trust's ambitions as a world-leading research and innovation centre
- **High Quality Care** If the Trust does not have adequate arrangements to support the delivery and oversight of high quality care, this may result in an adverse impact on patient outcomes and patient experience and lead to an increased risk of avoidable harm
- **Partnership Working** If the Trust does not collaborate effectively with key stakeholders and partners to plan and deliver care, this may adversely impact our ability to improve services for local people and reduce health inequalities
- **Demand and Capacity** If the Trust is unable to restore services (as a result of the COVID-19 pandemic) and sustain sufficient capacity to manage increased demand for services, patient waiting times may increase, potentially resulting in an adverse impact on patient outcomes and experience and/or patient harm
- **IT Systems** If the Trust's IT infrastructure is not adequately protected systems may be comprised, resulting in reduced access to critical patient and operational systems and/or the loss of data

King's Health Partners

The Trust is part of King's Health Partners (KHP), one of the UK's first and foremost Academic Health Science Centres. The partnership was established in 2009, incorporating King's College London, King's College Hospital, Guy's and St Thomas', and South London and Maudsley NHS Foundation Trusts.

Integrated Care System

King's is a partner in Our Healthier South East London (OHSEL), the Integrated Care System that covers the London boroughs of Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark. This comprises Commissioners, local authorities, acute provider Trusts, primary and community care providers.

Acute Provider Collaborative

In partnership with Lewisham and Greenwich NHS Trust, and Guy's and St Thomas' NHS Foundation Trust, King's established an Acute Provider Collaborative (APC). The initial focus of the APC has been to develop a system wide response to the backlog of patients waiting for treatment in a number of high volume, low complexity areas. Overseen by a Committee-in Common, the APC is working to establish specialty-based hubs across South East London, to ensure that all capacity in the system is utilised as far as possible.

Details of Overseas Operations and Subsidiaries

King's Commercial Services Limited has continued to diversify income by expanding commercial activities both in the UK and overseas. It has now been in operation for over 10 years.

KCS delivered a deficit of £0.03m to the Trust in 2021/22 including income from its ownership of the Viapath LLP pathology joint venture.

KCH Management Limited continues to develop a hospital management and consultancy business both in the UK and overseas, predominantly in the Middle East. There are currently two outpatient clinics and a full-scale inpatient hospital open in Dubai. The company operates a successful international recruitment business covering nurses and doctors for both King's and other healthcare organisations and is currently developing a nursing education offer. The company also delivers education programmes. The company delivered a surplus of £1.228m to the Trust.

King's Facilities Management LLP (KFM) was created to provide a fully managed service across nine diagnostic and treatment facilities. These include theatres, adult critical care, radiology, cardiac catheter laboratories, liver laboratories, endoscopy, renal dialysis, children's critical care and dental. KFM maintains these facilities and equipment, and provides consumables, implants and devices used during clinical procedures.

Separately, KFM provides an end-to-end procurement and supply chain function for the Trust, working with operational leads to identify future requirements for equipment and consumables. KFM seeks to contribute to the Trust through the identification and delivery of cost improvement programme savings through more focused contract management. Since 2019, KFM have managed the outpatient pharmacy service on behalf of the Trust.

The Trust has consolidated a contribution of £9.112m from KFM for 2021/22.

PERFORMANCE ANALYSIS

Financial Performance and Sustainability

2021/22 was an exceptional year for the Trust's finances due to COVID-19. The Trust delivered a small surplus.

Liquidity and Capital

In 2021/22 the Trust drew down £29.11m of Central Programme PDC funding and £0.622m Interim Support Capital PDC funding against 2021/22 capital projects. Capital expenditure incurred is in line with the Trust's CDEL allowance.

Total capital expenditure in 2021/22 was £90.543m, which was significantly higher than in previous years. The programme included the continued construction of the CCU, ward refurbishments as well as investment in ICT infrastructure and device upgrades, and medical equipment. The Trust also continued to invest in the buildings infrastructure to ensure the most pressing maintenance needs were addressed. In recent months a new modular theatre has opened on the Orpington Hospital site and the development of a new modular build on the Denmark Hill site has commenced.

Borrowings and Capital Plan

Total borrowings are £248.6m for the Trust and £189.8m Group. The Trust's reported total borrowings include past expenditure on the Private Finance Initiative (PFI) schemes for the Golden Jubilee Wing and Ruskin Wing at KCH and the PRUH, and total £142.262m.

Going Concern
IAS 1 requires management to undertake an assessment of the NHS Foundation Trust's ability to continue as a going concern.

The Trust has prepared its accounts on a going concern basis based on the requirements of the DHSC Group Accounting Manual that: "DHSC group bodies must prepare their accounts on a going concern basis unless informed by the relevant body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity".

After making enquiries, the directors have concluded that there is sufficient evidence that services currently delivered by the Trust will continue to be provided and that there is financial provision for this within the forward plans of commissioners. The Directors have therefore prepared these financial statements on a going concern basis.

Delivering the Trust's strategic objectives
As noted above, the Trust launch its new five year strategy Strong Roots, Global Roots. Since its launch in July 2021, a number of initiatives have been delivered.

Leaders in Research, Innovation & Education

- We have Operated at the forefront of COVID-19 research, including in increasing the diversity of research participants – with KCH and the PRUH registering the highest number of non-white participants (34%) to a single global COVID-19 vaccine trial
- We have developed and launched new digital technologies to deliver value-based healthcare, including Cogstack and the AI Deployment Engine
- We have delivered cutting-edge research into innovative new technologies, including published studies into the use of AI-enabled software to analyse MRI images
- We have adopted new digital technologies to facilitate remote patient monitoring and self-management, including Kidney Beam for renal rehabilitation and wearable sensors for Parkinson's patients

Diversity, Equality & Inclusion at the heart of everything we do

- We have created a new EDI team and appointed an EDI Director reporting directly to Chief Exec to deliver on this agenda
- We have begun to deliver on our Anchor Institution responsibilities, through delivery of Project Search, our partnerships with community groups and the launch of our Green Plan
- We have begun to deliver on our 'Freedom to Speak Up' (FtSU) agenda, with the appointment of a new FtSU guardian
- We have piloted our new Work Experience programme offering opportunities to local students and encouraging greater diversity in our future health and care workforce

Performance - Core Constitutional Targets

Providing high quality care when patients most need it

Over the past year, teams across the Trust have worked hard to provide patients with high quality care, and have strived to meet national performance standards.

The Trust's ability to deliver against targets during 2021/22 was impacted by the COVID-19 pandemic, in particular the surge in admissions that followed the start of the Omicron wave in December 2021.

At the Denmark Hill site, peak third wave COVID-positive admissions occurred between 28 December 2021 and 2 January 2022 with peak bed occupancy reported on 4 January 2022 of 270 COVID positive patients. At the PRUH and South Sites, peak COVID-positive admissions occurred between 28 and 31 December 2021, with peak bed occupancy reported on 6 January 2022 of 115 COVID positive patients. COVID-19 related staff sickness peaked for a two-week period from 22 December 2021, where up to 1,000 Trust staff were unable to attend work due to COVID-19 related illness and contacts.

The Trust's four-hour Emergency Department (ED) performance is 68.4% for the period April 2021 to March 2022. This is a reduction in performance on the previous reporting period (April 2019 - March 2020), which stood at 71.5%. Performance has reduced on both the Denmark Hill and PRUH sites as ED and Urgent Care attendances approach previous baseline activity levels (1.5% lower compared to 2019/20).

In response to the unique demands of the COVID-19 pandemic, the Trust has accelerated its transformation of outpatient services. An increased number appointments have been conducted by telephone, and there is a focus on standardising video appointments using one system by the end of this financial year. The Trust is also implementing the outpatient text reminder service to patients attending clinics on the Denmark Hill site, having improved messaging services at the PRUH and South Sites earlier in the year.

Referral to Treatment (18-week) performance

The Trust has focused heavily on its efforts to reduce patient waiting times, which have grown significantly as a result of the pandemic.

Following the end of the second COVID-19 wave in March 2021, 6,788 patients were waiting over 52 weeks, and 21,670 patients waiting over 18 weeks – a performance of 64.8%, below the 92% national target. In response, a new cross-Trust Elective Assurance group was setup to ensure effective plans were in place to recover elective activity, including day cases, inpatient and outpatient care, as well as diagnostics and planned investigations. This group also linked with the South East London Elective Care Group as part of the Acute Provider Collaborative to ensure a consistent approach to elective recovery across the SEL sector.

The Trust continues to work closely with local commissioners and providers to secure access to capacity in the independent sector to ensure timely treatment for cancer patients and long waiting patients, as well as providing mutual aid capacity to the other acute Trusts in south-east London. The Trust has also continued with the implementation of its transformation programmes in outpatient re-design and digitisation to improve patient experience, as well as theatre productivity improvement programmes to maximise the use of day case and inpatient theatres, and outpatient clinic throughput.

As part of the elective recovery programme, new theatre timetables were implemented in day surgery units and main theatres across all sites, reflecting the capacity required to clear urgent clinical priority patients and those experiencing long waits, as well Denmark Hill-based surgical specialties, treating patients at the PRUH and South Sites.

By the end of the year, 865 patients had been waiting for more than 52 weeks for treatment, meaning performance had recovered to 73.1% against a patient cohort of 75,982 waiters.

The Trust is actively involved in discussions to operationalise a south-east London-wide commitment to provision of mutual aid on a larger scale than previously delivered across the sector. This will focus on areas across south-east London, including King's, where there are longer waits and significant inequality in waiting times across the three acute Trusts in the area. These plans include how the three Trusts make improved use of capacity at Orpington Hospital, as well as day case theatres at the Queen Mary's Hospital in Sidcup and access to capacity in the independent sector.

Cancer treatment targets

Two-week wait cancer referrals in 2021/22 increased by 12.3% compared to the same period in 2019/20. Further elective activity restrictions during the third COVID-19 wave has also meant an increase in diagnostic and treatment delays impacting the Trust's ability to meet the 31- and 62-day cancer standards.

The Trust's cancer waiting time improvement programme was suspended during the second COVID-19 wave and has since been revised. It re-launched in April 2021. The number of GP-referred patients waiting more than 62 days was comparable to the pre-COVID period.

There was a late surge in two-week wait referrals towards the end of March 2021, with some specialties experiencing an increase of up to 20% in suspected cancer cases. In April 2021, compliance against the two-week wait GP referral target was 89.7% against a target of 93%, and which had recovered and was compliant in May and June 2021. Prior to the third COVID-19 wave (November 2021), compliance against the national target was at 94.5% and, despite reducing to 90.6% by the end of January 2022, performance has been compliant in February (95.9%) and March 2022 (94.9%).

The Trust has not been compliant with the 62-day GP referral to treatment standard during 2021-22, with a reported average monthly performance of 66.7% compared to the national target of 85%. Performance reduced to 59.3% for January 2022 as patients waiting more than 62 days patient were prioritised, but this has since improved to 68.0% for March 2022.

With the exception of January 2022, the Trust has exceeded the new 75% national target for the 28-day Faster Diagnosis Standard for each month during the financial year 2021-22.

Earlier in the year the Trust was successful in its bid to setup a Rapid Diagnostic Centre, which will improve both time to diagnostics and diagnosis. The go-live date was planned for early 2022/23.

Diagnostic waiting times

By March 2021 the number of patients on the waiting list for diagnostic tests increased to 14,491, with 4,490 patients (31.0%) waiting more than six weeks. As part of the wider elective recovery programme, performance had improved to 6.7% of patients waiting more than six weeks by October 2021. The diagnostic waiting list reduced by more than 2,300 patients to 12,190, with 820 patients waiting over six weeks – a reduction of 3,670 patients.

At the Denmark Hill site the largest backlog at the start of the financial year was in cardiac echo. While capacity in the long term is sufficient, the Trust worked with a provider from the independent sector from mid-April to clear the backlog. Additional independent sector capacity was introduced in March 2021 to reduce the MRI backlog.

The PRUH and South Sites has continued to use the independent sector to manage endoscopy demand including backlog clearance, two-week waits, routine referrals and surveillance patients. The 1% national target was achieved at PRUH and South Sites in October and November 2021.

Wider Trust recovery was impacted by the wave three of the COVID-19 pandemic, and by March 2022 the number of patients waiting on the diagnostic waiting list reduced to 13,077, with 606 patients (4.6%) waiting more than six weeks.

Emergency Care Standard (ECS)

Achieving the Emergency Care Standard (previously known as the four-hour performance standard) continues to be a challenge at King's, as type 1 and UCC type 3 activity in the Emergency Department increased at both the Denmark Hill and PRUH following the second COVID-19 wave. Type 1 and UCC type 3 attendances were 1.3% higher between April 2021 and March 2022 compared to April 2019 and March 2020. In April 2021, 80.0% of emergency patients were seen within four hours but this had reduced to 61.2% by March 2022.

ECS performance at the Denmark Hill was 76.0% in April 2021 and reduced to 57.4% in March 2022. The Urgent Treatment Centre was re-tendered at the start of the financial year and the contract was awarded to Greenbrook Healthcare who commenced running the UTC service in early October 2021. Despite initial weekly type 3 UTC performance exceeding 80% in October, performance levels have reduced to just over 72% in November and just under 76% in December. Improvements were reported during December 2021 and January 2022.

The clinical team at Denmark Hill has been working with the Electronic Patient Record (EPR) team during the year to upgrade their current system to ensure better integration of clinical activity and documentation recording.

Four-hour performance at the PRUH was at 84.4% in April 2021 but reduced to 66.2% in March 2022. High ambulance conveyances continue to be a challenge and, in response, an ambulance cohort area was mobilised in January 2021, supported by the London Ambulance Service, for use during peak demand.

At the PRUH, approval was granted for an investment case for two modular buildings to be co-located with the Emergency Department. This includes an Acute Frailty Assessment Unit, which opened in late November 2021, providing 14 dedicated spaces for patients assessed as suitable, with the aim of providing the necessary care to prevent the need for admission. This service continues to recruit new staff, with the full service expected to be established by the end of 2021/22. In addition, the Oxleas Mental Health Assessment Unit opened in December 2021 with four dedicated assessment rooms for patients in mental health crisis, and will avoid extensive waits within the Emergency Department.

Infection Prevention and Control (IPC)

The Trust continues to monitor all other instances of healthcare-associated infections as a matter of priority. In 2021/22 there were 4 cases of meticillin-resistant staphylococcus aureus (MRSA) at the Trust. This is consistent with the previous year. There were 75 cases of VRE Bacteraemia (target 75) and 122 cases of E-Coli Bacteraemia against a target of 123.

In 2021/22 there were 103 cases of C. difficile across the Trust. This was above the target set by the Department of Health and Social Care (DHSC) of 102, and higher than last year's incidence of 95.

COVID-19 has continued to be a priority for the Trust and IPC measures have been in place to ensure our staff and patients are kept safe. Nevertheless, the Omicron variant that emerged in late 2021 presented a challenge. IPC measures including mask wearing and social distancing remain in place across all our clinical sites, although visiting restrictions were relaxed in the Spring of 2022.

Clinical Outcomes

King's continues to report excellent outcomes in relation to mortality. As a Trust, its mortality, as assessed using the NHS Digital Summary Hospital-level Mortality Indicator (SHMI), is 103, which is considered "as expected" but is higher than 2020/21. There are some differences between the two main Trust sites – KCH and the PRUH. This is generally as a result of differences in the demographics of the two patient groups.

Mortality is lower than expected or as expected in a wide range of areas including trauma, emergency laparotomy Stroke, perinatal care, pneumonia, kidney dialysis, sepsis, paediatric intensive care, hip fracture, bowel cancer, acute kidney injury, hip and knee replacements, cardiac surgery, oesophago-gastric cancer (with GSTT), percutaneous coronary interventions (PCI), vascular surgery – carotid endarterectomy, lower limb bypass, lower limb angioplasty and major limb amputation.

More detail on the Trust's clinical outcomes can be found in the Quality Account 2021/22, published on the Trust website.

Quality and Safety

The Trust uses a number of metrics to assess whether the services being delivered are safe and caring. During the year the Trust recorded 4 never events, 1 less than in 2020/21. There were 161 serious incidents and 397 moderate harm incidents. The process for investigating serious incidents is outlined in the annual governance statement later in this report.

During 2021/22, the Trust registered 1,127 complaints of which 876 were resolved within the target of 25 days. Further detail on complaints can be found in the Annual Complaints Report, published on the Trust website.

The Trust canvasses patients' views of the services they have received using the Friends and Family test.

- **FFT – Inpatient**: Trust scored a 94.6% recommendation rate in March 2022, compared to 94.2% at the end of March 2021. The average score across 2022 was 94.9%. The new Patient Entertainment Portal was rolled out across the sites throughout the month of March.
- **FFT - A&E**: Overall Trust score decreased to 64.5% in March 2022, compared to 84.8% in March 2022. This was lowest recommendation rate across the financial year. The average score across 2022 was 74.3%. A Trust-wide action plan based on the National CQC Urgent and Emergency Patient Experience Survey results has been drafted, with local site action plans to complement. Additional work currently underway to assess experience of major trauma patients across the department.
- **FFT – Outpatients**: Trust FFT score for outpatients was 89.4% for March 2022, consistent with the March 2021 score of 89.8%. The average score across 2022 was 89%. Streamlined patient administration letters templates agreed with Healthcare Communications and now working to prepare for inclusion on their Patient Portal. Further cross Trust conversations have begun around standardising patient correspondence across EPIC (the new Trust electronic patient record that will be introduced in October 2023) and '*MyChart'* as part of that programme of work.
- **FFT – Maternity combined**: Overall Trust combined FFT maternity score has decreased to 87.2% in March 2022 from 95.6% in March 2021. The average score

across 2022 was 90.2%. Feedback by SMS is now live for women across all key touchpoints; antenatal, labour and birth and postnatal.

During 2021/22, the Trust had a number of quality priorities. A summary of progress is outlined below:

Patient Safety

Priority 1 Reducing harm to deteriorating patients

Aim 1 Partially achieved

Review observation audit cycle to include peer review.

Progress has been made in relation to the observation audit cycle. The Business Intelligence Unit (BIU) have established a heat map to track observation frequency. This was reviewed at the Deteriorating Patient Task and Finish Group and it was agreed that key observation metrics would be established as part of the regular Quality Scorecard. Audits and reviews are carried out by iMobile on all ICU unplanned admissions to identify learning. Ongoing auditing of observations will be a part of next year's Quality Priority and the Acute Deterioration CQUIN 2022/23.

Aim 2 Not achieved:

Pilot patient activated trigger e.g. introducing a 'worse / better' question for the patients in their observations.

This work could not be undertaken this year as the Critical Care Outreach team needed to undertake further scoping on how best to pilot this initiative and consider how best to capture the patient's perspective of their deterioration. This will form part of the Deteriorating Patient Quality Priority for 2022/23.

Aim 3 Partially achieved:

Scorecard to be developed to include the monthly audit and a monthly deteriorating patient huddle to be set up and metrics to be agreed.

The Deteriorating Patient Task and Finish Group was established and launched in January 2022. Metrics were identified as part of the terms of reference and will be monitored through the Task and Finish group to monitor the Trust's performance and decide on targeted improvement work.

Aim 4 Partially Achieved:

Relaunch 'Situation, Background, Assessment, Recommendation', SBAR, and agree communication strategy to support nurse escalation.

An iSBAR tool and poster have been produced as part of the communication relaunch strategy. This tool is currently being piloted in clinical areas across both sites with a plan to roll out wider once feedback has been received. The use of SBAR is monitored through the iMobile unplanned admissions audits.

Aim 5 Partially Achieved:

Refresh and relaunch the Deteriorating Patient Committee.

The Deteriorating Patient Task and Finish Group was established in January 2022 and meet monthly to review the metrics set out in the Terms of Reference.

Aim 6 achieved

Implement monthly safety huddle on deteriorating patients.

The Deteriorating Patient Task and Finish Group meet monthly to discuss incidents and data relating to deteriorating patients to monitor emerging themes, trends to drive targeted improvement

Aim 7 Partially achieved: Monitor compliance with Deteriorating Patient TNA post-COVID.
iRescue, NEWS and Immediate Life Support training is available for nursing staff and BEACHES training is available for clinical support workers. A training needs analysis has also been completed for medical staff.

Deteriorating patients continues to be a key priority for the Trust. As part of the wider NHS Patient Safety Strategy and the Patient Safety Incident Response Framework, the Trust is setting up a Programme Management Office to drive continuous improvement on key areas of patient safety through identifying themes, trends and emerging patient safety risks. Deteriorating patients is an important theme for this work. Alternative investigations tools are being reviewed and piloted for patient safety incidents that occur regarding deteriorating patients. Learning and other insight will be sourced from these as well as ongoing thematic reviews, iMobile data, metrics and the auditing data to identify target quality improvement projects. Progress on quality improvement will be monitored by the Deteriorating Patient Task and Finish Group as well as the Patient Safety Committee.

Priority 2 **Reducing violence and aggression to staff and increasing patient safety** **Achieved**

Aim 1 Achieved: Clearly define the Trust approach to conflict resolution training.
: A training suite has been delivered, with awareness raising for all staff, and more detailed specialist training for staff in higher risk areas. The approach is aligned to Health Education England's core skills framework. The training is currently being rolled out.

Aim 2 Achieved: Roll out comprehensive training package to improve staff confidence in managing complex patients.
As above.

Aim 3 Achieved: Complete Trust assessment on NHS Violence prevention and reduction standard.
The Violence Reduction Matron, alongside key stakeholders, has completed the assessment on the NHS Violence Prevention and Reduction Standards. KCH is currently partially compliant with the standards. An action plan has been developed to work towards being fully compliant and is being presented to the Supporting Positive Behaviour Group in May 2022. The key area for action is the development of a Trust-wide violence reduction strategy, this will be led by the Supporting Positive Behaviour Group with a plan to launch the strategy alongside the level 1 training package. This will also be carried forward into 2022/23 as part of the Supporting Positive Behaviour quality account priority.

Aim 4 Achieved: Roll out patient entertainment system
The full launch of the portal, with mobile devices being made available for patients to utilise, took place in the week commencing 21st March 2022. The launch was accompanied by the executive-led roadshow with Chief Nurse and Chief Digital Officer visiting clinical areas to promote uptake with patients and staff.

Aim 5 Achieved: Develop and embed a comprehensive mechanism for staff support following incidents.
The Violence Reduction Matron alongside colleagues in Employee Relations have begun surveying staff and managers in pilot areas to establish what 'good' looks like. From the result of these a brief working group will be established to write the staff charter. This will then be piloted for 3 months and evaluated. Regular clinical supervision sessions are underway in hot-spot areas to support staff who are experiencing violence and aggression and allow for reflective learning. A group of medical wards have successfully implemented rapid multi-disciplinary debriefs post incidents and this will be expanded to other areas post evaluation. The Staff Psychological Well-being team are supporting teams and

inviduals after incidents of violence and aggression. They have offered Critical Incident Staff Support sessions, Reflective Practice Groups and training workshops to understand trauma.

Violence and aggression towards KCH staff remains a significant issue therefore a set of key performance indicators have been established and will be reported quarterly to demonstrate progress. In the short term it is unlikely that we will see a reduction in the overall number of incidents of violence or aggression. This will primarily be due to an increased awareness regarding the need to report incidents of violence or aggression even if they are 'No harm' or 'Near misses.' A levelling or an in increase in reported incidents will not necessarily reflect a worsening position. The aim is to see a decrease in indicators 2-6 by the end of the 2022/23 financial year. The NHS staff survey results will continue to be a key indicator of success however consistent improvement in those metrics will need to be demonstrated over a longer time period.

Patient Outcomes / Clinical Effectiveness

Priority 3	**Improving outcomes for people with long term effects of COVID-19 ('long COVID' or Post COVID Syndrome)**	**Partially achieved**

Aim 1 Achieved

<u>Set up new clinical services to support people with long COVID.</u>

Specialist Long COVID assessment clinics have been in place since April 2021 and are delivered across DH and PRUH in partnership with Guy's and St Thomas' and South London & Maudsley NHS Foundation Trusts and with King's College London University. The clinic model continues to evolve in response to learning more about how patients present to the service, patient needs including holistic biopsychosocial assessment and care, and reassurance that serious medical issues have not been missed. A new clinical model will be implemented from April 2022 which will have increased therapist input whilst maintaining respiratory and neuropsychiatry consultant presence and multi-disciplinary team input.

Aim 2 Partially achieved

<u>Measure the outcomes of these services.</u>

System response to the Omicron variant, coupled with delays in commissioning follow-up services, have led to unavoidable delays in capturing and analysing outcomes data. Now, however, all patients complete multiple biopsychosocial questionnaires including patient-reported outcomes measures. Due to operational and administrative constraints within a busy and complex clinical service, collating and reporting these outcomes data has been challenging, however data is now being aggregated for all patients seen since April 2021. Data on outcomes at 3 and 6 months after clinic visits is currently being captured through telephone interviews with patients. This data is being aggregated and will be available early into the 2022-23 financial year.

Aim 3 Achieved:

<u>Collaborate and innovate.</u>

KCH is part of a Long COVID collaborative across King's Health Partners and South East London, with a clinical operational group that includes Guy's & St Thomas' NHS Foundation Trust, South London and Maudsley NHS Foundation Trust, primary care and commissioners. This has led to a successful collaborative King's Health Partners application to NHS Charities Together and an award of £570,000 to recruit additional clinical staff to support outreach and case-finding among hard to reach and disadvantaged groups and those patients facing greatest health inequalities.

Patient Experience

Priority 4	**Improving patient experience for inpatients**	**Partially achieved**

Aim 1 Achieved: <u>To continue delivering the Connected Leadership Programme for nursing and midwifery leaders</u>.

We have connected our quality priority on improving patient experience with the Connected Leadership programme for ward leaders, as it is well known that there are links between staff experience and patient engagement. This aim has been achieved as we continued to deliver the Connected Leadership Programme in 2021/22. The programme for Ward Leaders aims to bring together Ward Leaders from across the organisation for networking and professional development as a group of peers in a safe space for learning, reflection and sharing.

Aim 2 Partially achieved: <u>To improve nutrition and hydration for inpatients.</u>

The Trust exceeded its target of 9.2 for patients reporting having enough to drink with a score of 9.4 noted in 2020 Care Quality Commission's inpatient survey. Despite improving the score where help from staff with eating meals is concerned to 6.8 from 6.7, the Trust fell short of 7.2 metric set for this objective.

Aim 3 Achieved: <u>To deliver an emotional support improvement programme that has been co-designed with our patients</u>.

Through embedding the emotional support improvement programme, which was co-designed with our patients, the Trust has achieved the score of 7.3 for patients reporting receiving enough emotional support from staff, if needed, surpassing the aim of a score of 6.8, as reported in the Care Quality Commission's Adult Inpatient Survey 2020.

Aim 4 Partially achieved <u>To embed, assess and improve our admission and discharge information based on feedback from patients and relatives.</u>

A proposal to develop a ward 'welcome pack' has been developed. The pack, to be co-designed with patients, is likely to include how wards are organised, what emotional and spiritual support is available, how to obtain appropriate hydration and nutrition, what support is available post discharge and who to contact, if there are any questions around medication following the hospital stay.

A deep dive, to assess admission and discharge information, has been commissioned by the Chief Nurse with findings informing the Trust's overall action plan to improve scores as reported on the Care Quality Commission's inpatient survey.

Aim 5 Achieved <u>To roll out a new patient entertainment system.</u>

(see above for detail).

Aim 6 Achieved <u>To improve communication between patients and healthcare professionals on the wards</u>.

Review of complaints and Patient Advice and Liaison Service (PALS) data demonstrates significant improvement where communication between patients and healthcare professionals is concerned. The number of complaints where communications issues have been flagged reduced from 240 to 196 whilst PALS enquiries relating to information exchange went from 3,216 to 2,523. Feedback gathered through FFT indicates that staff communicate in kind and compassionate manner. Nevertheless, to improve the communication of frontline staff, the Trust commissioned Afta Thought to deliver drama-based training reflecting the realities of being cared for at King's College Hospital. To date, the sessions were attended by 598 staff. Improving patient experience through effective communication will be a Quality Account Priority for 2022/23.

More detail on the Trust's quality priorities can be found in the Trust's 2021/22 Quality Account, published on the website.

Freedom to Speak Up Guardian

All NHS Trusts and NHS Foundation Trusts are required by the NHS contract to have a named Freedom to Speak Up (FTSU) Guardian. The way the role is implemented is up to each individual Trust. There is also a National FTSU Guardian whose role is to advise NHS Trusts and Guardians on best practice, to enable staff to speak up safely in their local Trusts. The Trust has a full time Freedom to Speak Up Guardian, Jacqueline Coles. She is supported by a network of ambassadors to promote the importance of being able to speak up across the Trust. Nicholas Campbell-Watts is the Non-Executive Champion for Freedom to Speak Up. The Board has received reports from the Guardian, and has completed a Board Self-Assessment to ensure it is doing all it can to ensure staff are able to safely raise concerns about safety.

Nationally, the impact of the COVID-19 pandemic on the wider NHS workforce has seen an increase in the number of cases reported to Freedom to Speak Up Guardians generally. King's has seen a significant year on year increase, with 30% more cases being brought to the attention of the FTSU Guardian compared to last year. As a consequence, during 2021/22, King's has consistently been in the top 25% of trusts nationally for reporting concerns (The Model Health System), which is a positive indicator of increasing confidence of staff to speak up.

The Trust has embraced a listen up culture and recognise that line managers have the strongest influence on a workers psychological and physical environment. Managers should also be the first point of contact for staff raising concerns. The Trust highlighted in the 2020/21 Quality Account, that managers can also feel vulnerable when staff speak up and this may lead to a defensive response, which can prevent staff from raising concerns, particularly regarding poor behaviour of colleagues. Taking a multi-professional approach, strategies are in place to support managers to 'listen well' and 'act' during 2021/22. An increase in requests from managers for training and listening events is a positive indicator that speaking up and listening up is becoming normal at King's.

In 2021/22, the Trust has continued to take a proactive approach to identifying areas for improvement and reducing the barriers to speaking up, with the Freedom to Speak Up Guardian continuing to work closely with clinical teams, EDI, Organisational Development, Health and Wellbeing, Employee relations and Communication teams, as well as the Trust's staff networks, to ensure early coordinated interventions are put in place to support staff and managers.

The Trust recognises that many staff may still face barriers to speaking up, so the FTSU Guardian is exploring many different strategies in collaboration with key stakeholders, to ensure that staff do not feel disadvantaged and do not face barriers.

Anti-Bribery Policy

King's has a zero-tolerance policy towards fraud and bribery. Appropriate policies are in place and the Counter Fraud Team ensures compliance, overseen by the Audit Committee. More detail can be found in the Annual Governance Statement, later in this report.

Community Engagement
The Trust recognises the importance of working with patients, stakeholders and the wider community to ensure that service delivery meets their needs. A summary of how the Trust has met this goal in the last year can be found on page 80.

Equality and Human Rights
The delivery of services at King's in supporting the needs of our diverse local population was identified as a one of four organisational priorities in the *Strong Roots, Global Reach* strategy published in 2021. To respond to this ambition, investment has been made in the Trust's EDI staffing resource, through the recruitment of a Band 8b Head of EDI, with a specific focus on Patients and Communities and the reduction of health inequalities; to work alongside a Head of EDI for Workforce.

Over the past twelve months, we have delivered a number of activities aimed at promoting equality of service delivery, which demonstrates due regard to the aims of the public sector equality duty, examples of which include:

- Implementing our revised Equality Risk Assessment Framework (ERAF) through the mandatory requirement to assess the impact of new and reviewed policies on patients who possess different protected characteristics.
- Delivering Workforce EDI awareness raising events, aimed at promoting understanding of the needs of different populations when delivering care.
- Establishing links with local partners and identifying opportunities for strategic collaboration on the reduction of health inequalities.
- Connecting with local community organisations and groups and supporting local health related projects
- Upgrading hearing loops in outpatient areas and installing a new wheelchair hire system at our Denmark Hill site
- Supporting the development of the approach to patient demographic recording on the new patient records system
- Building links with education establishments to promote and facilitate healthcare opportunities to local young people
- Developing a structured programme to address health inequalities for Sickle Cell patients.
- Continuing to develop our Trust wide accessibility programme priority areas.
- Creation of a training video for NHS staff, highlighting differences in the experiences of women from different ethnic backgrounds in cancer services

King's Sustainable Healthcare for All
Our King's Green Plan: Sustainable Healthcare for All was launched in September 2021, setting out our commitment to sustainable development, a vision of where we need to be, and a plan for how to get there. Since the launch of our Green Plan, we have made significant progress and continue to expand our network of staff who not only hold responsibility for delivering our commitments but are keen to do more and encourage others to get involved.

We are committed to the NHS ambition to achieve net zero carbon emissions. These targets are:

- The NHS Carbon Footprint (emissions they control directly), will be net zero by 2040, with ambition to reach an 80% reduction from 2028-2032
- The NHS Carbon Footprint Plus (emissions they can influence), will be net zero by 2045, with ambition to reach an 80% reduction from 2036-2039

Summary of Sustainability Performance in 2020/21

Significant work is underway regarding the decarbonisation of our estate, sustainable medicines and waste management. Our carbon footprint is reviewed and calculated every year, in 2021/22 this was equivalent to an NHS Carbon Footprint of 38,922 tonnes CO_2 and NHS Carbon Footprint Plus of 266,395 tonnes CO_2. Since 2014/15, we have achieved a 16% NHS Carbon Footprint reduction.

Key highlights include:

- A 55% reduction in carbon emissions from electricity
- A 35% reduction in carbon footprint from anaesthetic gases and a 23% reduction in emissions from inhalers
- Waste management increased the annual recycling rate by 2% to achieve a 20% recycling rate

Having made improvements over recent years, the Trust has recognised investment constraints as a significant risk to achieving net zero.

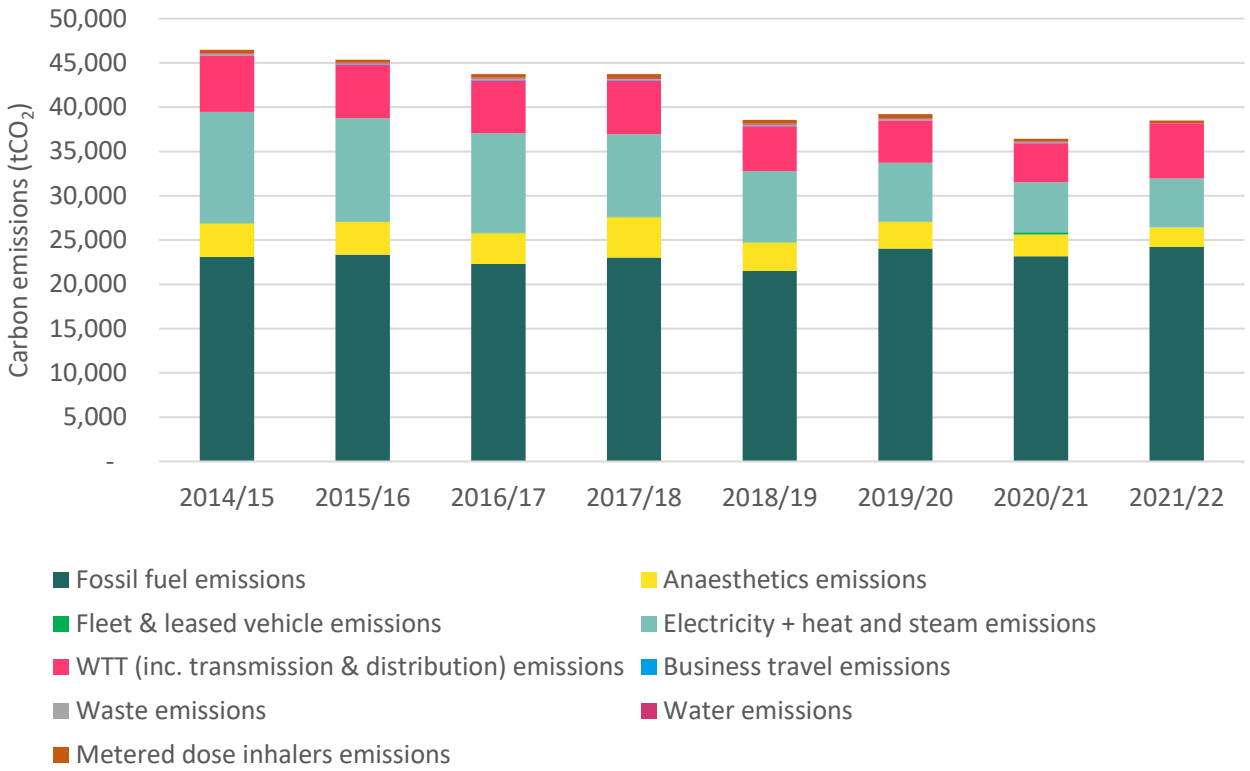
	2019/20	**2020/21**	**2021/22**	**% change since 2020/21**	**Variance to 2020/21**
Energy Management*					
Energy Expenditure (£)	6,714,940	6,554,575	6,711,056	+2.4%	+156,481
Purchased Gas (kWh)	130,609,385	132,586,057	132,154,000	-0.3%	-432,057
Purchased Electricity (kWh)	25,934,228	25,886,666	26,021,768	+0.5%	+135,102
Exported Electricity (kWh)	8,886,585	9,955,560	8,925,859	-10.3%	-1,029,701
Energy Consumption (kWh)	147,657,027	148,517,164	149,249,909	+0.5%	+732,745
Energy Carbon Emissions (tCO_2e)	28,370	28,093	27,997	-0.3%	-96
Waste Management					
Waste (tonnes)	5,653	5,132	5,444	+6.1%	+312
Waste Management Expenditure (£)	1,850,000	1,499,492	1,728,437	+15.3%	+228,945
Water Management					
Water Consumption (m^3)	295,478	294,099	305,533	+3.9%	+11,434
Procurement Management**					
Procurement Expenditure (£)	423,234,831	586,574,622	644,496,343	+9.9%	+57,921,721
Procurement Carbon Footprint (tCO_2e)	189,117	285,722	263,696	-7.7%	-22,026
Medical Gases					
Anaesthetic Gases (tCO_2e)	3,015	2,460	2,231	-9.3%	-229
Inhalers (tCO_2e)	456	293	289	-1.4%	-4

***Note 1**: one *month of data is estimated for the electricity at the PRUH for March.*

***Note 2:** procurement expenditure and carbon footprint data analysis use a spend data proxy and P4CR methodology provided by the SDU which presents significant limitations and inaccuracies. A detailed account of our emissions from procurement activities (carbon footprint plus) is due to be provided by Greener NHS in 22/23.*

Progress against Carbon Reduction Targets

In 2021/22, King's continued to reduce emissions from inhalers, anaesthetic gases, electricity and water but due to increased gas consumption has failed to achieve our targeted annual carbon reduction. We will continue to strive towards our net zero targets by taking the necessary action and working alongside our partners and suppliers to accelerate progress.



The Greener NHS data collection requires NHS trusts to submit responses quarterly to questions around the progress on sustainability spread over 6 areas: assurance and governance, medicines, travel and transport, food and nutrition supply chain and adaptation. The data collection results are used in order to create a benchmark for organisations and to track progress. We're on a journey towards sustainability and have noted our progress against each of the six areas below.

Table 2: Summary of Greener NHS data submissions in 2021/22

Submission date	Assurance and Governance	Medicines	Travel and Transport	Food and Nutrition	Supply Chain	Adaptation
Q1	100%	Not started	Satisfactory	100%	Not started	50%
Q2	100%	In development	Satisfactory	100%	Under review	50%
Q3	100%	30%	Satisfactory	100%	In development	50%
Q4	100%	30% to be completed in 2022/23	Satisfactory – further active facilities to be provided in 2022/23	100%	Walking aid return scheme and recycled paper to be introduced in 2022/23	100%

Alongside the SSG, we are working collaboratively with the South East London Integrated Care System (SEL ICS) partners to share learnings, deliver joint initiatives and expand the sustainability network across the system. Our Healthier South East London, the South East London Integrated Care System, brings together local health and care organisations and local councils to design care and improve population health, through shared leadership and collective action. On the 31st March 2022, the South East London ICS Green Plan (2022-2025) was launched. It serves as an overarching system-wide sustainability strategy that encompasses and aligns with the Green Plans of King's and the four other NHS Trusts.

Key successes in 2020/21

Green Plan Theme	Key achievements
Corporate approach 	AIM • To embed the sustainability and net zero carbon agenda within everything we do PERFORMANCE • Established a clear governance for sustainability, including a Sustainability Steering Group and Board-level Sustainability lead to drive the delivery of the Green Plan and embed sustainability in all corporate plans. • Increasing collaboration and joint programmes with our SEL ICS partners, local councils and Shelford Group
Asset management and utilities 	AIM • To continue to improve the efficiency of our practices and utilities by adopting green technologies and improving staff awareness • 80% carbon reduction by 2028-2032 PERFORMANCE • Significant investment in decarbonisation including LED lighting and low carbon heating.
Travel and logistics 	AIM • To encourage low-carbon, active travel and virtual alternatives to reduce our carbon and air quality impact • 90% of the NHS fleet to use low, ultra-low and zero-emission vehicles by 2028 • Reduce business mileage and fleet air pollutant emissions by 20% by 2023/24, in line with the NHS Long Term Plan PERFORMANCE • A new cycle hubs at Denmark Hill and Coldharbour works. Dr Bike surgeries at three sites. • Transition to electric vehicles (9 in 2021/22) and installation of new charging points. A further electrification of fleet programme is in development. • Green travel plans are currently in development for Denmark Hill, Orpington and PRUH. •

Climate adaptation 	AIM To embed climate change awareness across the Trust and prepare for extreme weather events and climate change threats. PERFORMANCE • Climate adaptation lead identified and a plan is in development. • Undertaken a climate change risk assessment against current and future climate-related threats e.g. heatwaves, flooding, extreme weather events
Capital projects 	AIM To facilitate net zero carbon progress through new builds and refurbishments. PERFORMANCE • The new Outpatient Building is being constructed offsite, designed to minimise impact on the environment over its life. The building is targeting a BREEAM excellent rating. • In December 2021, King's opened Coldharbour Works which has been retrofitted with HTM compliant ventilation and low carbon M&E.
Greenspace and biodiversity 	AIM • To protect and improve greenspace across our sites. • Achieve biodiversity net gain in all new builds and refurbishments PERFORMANCE • The Trust has match-funded King's College Hospital Charity award of a Grant in order to undertake projects to improve green spaces at Denmark Hill in 2022/23. • King's are planning to build a highly innovative Outdoor Critical Care Unit for seriously ill patients to be able to experience the benefits of green space with funds from the King's College Hospital Charity.
Sustainable care models 	AIM • To implement green care pathways to reduce the environmental impact of the care we provide to our community • Reduce carbon footprint from medical gases by 20% by 2026 • Increase the proportion of low carbon DPI's to 15% of inhalers prescribed PERFORMANCE • From April 2021 average desflurane is around 4% of all volatile gas use ahead of the NHS target of below 10% • Plans are in place to reduce the carbon footprint in medical gases in a number of key area.
Our people 	AIM • To embed climate awareness and enable our staff, patients and community to live more sustainable lifestyles PERFORMANCE • 40 places available for staff to sign up to training from the Centre for Sustainable Healthcare in 2022/23. Currently, over half of places are already allocated or completed • Green Champions Network has expanded and is now made up of over 250 staff representatives.

Sustainable use of resources 	AIM • To adopt innovative solutions to reduce waste and move towards a circular economy approach to the goods we purchase • Increase our recycling to 35% by 2026 • Reducing reliance on office paper by 50%, with a switch to 100% recycled content paper for all office-based functions by 2022 • Minimise use of single-use plastics and eliminate waste to landfill PERFORMANCE • Completed the plastics pledge to eradicate single use plastic. Wide ranging recycling in place and Waste audits and training undertaken across various departments, including theatres, critical care and endoscopy
Greenhouse gas emissions 	AIM • To identify and target our carbon hotspots to reduce our carbon footprint and achieve our carbon reduction targets PERFORMANCE • Signed up to the Clean Air Hospitals Framework and started to deliver an action plan for the next 3 years • Developed a carbon dashboard to monitor and benchmark carbon emissions across SEL ICS

Summary of Performance

The strategic report was approved by the Board of Directors on 16th June 2022 and signed on its behalf by:

Professor Clive Kay Date: 22nd June 2022
Chief Executive

Significant issues and events since the end of 2021/22

The performance report was approved by the Board of Directors on 22nd June 2022 and signed on its behalf by:

Professor Clive Kay Date: 22nd June 2022
Chief Executive

Accountability Report

2.1 Directors' Report

Governance Framework

King's governance framework comprises its membership body, the Council of Governors and the Board of Directors.

The Trust's membership is drawn from patients, staff and individuals from the local constituencies it serves. More information about recruiting and involving members in the life of King's starts on page 57.

The Council of Governors is elected by the membership or appointed in accordance with the Trust Constitution. The Council of Governors is responsible for representing the interests of members and stakeholders in the governance of King's. The Council of Governors exercises statutory powers, such as the appointment or removal of non-executive directors, appointing the external auditor, approving mergers, acquisitions and significant transactions, holding the non-executive directors individually and collectively to account, and representing the interests of members and the public. The Council of Governors meets formally four times per year to discharge its duties. The matters specifically reserved for the Council's decision are set out in the Trust's Constitution. More information about the Council of Governors, including its composition and terms of office, can be found on page 50.

Led by the Chair, the Board of Directors sets King's strategy, determines objectives, monitors performance and ensures that adequate systems are maintained to measure and monitor effectiveness, efficiency and economy. It decides on matters of risk and assurance, and is responsible for delivering high quality and safe services. It provides leadership and effective oversight of King's operations to ensure it is operating in the best interests of patients within a framework of prudent and effective controls that enables risk to be assessed and managed. Further information about King's internal controls and approach to clinical and quality governance can be found in the Annual Governance Statement starting on page 86.

The Board of Directors, comprising the Chair, Deputy Chair, independent non-executive directors and executive directors, are collectively responsible for the success of King's. The responsibilities of the Senior Independent Director (SID) are undertaken by the Deputy Chair. One of the non-executive directors is appointed by King's College London. All Board members have been assessed against the requirements of the 'fit and proper' person test. The terms of office and voting rights of each director is recorded later in this section of the annual report. Non-executive directors bring a breadth of expertise to the Board and provide objective and balanced opinions on matters relating to Trust business.

The Board meets quarterly and has a formal schedule of matters specifically reserved for its decision. The Board delegates other matters to its committees and the executive directors.

The Trust's Constitution sets out the roles and responsibilities of the membership body, Council and the Board. It also details the procedures for resolving any disputes between the Council of Governors and the Board of Directors. To develop an understanding of the views of members and governors, Board members attend meetings of the Council of Governors and its committees, the Annual Members' Meeting, and community events.

Board of Directors

Executive directors are full-time King's employees. Non-executive directors are appointed by the Council of Governors on a four-year fixed term (due to the size and complexity of the Trust). The Council of Governors has the power to remove non-executive directors. Executive Directors manage the day-to-day running of King's whilst the Chair and the Non-Executive Directors provide strategic and board-level guidance, support and challenge. The Board benefits from the wide range of skills and experience of its members, gained from NHS organisations, other public bodies and private sector organisations. The skills portfolio of the directors, both executive and non-executive, includes accountancy, audit, education, management consultancy, commercial, communications, transformation and medicine. This broad coverage of knowledge and skills strengthens the effectiveness of the Board, giving assurance that it is balanced, complete and appropriate to supporting King's in meeting its objectives.

During 2021/22, the Board of Directors comprised:

Chair	Sir Hugh Taylor
Non-Executive Directors	Nicholas Campbell-Watts Dame Christine Beasley (from 1st October 2021) Professor Jonathan Cohen Professor Yvonne Doyle (from 1st October 2021) Akhter Mateen Sue Slipman Professor Richard Trembath Steve Weiner
Chief Executive Officer	Professor Clive Kay
Chief Financial Officer	Lorcan Woods
Chief People Officer	Louise Clark (to 31st August 2021)
Chief People Officer	Mark Preston (from 1st September 2021)
Chief Nurse and Executive Director of Midwifery	Professor Nicola Ranger
Chief Medical Officer	Dr Leonie Penna
Chief Digital Information Officer (Joint GSTT)	Beverley Bryant
Denmark Hill Site CEO	Julie Lowe
PRUH and South sites CEO	Jonathan Lofthouse

Non-Executive Directors

Sir Hugh Taylor
Sir Hugh was appointed as Chairman of King's in February 2019 and commenced the role at the beginning of March 2019. He had a long and distinguished career in the civil service, which included senior roles in the Department of Health and NHS Executive, the Cabinet Office and the Home Office.

His most recent appointment before joining the Trust was as Permanent Secretary at the Department of Health, from which he retired in July 2010. Sir Hugh is also Chair of Guy's and St Thomas' NHS Foundation Trust and The Health Foundation.

Sir Hugh Taylor's appointment as Chair of the Trust was extended by the Council of Governors in December 2020.

Voting Board Member. Term in Office: March 2019 to January 2023

Dame Christine Beasley
Dame Christine Beasley has held senior roles across the NHS in a career spanning 50 years. This includes being appointed Chief Nursing Officer at the Department of Health, a position she held from 2004 to 2012.

She has extensive experience of driving positive changes in clinical practice, as well as overseeing major organisational change and development.

Voting Board Member. Term in office: October 2021 to Current (four-year term)

Nicholas Campbell-Watts
Nicholas Campbell-Watts has spent much of his career predominantly at a senior level in the voluntary sector, working with people and communities experiencing multiple and complex health and social care challenges, linked to mental health, learning disabilities, homelessness or offending.

Currently working for Certitude, a London charity, he has a track record of involvement in system and organisational change and transformation and also previous experience as a Non-Executive Director at Lambeth NHS Primary Care Trust. Nicholas lives in Lewisham, and has lived and worked in South London for over 30 years.

Voting Board Member. Term in office: January 2020 to Current (four-year term)

Professor Jonathan Cohen
Professor Cohen completed his medical degree at Charing Cross Hospital Medical School in 1975 and has worked in the NHS in the field of infectious diseases for over 30 years, becoming Chair and Head of Department at Hammersmith Hospital and Imperial College School of Medicine. His research interest is severe bacterial infections and he has an international reputation for his work in helping to develop new forms of treatment for sepsis and septic shock.

He was the founding Dean of Brighton and Sussex Medical School, which has already provided over 1,000 new doctors to the NHS. He has also served as member or Chair for a wide range of national and international bodies and is a past President of the International Society for Infectious Diseases. He is a Chair of the Appeal Panel for NICE, member of the ACCIA National Committee and a Trustee of Versus Arthritis.

Voting Board Member. Term in office: September 2015 to Current (re-appointed in December 2019 for a further four-year term)

Professor Yvonne Doyle

Professor Yvonne Doyle is currently the NHS Medical Director for Public Health, leading the public health national function within the NHS. Her most recent roles were Medical Director & Director of Health Protection in Public Health England (2019 to 2021), and PHE Regional Director for London (2013 to 2019). Yvonne has acted as Statutory Adviser to two Mayors of London. She qualified as a doctor and has worked for over 30 years in senior roles in the NHS and the UK Department of Health, and in the academic and independent sectors.

She has acted as an adviser to the WHO on Healthy Cities and continues to take a research interest in urban health and the environment.

Voting Board Member. Term in office: October 2021 to Current (four-year term

Akhter Mateen

Akhter Mateen is a former Chief Auditor of Unilever. He retired from Unilever in Dec 2012. In his 29 year career he has held high-level finance roles in Pakistan, Bangladesh, U.K., Latin America, South East Asia and Australasia. Since 2014 he has held non-executive roles in various public, private and not –for-profit organisations. Currently he is Deputy Chairman and Audit Committee Chair of Great Ormond Street Hospital Foundation Trust, a Non-Executive Director of CABI - a not for profit international development organisation, Chair and Trustee of Malala Fund UK – focusing on 12 years of free, safe and quality education for girls around the world, and a trustee of Developments in Literacy (DIL) UK – a charity contributing to the education of the underprivileged in Pakistan. He has an MBA in Finance.

Voting Board Member. Term in office: July 2020 to Current (four-year term)

Sue Slipman

Sue was the founding Chief Executive of the Foundation Trust Network, the national trade association for authorised and aspirant Foundation Trusts in the NHS. She was also Director of the campaigning charity The National Council for One Parent Families, and ran the Gas Consumers Council.

She was an Executive Director at Camelot, where she held the role of Director of Corporate Responsibility before becoming Director of Communications. She has been Chair of the Financial Ombudsman Service and has held a number of non-executive positions in public life.

Voting Board Member. Term in office: July 2012 to Current (re-appointed in 2020 until July 2022)

Professor Richard Trembath

Richard was appointed Senior Vice President & Provost (Health) and Executive Director of King's Health Partners in September 2020. His prior role as Executive Dean of the Faculty of Life Sciences & Medicine began in September 2015. A geneticist, Richard trained in Medicine at Guy's Hospital Medical School. Following postgraduate training at the Institute of Child Health he moved to the University of Leicester in 1992 where he was later appointed to the Foundation Chair of Medical Genetics. He moved to King's as Professor of Medical Genetics in 2005 and was Head of Division of Genetics & Molecular Medicine from 2008-11. During this time he was appointed founding Director of the KCL/GSTT NIHR Comprehensive Biomedical Research Centre.

Richard has substantial academic leadership experience. Directly prior to his Executive Dean role at King's, he was Vice-Principal for Health at Queen Mary University London and Executive Dean of Barts and The London School of Medicine and Dentistry. Richard is Fellow of the Academy of Medical Sciences and King's College London.

Richard's research has focused on identification of human disease genes, for which he has used established and emerging technologies. His interests have spanned a range of extremely rare medical conditions, including pulmonary arterial hypertension to more common disorders including the skin inflammatory disorder, psoriasis, atopic dermatitis and acne. More recently he co-founded the East London Genes and Health project (www.genesandhealth.org). This programme is one of the world's largest community-based genetics studies, seeking to improve health among people of Pakistani and Bangladeshi heritage in East London.

Voting Board Member. Term in office: December 2016 to Current (University appointment)

Steve Weiner
Steve has spent most of his career in finance with international consumer goods group Unilever. He retired from his role as Global Controller and part of Unilever's finance leadership team in 2018. He has extensive experience in making operational and commercial decisions involving large budgets and complex financial constraints, and in leading and developing multicultural teams.

Voting Board Member. Term in office: January 2020 to Current (extension from March 2021 for four-year term)

Executive Directors

Professor Clive Kay
Professor Clive Kay joined King's as Chief Executive in April 2019. Clive has extensive clinical and leadership experience, and prior to taking up his position at King's he was Chief Executive at Bradford Teaching Hospitals NHS Foundation Trust from January 2015. Previously he was Clinical Director of Radiology (2001-2006) and subsequently the Medical Director (2006-2014).Prior to working at Bradford, Clive was a Visiting Associate Professor of Radiology at the Medical University of South Carolina. He was a Member of Council of the Royal College of Radiologists, and is a former Chairman of both the Royal College of Radiologist's Scientific Programme Committee and the British Society of Gastrointestinal and Abdominal Radiology. He is currently a Fellow of the Royal College of Radiologists and a Fellow of the Royal College of Physicians of Edinburgh.

Voting Board Member. Term in office: April 2019 to Current (permanent contract, six-month notice period)

Beverley Bryant
Beverley joined King's College Hospital and Guy's and St Thomas' NHS Foundation Trusts as Joint Chief Digital Information Officer in September 2019. Previously, Beverley has held a number of senior leadership roles within the NHS, DH and in the private sector, including national roles at NHS England and NHS Digital between 2012 and 2017.

Non-Voting Board Member. Term in office: September 2019 to Current (permanent contract, six-month notice period)

Jonathan Lofthouse
Jonathan joined the Trust in February 2020. He is responsible for the overall management of the PRUH and South Sites. Prior to this, he was Director of Improvement at Liverpool University Hospitals NHS Foundation Trust. He has previously held senior operational roles in a number of organisations. These include the Royal Orthopaedic Hospital NHS Foundation Trust, Barts Health NHS Trust and NHS Grampian.

Voting Board Member. Term in office: February 2020 to Current (permanent contract, six month notice period)

Julie Lowe
Julie joined the Trust in September 2020 as Site Chief Executive for the King's College Hospital site. Julie joined the NHS in 1992 as a national NHS management trainee. She has worked in hospitals in London, Yorkshire and Hertfordshire in a variety of positions, including nine years in Chief Executive roles. Prior to joining King's, Julie spent three years as Programme Director for the South East London Integrated Care System.

Voting Board Member. Term in office: September 2020 to Current (permanent appointment, six month notice period)

Dr Leonie Penna
Dr Penna joined the Board as acting Chief Medical Officer in February 2020 and was appointed substantively to this role in April 2021. She has worked at King's since 2003, when she started work as a consultant in obstetrics and foetal medicine. She was the lead for obstetrics until 2010 when she became the Clinical Director for obstetrics and gynaecology. In 2017 she became the Divisional Medical Director for Urgent, Planned and Allied Clinical Services. Throughout her previous leadership roles she has maintained a clinical profile as a high-risk obstetrician with an interest in foetal monitoring and has continued to be active in both postgraduate and undergraduate education in Women's Health.

Voting Board Member. Term in office: February 2020 to Current (permanent, six month notice period)

Mark Preston
Mark joined King's in September 2021. He was previously Executive Director of Organisational Development and People at Surrey and Sussex Healthcare NHS Trust, a role he held for five years before joining us here at King's. Mark brings significant experience to the role, having worked at a number of secondary and tertiary providers across London, including a previous period at King's where he was Associate Director of Human Resources.

Voting Board Member. Term in office: September 2021 to Current (permanent, six month notice period)

Professor Nicola Ranger
Professor Nicola Ranger joined King's as Chief Nurse and Executive Director of Midwifery in July 2019. Prior to this she was Chief Nurse at Brighton and Sussex University Hospitals NHS Trust.

Nicola was previously Chief Nurse at Frimley Health NHS Foundation Trust. She has also held a number of senior nursing roles at University College London Hospital NHS Foundation Trust and Surrey and Sussex Healthcare NHS Trust. Earlier in her career she worked at George Washington University Hospital (Washington) and Mount Sinai Medical Centre (New York) in the United States.

Voting Board Member. Term in office: July 2019 to Current (permanent appointment, six month notice period)

Lorcan Woods
Lorcan joined King's in July 2018. He has overall responsibility for the Trust's financial strategy. This includes the development and delivery of the Trust's financial plan and ensuring that effective financial management and control is maintained across the organisation. He is also responsible for the Trust Strategy, Capital, Estates and Facilities (including Sustainability) and is a Board member of the Trust's subsidiaries (KFM, KCS, Viapath).

Lorcan was a board director at Four Seasons Health Care; an investment held by the private equity firm Terra Firma, where he also held a number of board positions in the healthcare,

renewable energy and infrastructure sectors. Prior to this he worked in senior roles at Unilever internationally.

Voting Board Member. Term in office: July 2018 to Current (permanent, six-month notice period)

To contact an Executive send an email to the Foundation Trust Office at kchtr.FTO@nhs.net

Board Meetings and Committees
The Board of Directors meets regularly throughout the year. It also holds a series of strategy discussions and workshops. Patient stories and/or staff stories are a regular item on the Board agenda.

The Board has six Committees, which are each chaired by a Non- Executive Director. The Board approves terms of reference for Board Committees, which set out the remit and delegated authority of each Committee.

In addition to regularly reporting to the Board of Directors, Committee minutes are a standing item on each Board agenda.

Audit Committee
The Audit Committee is chaired by Non-Executive Director Akhter Mateen and its membership is composed entirely of Non-Executive Directors. It is responsible for providing independent assurance to the Board of Directors in a range of areas including internal control, governance, fraud, corruption, impropriety and externally reported financial performance. The internal audit function is provided by KPMG and the external audit function is provided by Grant Thornton UK LLP. Grant Thornton UK LLP was appointed by tender in 2020 for a period of two years. KPMG was re-appointed by tender in early 2020 for a three year period. King's has a zero-tolerance policy towards fraud and bribery and this Committee is responsible for overseeing the work of the Local Counter Fraud Specialist.

The internal and external auditors regularly attend Committee meetings, as do the Chief Financial Officer and Chief Executive, although they are not members of the committee. The Trust Chair, the Lead Governor and other members of the executive team attend meetings of the Committee by invitation. The broad knowledge and skills of the members and attendees strengthens the effectiveness of the Committee. King's is satisfied that the Committee is sufficiently independent.

In April and June 2021, the Committee fulfilled its oversight responsibilities with regard to monitoring the integrity of the financial statements and the annual report and accounts for 2020/21 before submission to the Board and regulators.

During 2021/22 the Committee considered reports covering a variety of financial, operational and compliance matters including: reviews of learning from COVID-19 wave one, data quality, risk management, A&E data quality and the Data Security and Protection Toolkit. Some of the financial reports considered included procurement waivers, Better Payment Practice Compliance and IFRS 16. In line with its delegated authority, the Committee provided oversight of a variety of trust-level controls, including the Standing Financial Instruction waiver process; the Board Assurance Framework; and reports on losses, special payments and write-offs. The Committee also considered half year updates on Information Governance and Management.

Non-executive members of the Committee held the executive body to account in discussion of the reviews and the Committee's recommendations were provided to the relevant leads to ensure there was follow-up action. The Internal Audit Plan for 2021/22 was also agreed.

Regular reports on counter fraud investigations and the associated recommendations of the Counter Fraud function were also considered. Proactive Counter Fraud reviews were also presented to the Committee including: overseas patients and cyber security.

Grant Thornton presented the Draft External Audit Report for 2020/21. Committee members reviewed and endorsed the methodology deployed; significant risks and the risk assessment process used to identify them; recommendations for key areas of focus and the statement of independence. The Committee also considered the auditors commentary and findings on arrangements to secure value for money. Grant Thornton continues to review its independence and ensure that appropriate safeguards are in place.

Bromley Committee

The Bromley Committee is chaired by Non-Executive Director Sue Slipman and is authorised by the Board of Directors to consider any activity within its terms of reference. Its membership is composed of two non-executive, the Site Chief Executive Officer (PRUH and South Sites), the Chief People Officer, Chief Nurse and Chief Medical Officer. The Site Medical Director and Site Nursing Director are also members of the committee. The purpose of the Committee is to consider the performance of the PRUH and South Sites, as well as the wider impact of One Bromley. The Committee's remit includes oversight of the ongoing development of the Trust's contribution to the One Bromley Integrated Care System following consultation stakeholders as appropriate. All aspects of the Trust's engagement in external partnerships and relationships particularly in respect of the STP, integrated care systems and CCGs are considered. It also supervises the development and discharge of performance improvement and quality and safety issues and ensures that their development, management and implementation matches the Trust's expectations.

Finance and Commercial Committee

The Finance and Commercial Committee is chaired by Non-Executive Director Sue Slipman and is authorised by the Board of Directors to review activities falling within its terms of reference and from time to time to act on behalf of the Board. Its membership is composed of three Non-Executive Directors, the Chief Finance Officer, the Site Chief Executives, Chief Digital Information Officer, and either the Chief Nurse or the Chief Medical Officer. The Committee's key responsibility is to provide assurance to the Board of Directors of the delivery of the Trust's budget and financial recovery programme as well as compliance against NHSI governance and financial risk ratings. The overriding responsibility is to assure the Board that its finances and commercial interests are well run by reporting, reviewing and monitoring on areas such as financial strategy/budgets, resource implications of risk assessments from other committees, funding requirements, income and expenditure and CIP updates including RAG rated proposals. The Committee also gives advice to the Board on the development of future year budgets and financial recovery plans as well as providing assurance to the Board on the operational and financial delivery of the Trust's commercial entities, including KFM, KCS and Viapath.

Major Projects Committee

The Major Projects Committee is chaired by Non-Executive Director Steve Weiner. The Committee is authorised by the Board of Directors to review activities falling within its terms of reference and from time to time to act on behalf of the Board. Its membership comprises three Non-Executive Directors, the Chief Finance Officer, the Site Chief Executives, and the Chief Digital Information Officer. The key purpose of the Committee is to oversee the Trust's major projects and satisfy the Board that initiatives are professionally and properly directed to provide assurance to the Board. The Committee discharges its duties by reporting, reviewing and monitoring on areas such as the Trust's major improvement and transformation programmes, including digital, clinical and other Trust-wide transformation programmes, and being satisfied that day-to-day risks and issues are handled by the relevant executive group. It also supervises the delivery of major commercial programmes including those that form the main components

of the commercial strategy. The range of projects within its sphere of responsibility includes the delivery of the longer term financial strategy, including associated savings and cost-improvement plans, implementing the Trust's capital plans, including estates and equipment, major IT programmes, such as electronic health records and other digital initiatives, and the Trust's major commercial programmes.

Quality, People and Performance Committee
The Quality, People and Performance Committee is authorised by the Board of Directors to investigate any activity within its terms of reference and from time to time to act on behalf of the Board. It is chaired by Non-Executive Director Professor Jon Cohen and its membership comprises three Non-Executive Directors, the Chief Nurse, the Chief Medical Officer, the Site Chief Executives and the Chief People Officer. The Committee's role is to provide assurance to the Board through monitoring and reviewing the overall quality and safety of services, the workforce, and the operational and performance of the Trust and information governance. This includes reporting on operation and quality performance, serious incidents inquests, complaints and concerns management and quality improvement, and patient safety proposals and initiatives. The Committee is also responsible for ensuring that the services delivered by the Trust comply with all external regulatory requirements including CQC registration. This includes considering the performance indicators and national targets for quality, risk, control and clinical governance which have been established in the organisation, and its associated assurance processes within which safety, workforce and operational issues should be considered.

Strategy, Research and Partnerships Committee
The Strategy, Research and Partnerships Committee is a standing committee of the Trust Board of Directors. Chaired by Sir High Taylor, its membership is composed of eight Non-Executive Directors, including the Trust Chair, the Chief Executive Officer, the Chief People Officer and the Chief Medical Officer. The Committee is concerned with the medium- to longer-term perspective taken by the Trust and supervises the development and discharge of strategic partnerships and relationships. It considers all aspects of the Trust's engagement in external partnerships and relationships, particularly in respect of King's Health Partners, the STP, integrated care systems and CCGs, and ensures that the development, management and implementation of the Trust's overall strategy matches the Trust's expectations. The Committee's remit is to oversee the ongoing development of, and approve, the Trust's strategy and priorities for all aspects of the Trust's activity, including clinical, people, estates and commercial ventures, following consultation with stakeholders as appropriate.

Remuneration and Appointments Committee
The Remuneration and Appointments Committee is chaired by the Trust Chair Sir Hugh Taylor. On behalf of the Board of Directors, this Committee agrees Executive Directors' remuneration and terms of service. Together with the Chief Executive Officer, Committee members form a panel for the appointment of Executive Directors. More information can be found in the Remuneration Report on page 59.

Acute Provider Collaborative Committee-in Common
The Trust works closely with Guy's and St Thomas' NHS Foundation Trust and Lewisham and Greenwich NHS Trust, and the Acute Provider Collaborative was established in 2020 to formalise these arrangements. The purpose of the Committee-in-Common is to align decision-making between the three Trusts and to provide oversight of joint working. At a high level, the Committee is responsible for driving and overseeing alignment activities between the Trusts in the context of the COVID-19 recovery plans for the South East London Integrated Care System and building relationships between the three Trusts.

Evaluation and Development of the Board

Collectively, the Board holds development sessions periodically throughout the year to allow for deeper discussion and investigation of key topics. Board members also undertake personal development on an ongoing basis. All Executive and Non-Executive Directors have an annual performance appraisal and personal development plan, which forms the basis of their individual development. The performance of Executive Directors is reviewed by the Chief Executive and considered by the Remuneration and Appointments Committee.

The Trust had an independent developmental Well-Led review during 2020/21 by DCO Partners. The final report was issued in March 2021 and the Board considered the key findings and next steps as part of development sessions in April and May 2021. The Trust has been working with NHSE/I during the year as part of the System Oversight Framework (segmentation 4) arrangements to discuss progress against the recommendations identified and to evidence the improvements made.

Key developments during 2021/22 include:

- The implementation of the site care group model and clinical leadership arrangements;
- Changes to the membership of the Board of Directors and structure of the wider Executive Team;
- Launch of the Trust's five year strategy, *Strong Roots, Global Reach 2021-2026* and new values;
- Review of the Trust's strategic risks and development of the Board Assurance Framework in line with the launch of the strategy;
- Engagement in the development of emerging South East London Integrated Care System and Acute Provider Collaborative governance/ decision-making arrangements; and
- Launch of the Trust's quality governance development programme.

The Executive Team oversee delivery of the actions and progress is also reported to the Trust's Audit Committee.

Board of Directors - Meetings, Attendance, Committee Memberships

	Board and Committee Attendance 2021/22								
Board of Directors (Current Members)	Board of Directors	Audit Committee	Bromley Committee	Finance & Commercial Committee	Quality People and Performance Committee	Strategy, Research & Partnership Committee	Major Projects Committee	Remuneration & Appointments Committee	
Total number of meetings held	4	7	3	5	6	2	5	2	
Non-Executive Directors									
Sir Hugh Taylor**/*** Trust Chair	4	5	1	5	5	2	4	2	
Sue Slipman Deputy Chair / Non-Executive Director	4	5	3	4		2		1	
Dame Christine Beasley*	2(2)				3(3)	1(1)		1(1)	
Professor Jon Cohen	3	7			5	2		1	
Professor Yvonne Doyle*	2(2)				3(3)	1(1)		1(1)	
Akhter Mateen	3	7	3	5		2	5	1	
Professor Richard Trembath	3			3		1		2	
Nicholas Campbell-Watts	4				6	2		1	
Steve Weiner	3			5		1	5	2	
Executive Directors									
Professor Clive Kay**/*** Chief Executive Officer	4	6		5	4	2	5	2	
Beverley Bryant Chief Digital Information Officer (Joint GSTT)	4	6		2		1	4		
Jonathan Lofthouse Site Chief Executive PRUH and South Sites	3		3	5	5	1	5		
Julie Lowe Site Chief Executive, DH	3			5	5	1	5		
Dr Leonie Penna Chief Medical Officer	4		3	4	5	1			
Mark Preston* Chief People Officer	3(3)		2(2)		4(4)	2(2)		2	
Professor Nicola Ranger Chief Nurse and Executive Director of Midwifery	4	5	3	5	6	1			
Lorcan Woods** Chief Financial Officer	4	7		5		1	5		

Board Members no longer in post									
Louise Clark* Acting Chief People Officer	1(1)		1(1)		2(2)	0(0)		1(1)	

***** Board Members who joined/left the Trust at a point during 2021/22; therefore, would not have been able to attend all meetings within the reporting year. The total number of meetings each person attended are indicated in the following format: x(y), with 'x' being the number of meetings attended by the Board member, and 'y' the maximum number of meetings they would have been able to attend during the reporting period.

**REMCO and Audit Committee Members are all Non-Executive Directors, but the meetings are attended by relevant Executive Members as noted in the table.

*** The Chair and Chief Executive are ex-officio members of all committees.

Council of Governors
The Council of Governors is made up of elected and appointed stakeholders. Elected governors make up the majority of the Council; appointed stakeholder governors include representatives from CCGs, partner health provider organisations, and local councils, which play an important part in stakeholder relations. Governors are elected by the members of the Trust. The membership constituencies include patients, staff and residents from Bromley, Lambeth, Lewisham and Southwark.

The composition of the Council, names of individual governors and their terms of office can be found in the tables on page 53. To contact a Governor, send an email to the Foundation Trust Office at kch-tr.FTO@nhs.net**.**

Function and Meetings of the Council of Governors
The Council of Governors met four times during the reporting period. The attendance of individual governors at these meetings, which were held via video conference call due to the COVID-19 pandemic, is detailed in a table on page 53.

All directors are invited to attend Council meetings. Individual Directors, Executive and Non-Executive, regularly present items at Council meetings, in accordance with the planned agenda.

The Council of Governors has two key functions, which are to hold Non-Executive Directors to account for the performance of the Board and to represent the interests of members and the public. The Council of Governors also has specific responsibilities, which include the appointment, remuneration and removal of the Chair and other Non-Executive Directors. During the reporting period, the Council of Governors:

- received and considered the Annual Report and Accounts and the auditor's report on the accounts.
- received regular updates on the operational and financial performance challenges facing the Trust.
- held Non-Executive Director review sessions.
- attended a number of engagement sessions on accessibility, the development of the Trust strategies and improving patient bedside entertainment.

The Council of Governors elects one of its members to be the Lead Governor. The Lead Governor, currently Jane Allberry, acts as a communication link between Governors and the Board of Directors. In very rare circumstances the Lead Governor will act as a direct communication link between regulators such as NHSI and the Council of Governors where it is inappropriate for regulators to communicate directly with the Trust Chair or Director of Corporate Affairs.

Governors in the Community
Governors are active within the community, helping to facilitate communication between the Trust, members and the local communities of Southwark, Lambeth, Bromley and south-east London more widely. Governors are pivotal to sharing the Trust's vision and performance with key stakeholders.

As guardians of the community interest, the Council of Governors ensures that the needs of members are considered in the planning of future services.

Governor Committees
The Council of Governors has committees which provide the opportunity to delve deeper into issues that are of interest to members, patients and the local community. All governors are eligible to sit on governor committees, with the exception of the Nominations Committee, for which governors stand and are elected.

Patient Experience and Safety Committee
The Committee acts as a reference group for the Trust's planned activity relating to patient experience and safety. Committee members are involved with a range of initiatives to improve patient experience and safety and to monitor progress against King's quality priorities.

Strategy Committee
The Committee reviews the Trust's strategy and annual forward plan, and feeds back to the Council of Governors. The Committee provides a Governor perspective on system developments, including the South East London Integrated Care System and other key partnerships, and the impact of these on King's strategic priorities.

Nominations Committee
This Committee is responsible for determining and administering the selection process for the appointment and remuneration of the Chair and Non-Executive Directors, and recommending the preferred candidates to the Council of Governors for appointment. This includes consideration of the structure, size and composition of the Board. It also monitors the performance of Non-Executive Directors and makes recommendations to the Council of Governors for the reappointment or removal of individual Non-Executive Directors.

During the year the Committee met to support the Council with the appointment of two new Non-Executive Directors.

The membership of the Committee is shown in the table overleaf.

Non-Executive Directors Review Sessions
The Council of Governors held review sessions during 2021-22, at which Non-Executive Directors discussed the ways in which they discharged their duties to provide constructive challenge and strategic expertise to the executive team and what level of assurances they received.

Governor Development and Engagement
King's is committed to providing support and training for governors and opportunities to engage with staff, directors, members and one another.

Governors, members and directors came together to share ideas about King's vision and future plans at community events and the Annual Members' Meeting. All governors are invited to attend meetings of the Public Board of Directors. Nominated governors also observe a number of the Board's Committee meetings including, Audit Committee, Bromley Committee, Quality, People and Performance Committee and the Trust's Finance and Commercial Committee.

Current Nominations Committee Membership

Nominations Committee Members	Status	Constituency
Sir Hugh Taylor	Current	n/a – Chair of the Trust and Council of Governors
Jane Allberry	Current	Public Governor Southwark
Hilary Entwistle	Current	Public Governor Southwark
Dr Devendar Singh Banker	Current	Public Governor Bromley
Dr Akash Deep	Current	Staff Governor
Billie McPartlan	Current	Patient Governor

Council of Governors – Meetings and Attendance (four Council of Governor meetings during the reporting period*)

Council of Governors Tenures and Meeting Attendances, April 2021 – March 2022				
		Constituency	**Tenure**	**Meetings Attended**
Patient Governors	Deborah Johnston	Patient	15/06/2021 - 14/06/2024	3(4)
	Devon Masarati	Patient	15/06/2021 - 14/06/2024	3(4)
	David Tyler	Patient	15/06/2021 - 14/06/2024	3(4)
	Billie McPartlan	Patient	01/12/2019 – 31/11/2022	3(4)
	Adrian Winbow	Patient	15/06/2021 - 14/06/2024	1(4)
Public Governors	David Jefferys	Bromley	01/02/2020 - 31/01/2023	3(4)
	Jane Clark**	Bromley	07/12/2020 - 31/01/2023	4(4)
	Tony McPartlan	Bromley	01/02/2020 - 31/01/2023	4(4)
	Devendar Singh Banker	Bromley	01/02/2020 - 31/01/2023	3(4)
	Marcus Ward	Lambeth	01/12/2019 - 30/11/2022	1(4)
	Emily George	Lambeth	15/06/2021 – 14/06/2024	4(4)
	Rashmi Agrawal	Lambeth	15/06/2021 – 14/06/2024	3(4)
	Daniel Kelly	Lambeth	15/06/2021 – 14/06/2024	1(4)
	Lindsay Batty Smith	Southwark	15/06/2021 – 14/06/2024	2(4)
	Jane Allberry	Southwark	15/06/2021 – 14/06/2024	4(4)
	Hilary Entwistle	Southwark	01/12/2019 - 30/11/2022	3(4)
	Angela Buckingham	Southwark	15/06/2021 – 14/06/2024	3(4)
	Susan Wise	Lewisham	01/02/2020 - 30/11/2023	0(4)
Staff Governors	Tunde Joksenumi	Admin, Clerical and Management	15/06/2021 – 14/06/2024	4(4)
	Aisling Considine	Allied Health Professionals	15/06/2021 – 14/06/2024	4(4)
	Mike Dowling	Nurses and Midwives	01/12/2019 – 30/11/2022	2(4)
	Erika Grobler	Nurses and Midwives	18/11/2021 – 14/06/2024	1(2)
	Akash Deep	Medical and Dentistry	15/06/2021 – 14/06/2024	0(4)
Stakeholder Governors	Anne Marie Rafferty	King's College London	01/10/2019 - 30/09/2022	2(4)
	Cllr Jim Dickson	Lambeth Council	22/08/2018 – 21/07/2023	3(4)
	Dr Di Aitken	Lambeth CCG	28/02/2019 - 31/03/2022	3(4)
	Ian Rothwell **	South London and Maudsley NHS Foundation Trust	14/03/2021 - 13/03/2024	4(4)
	David Morris**	Joint Staff Office	20/04/2021 – 19/04/2024	1(4)
	Cllr Dora Dixon Fyle	Southwark Council	01/10/2020 – 30/09/2023	2(4)
	Cllr Robert Evans	Bromley Council	20/11/2019 – 19/11/2022	3(4)

****** Completing the tenure of office of a vacant seat left by a governor who demitted and joined at a point during 2021/22; therefore, would not have been able to attend all meetings within the reporting year. The total number of meetings attended are indicated in the following format: x(y), with "x" being the number of meetings attended by the governor, and "y" the maximum number of meetings they would have been able to attend during the reporting period.

Board Members attend the Public Council of Governor meetings.

Management framework
The Board of Directors is the key decision-making body at the Trust. It is responsible for ensuring compliance with the Trust's provider licence, constitution, mandatory guidance issued by NHS Improvement, and with relevant statutory requirements and contractual obligations.

Commercial opportunities and activities are subject to scrutiny by the Board of Directors, to ensure that benefits derived from non-NHS income are channelled into supporting King's core NHS activities without incurring significant financial or reputational risk. Information about King's services outside the UK can be found in the performance report on page19.

Directors and governors are supplied with information to enable them to discharge their duties.

The performance of the Board of Directors, its committees and individual directors are subject to regular review. The Board is committed to the NHS/CQC Well-Led Framework and was inspected by the CQC during January and February 2018/19. A full action plan was drafted following receipt of the report in June 2019 and this was regularly reviewed by both the executive management team and the relevant Board committee. During late 2020/21, an external assessment of the Board's performance was commissioned. This review resulted in a number recommendations which were implemented during 2021-22. Further detail is included in the annual governance statement later in this report.

Company directorships and other significant interests and commitments
King's maintains a register of interests for its directors and governors. Arrangements to view the register can be made by contacting the Foundation Trust Office at kch-tr.FTO@nhs.net. The register is also published on the Trust's website.

Board members and governors are asked to declare any interests and to self-certify that they meet the eligibility criteria set out in the Trust's Constitution. In addition, governors and directors are subject to a check by the Disclosure and Barring Service.

Political Donations
The Trust did not make any political donations during 2021/22.

Better Payments Practice Code (BPPC)
King's has a responsibility to meet the Better Payments Practice Code (BPPC). This focuses on the speed at which the Trust pays its invoices to the private sector and to other NHS organisations. The BPPC requires the NHS Trusts 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 target is to pay 95% of invoices, in terms of value and volume, within 30 days.

Better Payment Practice Code - measure of compliance
The Better Payment Practice Code requires the Foundation Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the earlier. The target is to pay 95% of invoices, in terms of value and volume, within 30 days.

The Foundation Trust's performance against this target was as follows:

	Group 2021-22	
	Number	**£000**
Non-NHS trade invoices:		
Paid in the year	**230,662**	**1,112,255**
Paid within target	**160,105**	**902,430**
Percentage paid within target	**69.4%**	**81.1%**
NHS trade invoices		
Paid in the year	**4,541**	**86,934**
Paid within target	**1,391**	**62,402**
Percentage paid within target	**30.6%**	**71.8%**
Total trade invoices		
Paid in the year	**235,203**	**1,199,189**
Paid within target		
Percentage paid within target	**68.7%**	**80.5%**

Following poor performance in meeting the BPPC, the Trust has been working through its action plan to deliver improvements and has monitored and challenged the planned 2021/22 improvement in payment performance at Finance & Commercial Committee. Although improvements have been achieved, with the Trust significantly reducing aged creditors and reaching 90% performance in later months of the year, further work is required to meet the 95% target.

Cost Allocation Requirements
King's has complied with the cost allocation and charging guidance issued by HM Treasury.

Summary of the Group's financial performance
The Group out-turn for the year was a deficit of £0.4m and this includes the asset impairment of £6.040m. This charge relates to impairments that arise from a clear consumption of economic benefits or service potential in the asset. The NHS Improvement financial performance control total measures the surplus (deficit) before impairments and after removing the income and expense impact of capital donations/grants. The control total surplus after adjusting for asset impairments and the impact of donated assets was £0.223m.

Because of the continuing service provider relationship that the Trust has with NHS England and CCGs, and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. The Trust has limited powers to borrow or invest surplus funds and financial assets. Liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

Full details of financial performance in 2021/22, the responsibilities of the Accounting Officer and a statement from the auditors can be found in the Annual Accounts 2021/22 later in this report.

Income Disclosures
King's is a public benefit corporation and its principal purpose is the provision of goods and services for the purposes of the health service in England. During the reporting period, income from the provision of goods and services for the purposes of the health service in England was greater than from the provision of goods and services for any other purpose. Income received from non-NHS services is directly invested in the provision of NHS services and does not impact the services provided to NHS patients. For the financial year 2021/22, no surplus was available for reinvestment.

Full details of financial performance in 2021/22, the responsibilities of the Accounting Officer and a statement from the auditors can be found in the Annual Accounts 2021/22 on pages later in this report.

Responsibility of Directors for Preparing the Annual Report and Accounts
Directors are responsible for preparing the Annual Report and Accounts. The Directors of King's College Hospital NHS Foundation Trust consider that the Annual Report and Accounts 2021/22, taken as a whole, are fair, balanced and understandable, and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

The Directors have taken all reasonable steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information. So far as the Directors are aware, there is no material audit information of which the Trust's auditors are unaware.

Accountability and Audit
Grant Thornton UK LLP was appointed as the Trust's external auditor in November 2020. The firm was appointed for a two-year term (to cover the audits of the 2020/21 and 2021/22 financial years).

The Board of Directors maintained a system of evaluating and continually improving effectiveness of risk management and internal control processes. KPMG continued as internal auditors during 2020/21, having been re-appointed in April 2020 on a three year contract. KPMG provide a comprehensive internal audit function and they now also provide the Trust's Counter-Fraud function. The internal audit plan is discussed with Executive Directors, Non-Executive Directors and the Audit Committee.

The Board of Directors ensures effective scrutiny of financial and operational matters through its designated committees and by receiving reports from the executive which present a balanced and understandable assessment of King's performance and forward plans. Information about King's financial, quality and operational objectives and performance, including clinical outcome data, is published to allow members and governors to evaluate its performance.

Furthermore, all the Board Directors have made enquiries of fellow directors and the Trust's internal and external auditors through the Board of Directors' meeting and Audit Committee, and taken any steps required to give effect to their duties to the Trust to exercise reasonable care, skill and diligence.

The Audit Committee is responsible for reviewing the effectiveness of the external auditors and does this via a survey of key stakeholders, which is reported to Board.

Independence of the External Auditor
King's external Grant Thornton UK LLP, has confirmed to the Trust that there are no significant matters that impact on their independence as auditors that they are required or wish to draw to the Trust's attention. They have complied with, and implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and confirm that as a firm, and each covered person, they are independent and are able to express an objective opinion on the financial statements.

The auditors have confirmed that they have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2019 which sets out supplementary guidance on ethical requirements for auditors and local public bodies.

Ensuring the Trust is Well-led
The Trust has a governance framework in place that aims to ensure it is well-led. Quality governance, the approach to risk management and internal control are outlined elsewhere in this report. The Board, through its committee, assures itself in relation to patient care. More detail on this can be found in the Annual Governance Statement (see page 85) and the 2021/22 Quality Account (found on the Trust website). Details of the development and evaluation of the Board can be found earlier in this section.

Stakeholder Engagement
The Trust continues to work with a wide range of stakeholders, including local Healthwatch groups, CCGs, local MPs and local authorities. It is actively engaged in developing integrated care systems in the relevant local authority areas (Bromley, Lambeth and Southwark). The Trust has good relationships with a number of local charities and community groups.

Putting our Patients and Public in Focus

King's membership
King's membership is split into four constituencies: public, patient, voluntary/community groups and staff.

Public membership – anyone who is 16 years old or over and lives within the London Boroughs of Lambeth, Southwark and Bromley. In order to reflect the role King's has within the wider south east London health system, the Trust has established a SEL Constituency and a London Constituency.

Patient membership – anyone who is 16 years old or over that has been a patient of King's in the past six years, or has been the carer of a patient of King's in the past six years, is entitled to become a patient member.

Staff membership – All staff that have employment contracts lasting more than 12 months are automatically opted into membership. They have the option to opt out should they wish. King's Volunteers and full-time employees of King's contractors are also eligible to become members, though they have to opt in to become a member.

Associate membership – Any voluntary or community organisation working in our boroughs or serving our patients and communities can join King's as an Associate member. Associate membership provides an opportunity to increase partnership working and communication between King's and local voluntary and community groups for the benefit of our patients and their families.

Membership strategy
On 31st March 2022, our patient and public membership stood at 10,479. This remains within our target of between 9,800 and 11,100 members.

There are now around 60 voluntary and community organisations which have joined King's as Associate members.

Membership communication
We have distributed our membership leaflets for adults and a dedicated young person's leaflet across our sites and online.

Our monthly e-bulletin reaches over 4,000 members. Associate members also received regular e-bulletins during the year.

Annual Members' Meeting 2021

Due to COVID-19 restrictions, the Trust's Annual Members Meeting was held virtually in 2021. The meeting included a Trust update on finance and quality, presentations from clinical staff about the Liver Transplantation team and a governors' update, with question and answer sessions.

Member engagement in quality programmes

Due to COVID-19 restrictions, the Trust's ability to engage members in quality programmes including PLACE and nutrition audits was limited. However, the Trust continued to engage with Members where possible through virtual meetings.

Current membership numbers:

Public constituency	**2021/22**
At year start (1 April)	7,724
New members	129
Members leaving	174
At year end (31 March)	7,679

Staff constituency	**2021/22**
At year start (1 April)	12,528
New members	2,250
Members leaving	1,943
At year end (31 March)	12,835

Patient constituency	**2021/22**
At year start (1 April)	2,785
New members	81
Members leaving	66
At year end (31 March)	2,800

2.2 REMUNERATION REPORT

The information provided in this part of the remuneration report is not subject to audit.

Foreword

The Trust has had a number of changes at Board level. The Remuneration and Appointments Committee has worked with the Chief Executive Officer and Chief People Officer to ensure that the resilience of the leadership team has been maintained throughout the year and has made a number of changes to the executive management structure in support of this. There have been no changes to the Trust's remuneration policies in the past year. Taking into consideration national pay agreements, the Board agreed a 3% cost-of-living increase for all very senior and executive staff. The key activities of the Committee are outlined below.

Sir Hugh Taylor, Chair of the Remuneration Committee

The Annual Statement

The following very senior management (VSM) appointments were made in 2021/22:

- Funmi Onamusi, as Director of Equality Diversity and Inclusion
- Joe Hague as Deputy Chief Nurse
- Mark Preston as Chief People Officer
- Chris Rolfe as Director of Communications
- Sophie Whelan as Director of Corporate Affairs
- Roxanne Smith as Director of Strategy

The Remuneration and Appointments Committee were provided with updates on appointments to other senior posts in the organisation along with confirmation on the outcomes of Executive Director's appraisals.

Senior Manager Remuneration Policy

There have been no changes to the Trust's remuneration policies during 2021/22. All new appointments were made within standard NHS terms and conditions; this includes establishing earn-back clauses on posts that attract a salary of more than £150k.

The remuneration and terms of service of the Chair and Non-Executive Directors are determined by the Council of Governors, taking account of market and survey data from relevant benchmark sources which can include the Foundation Trust Network and the Trust's NHS peer group. More information about this process and the role of the Council of Governors' Nominations Committee can be found on page 52.

Remuneration for King's most senior managers (Directors accountable to the Chief Executive) is determined by the Remuneration and Appointments Committee, which comprises the Chair and the Non-Executive Directors. See page 47 for committee membership and meeting attendance.

The work of the Remuneration and Appointments Committee is informed by relevant benchmark data, periodic assessments conducted by independent remuneration consultants and by salary awards and terms and conditions applying to other NHS staff groups. The work of the committee is supported by the Chief Executive Officer and the Chief People Officer, who are not members of the Committee.

The Trust's strategy and annual planning processes set key business objectives which, in turn, inform individual and collective objectives for senior managers. Individual performance and that of King's

as a whole is closely monitored, discussed throughout the year and forms part of the annual appraisal.

Details of senior employees' remuneration can be found on pages 63. Note 4.2 in the annual accounts sets out accounting policies for pensions and other retirement benefits.

The Committee takes steps to ensure that remuneration is reasonable for senior managers paid more than £150,000, taking into account NHSE/I's Guidance on pay for very senior managers in NHS trusts and foundation trusts. The Committee seeks the advice of an external agency and considers benchmarking information as required.

Service Contract Obligations
All senior managers have a standard King's service contract. Each individual Executive Director and Non-Executive Director has their appointment date, contract status and notice period (for Executive Directors only) listed in the Director's report.

Policy on Payment for Loss of Office
All senior managers are required to have a six-month period in their service contract. Policy for loss of office is in line with the NHSI VSM guidance and the Trust has a policy of not paying over contractual entitlement.

Compensation in the event of early termination for substantive directors is in accordance with contractual entitlements, as set out in the Agenda for Change national terms and conditions of service. There were no exceptions to this policy during 2021/22.

Diversity and Inclusion
In line with the Trust policy on diversity and inclusion, the Remuneration and Appointments Committee has considered the diversity at the most senior levels of the organisation.

Non-Executive Director Remuneration Framework
Remuneration for Non-Executive directors and the Chair is at a spot rate and is not pensionable.

Senior Manager Remuneration Framework

	Explanation
Salary	Senior manager pay is awarded on a spot rate and is not subject to incremental increase. Senior managers may, at the discretion of the Remuneration and Appointments Committee, be awarded a cost–of-living increase, in line with the rest of the Trust (in 2021/22 this was 3%).
Pension benefits	Senior managers may opt to be members of the NHS Pension Scheme. Contributions to the scheme are made by the employee and the employer in line with statutory regulations.
Performance-related pay	In general, senior managers do not receive performance related pay.
Earn-back	In line with NHS policy, directors with salaries above £150k will be subject to 'earn back'. This means that 10% of their salary is at risk unless they achieve the objectives agreed at the start of the year.

Other employee benefits	There were no other employee benefits made in 2021/22
Performance Management Framework	Performance is managed on an annual baseline in line with the financial year. Individual objectives are agreed with line managers, in line with the Trust Strategy and monitored throughout the year. The Trust has an online appraisal process which is used by all staff.

Remuneration and Appointments Committee
The membership, meetings and attendance of the Remuneration and Appointments Committee can be found on page 49. The Chief Executive Officer and Chief People Officer attended the Committee for relevant agenda items but were not full members.

In addition to the VSM appointments outlined on page 59, during 2021/22 the Committee:

- Agreed the proposal to award senior managers a 3% pay increase, in line with the national pay award for Agenda for Change staff; and
- Reviewed the outcomes of Executive appraisals.

The information in this section of the remuneration report is subject to audit.

Median Salary Disclosures

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

The banded remuneration of the highest-paid director in the organisation in the financial year 2021-22 was £297.5k (2020-21, £287.5k). This is a change between years of 3.5% relating to the agreed pay uplift. The highest-paid director did not receive any performance pay or bonuses in either year.

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

For employees of the Trust as a whole, the range of remuneration in 2021-22 was from £18.5k to £298k (2020-21 £18k to £288k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 0.4%. The percentage increase is a weighted average by payroll category (substantive, bank and agency). An underlying increase in average substantive pay costs of 3.8% is offset by a similar decrease in bank pay costs. No performance pay or bonuses were paid by the Trust in either year.

No employees received remuneration in excess of the highest-paid director in 2021-22 (2020-21 = 0).

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

	2021/2022			2020/2021
	25th percentile £	**Median £**	**75th percentile £**	Median £
Salary component of pay	29,822	36,264	51,764	37,637
Total pay and benefits excluding pension benefits	29,938	36,598	51,764	37,641
Pay and benefits excluding pension: pay ratio for highest paid director	9.94 : 1	8.13 : 1	5.75 : 1	7.64 : 1

The information in this section of the remuneration report is not subject to audit.

Governor Expenses

For the 2021/22, no governors claimed expenses.

The information in this section is subject to audit.

Salary and pension entitlements of senior managers

A) Remuneration

		2021-22			2020-21		
Name	**Title**	**Salary & Fees (bands of £5,000)**	**Pension Related Benefits (bands of £2,500)**	**Total (bands of £5,000)**	**Salary & Fees (bands of £5,000)**	**Pension Related Benefits (bands of £2,500)**	**Total (bands of £5,000)**
Chairman and Non-Executive Directors							
Sir Hugh Taylor	Interim Chair	40 - 45	-	40 - 45	45 - 50	-	45 - 50
Professor Gulam J Mufti	Non-Executive Director	-	-	-	15 - 20	-	15 - 20
Sue Slipman	Non-Executive Director	25 - 30	-	25 - 30	10 - 15	-	10 - 15
Chris Stooke	Non-Executive Director	-	-	-	0 - 5	-	0 - 5
Professor Jon Cohen	Non-Executive Director	10 - 15	-	10 - 15	10 - 15	-	10 - 15
Professor Yvonne Doyle	Non-Executive Director	5 - 10	-	5 - 10	-	-	-
Professor Richard Trembath	Non-Executive Director	10 - 15	-	10 - 15	10 - 15	-	10 - 15
Nicholas Campbell-Watts	Non-Executive Director	10 - 15	-	10 - 15	10 - 15	-	10 - 15
Akhter Mateen	Non-Executive Director	10 - 15	-	10 - 15	5 - 10	-	5 - 10
Steve Weiner **	Non-Executive Director	10 - 15	-	10 - 15	-	-	-
Dame Christine Beasley	Non-Executive Director	5 - 10	-	5 - 10	-	-	-
Executive Directors							
Clive Kay	Chief Executive	295 - 300	-	295 - 300	285 - 290	-	285 - 290
Lorcan Woods	Chief Financial Officer	185 - 190	45.0 - 47.5	235 - 240	165 - 170	37.5 - 40.0	205 - 210
Professor Julia Wendon *	Chief Medical Officer (Clinical Strategy and Research)	-	-	-	170 - 175	-	170 - 175
Dr Leonie Penna *	Chief Medical Officer (Professional Standards)	220 - 225	-	220 - 225	185 - 190	67.5 - 70.0	255 - 260
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	180 - 185	57.5 - 60.0	240 - 245	175 - 180	7.5 - 10.0	185 - 190
Dawn Brodrick	Executive Director of Workforce Development/Chief People Officer	-	-	-	130 - 135	-	130 - 135

Bernie Bluhm	Denmark Hill Site Chief Executive and Group Deputy CEO	-	-	-	35 - 40	-	35 - 40
Beverley Bryant **	Chief Digital Information Officer	145 - 150	-	145 - 150	110 - 115	-	110 - 115
Caroline White	Executive Director of Integrated Governance	-	-	-	120 - 125	-	120 - 125
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	180 - 185	300.0 - 302.5	480 - 485	150 - 155	-	150 - 155
Louise Clark	Acting Chief People Officer	60 - 65	42.5 - 45.0	105 - 110	110 - 115	90.0 - 92.5	205 - 210
John Palmer	Deputy Group Chief Executive and Site CEO, DH	-	-	-	120 - 125	-	120 - 125
Mark Preston	Chief People Officer	90 - 95	132.5 - 135.0	225 - 230	-	-	-
Julie Lowe	Site Chief Executive, DH	180 - 185	192.5 - 195.0	375 - 380	100 - 105	-	100 - 105
*** Salary relating to non-managerial role**							
Professor Julia Wendon	Chief Medical Officer (Clinical Strategy and Research)	-	-	-	195 - 200	-	195 - 200
Dr Leonie Penna	Chief Medical Officer (Professional Standards)	145 - 150	-	145 - 150	145 - 150	-	145 - 150
**** Salary paid by Guys and St Thomas' NHS Foundation Trust**							
Steve Weiner	Non-Executive Director	-	-	-	15 - 20	-	15 - 20
Beverley Bryant	Chief Digital Information Officer	230 - 235	-	230 - 235	225 -230	-	225 -230
Julie Lowe	Site Chief Executive, DH	30 - 35	-	30 - 35	100 - 105	-	100 - 105

(GSTT salary includes the recharge cost to the Trust)

One Executive Director received a taxable benefit in kind in 2020/21, value £3,559.
None of the Directors claimed non-taxable expenses in 2021/22.
The Trust has not paid any of the Directors compensation on early retirement or for loss of office.
The Trust has not made any payments to past Directors.
Jonathan Lofthouse - Salary includes arrears (£20k) from 2020/21 that have been realised in 2021/22.
Louise Clark - Prior year's figures have been revised as the NHS Pensions Agency have sent amended figures.
Julie Lowe - April & May 2021 salary recharged from GSTT

Salary and pension entitlements of senior managers

Sir Hugh Taylor	Interim Chair	1 April 2021 - 31 March 2022
Sue Slipman	Non-Executive Director	1 April 2021 - 31 March 2022
Professor Jon Cohen	Non-Executive Director	1 April 2021 - 31 March 2022
Professor Richard Trembath	Non-Executive Director	1 April 2021 - 31 March 2022
Nicholas Campbell-Watts	Non-Executive Director	1 April 2021 - 31 March 2022
Akhter Mateen	Non-Executive Director	1 April 2021 - 31 March 2022
Professor Yvonne Doyle	Non-Executive Director	1 October 2021 - 31 March 2022
Steve Weiner	Non-Executive Director	1 April 2021 - 31 March 2022
Dame Christine Beasley	Non-Executive Director	1 October 2021 - 31 March 2022
Professor Clive Kay	Chief Executive	1 April 2021 - 31 March 2022
Lorcan Woods	Chief Financial Officer	1 April 2021 - 31 March 2022
Dr Leonie Penna	Chief Medical Officer	1 April 2021 - 31 March 2022
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	1 April 2021 - 31 March 2022
Beverley Bryant	Chief Digital Information Officer	1 April 2021 - 31 March 2022
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	1 April 2021 - 31 March 2022
Louise Clark	Acting Chief People Officer	1 April 2021 - 31 August 2021
Julie Lowe	Site Chief Executive, DH	1 April 2021 - 31 March 2022
Mark Preston	Chief People Officer	1 September 2021 - 31 March 2022

None of the Non-Executive or Executive Directors received benefits in kinds in 2021-22. One Executive Director received a taxable benefit in kind in 2020/21, value £3559

B) Pension Benefits

Salary and pension entitlements of senior managers

B) Pension Benefits

This pensions information is provided by the NHS Business Services Authority - Pensions Division on an annual basis.

Name	Title	Real Increase in pension at pension age (bands of £2,500)	Real Increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2022 (bands of £5,000)	Lump sum at pension age at 31 March 2022 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2021	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2022	Employer's Contribution to stakeholder pension
		£000			£000	£000	£000	£000	
Executive Directors									
Lorcan Woods	Chief Financial Officer	2.5 - 5.0	-	10 - 15	-	125	24	176	-
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	2.5 - 5.0	10.0 - 12.5	55 - 60	175 - 180	1,244	87	1,357	-
Louise Clark	Acting Chief People Officer	0 - 2.5	-	25 - 30	-	283	5	316	-
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	7.5 - 10.0	25.0 - 27.5	40 - 45	90 - 95	402	153	657	-
Julie Lowe	Site Chief Executive, DH	7.5 - 10.0	15.0 - 17.5	70 - 75	145 - 150	1,075	144	1,275	-
Mark Preston	Chief People Officer	2.5 - 5.0	5 - 7.5	50 - 55	100 - 105	821	69	963	-

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members*.*

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

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

The benefits and related CETVs do not allow for a potential future adjustment for some eligible employees arising from the McCloud judgement.

Leonie Penna - Director stopped contributing to the NHS Pension Scheme in 2020.

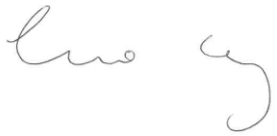
Clive Kay - Director does not contribute to the NHS Pension Scheme.

Louise Clark - Prior year's figures have been revised as the NHS Pensions Agency have sent amended figures.

Remuneration report

The disclosures in the remuneration report fulfil our obligations under the Health and Social Care Act 2012.

Signed:



Date: 22nd June 2022

Professor Clive Kay
Chief Executive and Accounting Officer

2.3 Staff Report

The information in this section of the staff report is not subject to audit.

The following tables provide information on staff costs and numbers during 2021/22. The Trust is also required to make a number of disclosures in its staff report. These are also detailed below.

The information in this section of the staff report is subject to audit.

Workforce data

Group	Total	Permanent 2021-22	Other	Total	Permanent 2020-21	Other
	No.	No.	No.	No.	No.	No.
Medical and dental	**2,356**	**951**	**1,405**	2,421	922	1,499
Ambulance staff	**-**	**-**	**-**	-		
Administration and estates	**2,962**	**2,669**	**294**	2,855	2,555	300
Healthcare assistants and other support staff	**1,485**	**1,429**	**55**	1,479	1,395	84
Nursing, midwifery and health visiting staff	**4,610**	**4,337**	**273**	5,081	4,099	982
Nursing, midwifery and health visiting learners	**1**	**-**	**1**	4	1	3
Scientific, therapeutic and technical staff	**1,602**	**1,389**	**213**	1,707	1,381	326
Healthcare science staff	**333**	**283**	**50**	348	298	50
Social care staff	**18**	**14**	**4**	17	14	3
Other	**-**	**-**	**-**	-	-	-
Total average numbers	**13,367**	**11,072**	**2,295**	13,912	10,665	3,246

Staff Costs

Employee Benefits	Group					
	Total	Permanent 2021-22	Other	Total	Permanent 2020-21	Other
	£000	£000	£000	£000	£000	£000
Salaries and wages	**639,015**	**629,160**	**9,855**	609,820	601,470	8,350
Social security costs	**65,104**	**65,104**	**0**	60,390	60,390	0
Apprenticeship levy	**2,818**	**2,818**	**0**	2,870	2,870	0
Pension cost - employer contributions to NHS pension scheme	**71,942**	**71,942**	**0**	67,551	67,551	0
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	**31,211**	**31,211**	**0**	29,145	29,145	0
Temporary staff (including bank and agency)	**82,578**	**0**	**82,578**	87,501	0	87,501
Total gross employee benefits	**892,668**	**800,235**	**92,433**	857,277	761,426	95,851
Recoveries from other bodies in respect of staff cost netted off expenditure	**0**	**0**	**0**	0	1	2
Total employee benefits	**892,668**	**800,235**	**92,433**	857,277	761,427	95,853
Of which						
Costs capitalised as part of assets	**(1,124)**	**(1,124)**	**0**	(20)	(20)	0
Total employee benefits excluding capital costs	**891,544**	**799,111**	**92,433**	857,257	761,407	95,853

The information in this section of the staff report is not subject to audit.

Sickness Absence data

For 2021/22 staff sickness absence data is not required by the Foundation Trust Annual Reporting Manual (FT ARM) of the DHSC Group Accounting Manual (GAM) to be disclosed in annual reports.

Information on staff sickness can be found at: https://digital.nhs.uk/data-andinformation/publications/statistical/nhs-sickness-absence-rates

The information in this part of the staff report is not subject to audit.

Workforce Equality Analysis

	2020/21		2021/22	
	Headcount	%	Headcount	%
Age				
(0-16)	0	0%	0	0%
(17-21)	94	0.7%	88	1%
22+	13453	99%	13662	99%
Ethnicity				
White	6016	44%	5730	42%
BAME	6930	51%	6929	50%
Unknown	601	4%	1091	8%
Gender (All staff)				
Male	3394	25%	3476	25%
Female	10153	75%	10274	75%
Gender (Senior Managers)				
Male	24	45%	33	52%
Female	29	55%	31	48%
Gender (Board)				
Male	9	60%	10	59%
Female	6	40%	7	41%
Recorded Disability				
Yes	341	3%	366	3%
No	10999	81%	11268	82%
Not declared	964	7%	1413	10%
Unknown	1243	9%	703	5%
Sexual Orientation				
Bisexual	172	1%	173	1%
Gay or Lesbian	394	3%	383	3%
Heterosexual	10513	78%	10330	75%
Other	3	0%	6	0%
I do not wish to disclose	2163	16%	2068	15%
Unknown	302	2%	790	6%
Religion				
Atheism	1513	11%	1511	11%
Buddhism	326	2%	352	3%
Christianity	6896	51%	6731	49%
Hinduism	558	4%	582	4%
Islam	839	6%	863	6%
Jainism	14	0%	17	0%
Judaism	35	0%	40	0%
Sikhism	173	1%	182	1%
Other	679	5%	646	5%
I do not wish to disclose	2217	16%	2034	15%
Unknown	297	2%	792	6%
Total Staff Numbers	**13547**		**13750**	

The information in this section of the staff report is subject to audit.

Exit Packages agreed in 2021-22

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
Less than £10,000	1	7	16	62	17	69	-	-
£10,000 - £25,000	1	23	7	115	8	138	-	-
£25,001 - £50,000	-	-	3	121	3	121	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-	-	-
Total	**2**	**30**	**26**	**298**	**28**	**328**	**-**	**-**

Exit Packages agreed in 2020-21

Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£000	Number	£000	Number	£000	Number	£000
Less than £10,000			8	38	8	38	-	-
£10,000 - £25,000			6	95	6	95	-	-
£25,001 - £50,000	2	78	2	87	4	165	-	-
£50,001 - £100,000	-	-	2	150	2	150	-	-
£100,001 - £150,000	-	-	-	-	-	- -	-	-
£150,001 - £200,000	-	-	-	-	-	--	-	-
Greater than £200,000	-	-	-	-	-	--	-	-
Total	**2**	**78**	**18**	**370**	**20**	**448**	**-**	**-**

Non-compulsory Departures

	Agreements Number Accounts 31 Mar 2022 2021/22 No.	**Total value of agreements** Accounts 31 Mar 2022 2021/22 £000	**Agreements Number** Accounts 31 Mar 2021 2020/21 No.	**Total value of agreements** Accounts 31 Mar 2021 2020/21 £000
Voluntary redundancies including early retirement contractual costs				
Mutually agreed resignations (MARS) contractual costs				
Early retirements in the efficiency of the service contractual costs				
Contractual payments in lieu of notice	26	298	18	370
Exit payments following employment tribunals or court orders				
Non-contractual payments requiring HMT approval (special severance payments)*				
Total	**26**	**298**	**18**	**370**
of which:				
non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary				

Off Payroll Arrangements

The information in this section of the staff report is not subject to audit.

Off Payroll Engagement 2021/22

For all off-payroll engagements as of 31 March 2022, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2022	5
Of which:	
number that have existed for less than one year at time of reporting	1
number that have existed for between one and two years at time of reporting	3
number that have existed for between two and three years at time of reporting	0
number that have existed for between three and four years at time of reporting	0
number that have existed for four or more years at time of reporting	1

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2021 and 31 March 2022 for more than £245 per day and that last for longer than six months	
Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	3
Of which:	
number assessed as within the scope of IR35	1
number assessed as not within the scope of IR35	2
number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll Trust) and are on the Trust's payroll	0
number of engagements reassessed for consistency/assurance purposes during the year	0
number of engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2021 and 31 March 2022	
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	0

The Trust follows NHSI policy on off-payroll arrangements and any highly paid appointment is subject to NHSI approval and, where necessary, Trust Board approval.

During 2021/22, no Board members were off-payroll.

The Trade Union (Facility Time Publication Requirements) Regulations 2017

By law, organisations are required to publish Trade Union (TU) facility time information. The data below is for the financial year 1 April 2021 to 31 March 2022

Relevant union officials

Number of employees who were relevant union officials during the relevant period (full time equivalent)	*Full-time equivalent employee number*
34	27.83

Percentage of time spent on facility time

Percentage of time	*Number of employees*
0%	0
1-50%	34
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£80,170
Provide the total pay bill	£791,864,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.01

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*	0

Expenditure on Consultancy

On occasions the Trust brings in consultants from outside to provide advice and support that cannot be provided within the Trust. In 2021/22, King's spent £4.755m on external consultancy. This was to provide specific targeted support in areas such as financial recovery and emergency care.

	2021/22 £000	2020/221 £000
Consultancy costs	**4,755**	**3,078**

Staff Policies

The Trust recognises that there is clear evidence supporting the link between staff health and wellbeing and safe patient care and is committed to continually working to improve the health and wellbeing of staff. The Trust's recruitment policy ensures that all applicants with a disability who meet the essential criteria are offered an interview. Successful candidates are asked what adaptations they may require to carry out their role. Similarly, staff who become disabled after commencing employment with the Trust will be supported and individual packages of support and training will be offered depending on need.

The Trust has an in-house occupational health department which supports and advises both managers and staff on the full remit of occupational health services in line with our policies on sickness absence and equality and diversity. This includes advice on appropriate working arrangements, for example, reasonable adjustment or modifications to working hours to accommodate a medical condition. Reasonable adjustments are specific to individuals and could include making adjustments to premises, duties, working hours or acquiring or modifying equipment. The Trust also seeks guidance from specialist external agencies, such as Access to Work, where necessary. The Trust is recognised as a disability confident employer and is committed to promoting equality of access, opportunity and treatment for candidates and employees.

The Trust's Workforce team, our newly established EDI team, Occupational Health and our line managers have been working collaboratively to ensure that we are being proactive and providing the support that our staff require to enable them to remain at work and their experience of this is positive and fulfilling.

The Trust's Health & Wellbeing team are now well established across the organisation and have provide significant levels of support during the COVID-19 pandemic. They have developed a wide range of targeted and innovative wellbeing programmes for our staff. These include permanent wellbeing hubs, regular health and wellbeing events, access to psychological support, ongoing exercise classes, a staff benefits platform, mental health awareness and support, mindfulness and counselling services.

The Trust recognises that the best outcomes often happen when concerns are dealt with at the earliest opportunity, quickly and informally. To support this an Early Resolution Policy has been implemented which provides guidance to managers and staff on this approach. We repositioned our Disciplinary Policy to place an emphasis on 'just culture' principles and restorative justice and we are seeing the benefits of this with 60% of our cases being managed informally without the need for formal investigations.

The Trust has an approved counter-fraud and corruption policy and does not tolerate any form of fraud, bribery or corruption by its employees, partners or third parties acting on its behalf.

We investigate allegations fully and apply sanctions to those found to have committed a fraud, bribery or corruption offence.

We have continued to work on streamlining our policies, benchmarking where possible with other NHS Trusts and professional bodies. We continue to aim to provide streamlined processes which are less onerous for all staff and managers. We carry out this work in partnership with our staff side colleagues. Our policies are discussed and agreed at the Trust's Policy Review Group before final ratification at Joint Consultative Committee (JCC)

Our Approach to Staff Engagement
Following another challenging year due to COVID-19, we have continued to develop our engagement plans for our people. Our focus has been on the development of the new King's People and Culture strategy which will be launched in early 2022/23.

The People and Culture strategy is one of the supporting strategies of the Trust's '*Strong Roots, Global Reach*' overarching strategy, which places our Brilliant People at the centre of everything we do.

We recognise there is much to do and in 2021/22, we continued to focus on the needs of our staff, with a particular focus on their health and well-being.

Staff Safety and Wellbeing
The Health and Safety Committee oversees compliance with legislative requirements. Quarterly reports are also reviewed by the Trust's Quality, People and Performance Committee.

There were a total of 5,805 reported incidents of personal accident/ill-health/assaults during 2021/22. Of these, 4959 reports were attributed to Violence & Aggression, representing an increase of 17.8% incidents compared to 2020-21.

Between April 2021 and March 2022, a total of 31 incidents were reported to the Health and Safety Executive (HSE) as required under Reporting of Injuries, Diseases and Dangerous Occurrences (at work) Regulations (RIDDOR). This is an increase of 13 incidents compared to the previous year. There were no RIDDOR reportable incidents relating to asbestos.

Teams have been working collaboratively to ensure that we are being proactive and providing the support that our staff require to enable them to remain at work and their experience of this is positive and fulfilling.

The Trust's Health & Wellbeing team are now well established across the organisation and have provide significant levels of support during the COVID-19 pandemic. They have developed a wide range of targeted and innovative wellbeing programmes for our staff.

Our Well-being hubs have remained a very popular resource with over 10,000 staff using these every week. We have now identified permanent locations for the hubs at our Denmark Hill, PRUH and Orpington sites. As well as place to take a break, the hubs have provided an opportunity for staff to seek additional support and advice, and we have extended our in-reach service for those staff not able to regularly attend the hubs. We have increased the size of our well-being team to provide services to staff. We have continued to review our staff offer and provided an additional day's leave as well as a bonus payment.

We have widened our psychology wellbeing offers for all staff, including one-to-one counselling and psychological support, Swartz rounds and team reflective practice sessions. This included the roll-out of a REACT training to provide managers with the tools they need to support their staff. Wellbeing awareness is also included as part of the induction for all new staff and trainees

Organisational Development
In the autumn of 2019 the Trust funded the creation of an Organisational Development function and programme. Throughout 2020-21 the OD team worked with colleagues in Workforce, EDI and FTSU to adapt the OD programme to support the Trust during COVID-19. The programme aims to engage, empower and enable staff at all levels in order to improve organisational effectiveness and health by aligning the way we work to our values and behaviours.

During 2021 the OD programme focused on:

- Developing the People and Culture Strategy in collaboration with the development of the Trust Strategy and aligned with the NHS People Plan;
- Refreshing the Trust values and developing a supporting behavioural framework
- Launching leadership development programmes, initially with clinical care group leaders and cascading to leaders throughout the Trust. These are:
    - *Care Group Leadership Programme*
      Delivering new Care Group restructure to support the delivery of a clinically led site model, the Care Group Leadership programme was launched in November 2020 to focus on three critical development areas:
        - Creating an authentic style of leadership that would support the development of a culture of compassion, inclusion and respect and encourage talent pipelines
        - Developing insight amongst our leaders by enabling them to lead and influence across *systems.*
    - *Mary Seacole Programme*
      Developing new managers at band 6 – 7, King's have collaborated with the NHS Leadership Academy to bring the Mary Seacole Leadership Programme in-house from May 2021. The programme will equip managers with the key fundamentals of management and on successfully completing the programme they will achieve an NHS Leadership Academy Award in Healthcare Leadership.
    - Leadership and Management Apprenticeships Level 3 to Level 7 will also be relaunched in 2022 as part of a new King's Leaders suite of management and development programmes.

The wider Apprenticeship Strategy will be also be relaunched across the Trust to up skill our workforce and to identify development pathways through Apprenticeships across a variety of professions.

Staff Feedback
We use the data and commentary from leavers' surveys, the quarterly Staff Friends and Family Test (FFT) and the annual National Staff Survey to inform us on how staff feel about working at King's. We also get regular feedback via our Joint Consultative Committee (JCC) and the FTSU Guardian on the key concerns being raised by our staff. This feedback is used to develop interventions to address the issues and concerns staff have raised with us.

The Trust employs a number of methods for ensuring staff are engaged and informed including Ask the CEO sessions, newsletters, all-staff emails, monthly magazines, drop-in sessions and management cascades. The Trust sends out a daily news-update and directs staff to our detailed intranet.

2021 National Staff Survey
The NHS survey is conducted annually. From 2021/2022, the survey questions align to the seven elements of the NHS People Promise, and retains the two previous themes of engagement and moral. These replace the 10 indicator themes used in previous years. All indicators are based on a sore out of 10 for specific questions, with the indicator score being the average of those. Due to the changes, it has not been possible to benchmark against previous years in most of the themes. For the second year running, there are some specific questions about the COVID-19 pandemic, in order to give a more in depth understanding of the impact this has had on NHS staff.

Summary of Results
The 2021 Staff Survey took place between October – November 2021. King's had a 38% response rate with 5027 staff completing. This is an overall decrease of 2% from the 2020 Staff Survey, however more staff actually completed the survey than the previous year. The results were thematically analysed across the seven People Promise themes and Staff Engagement and morale. The overall staff engagement theme score was 6.7 which was 0.1 lower than the previous year, although nationally the average reduction was 0.2.

In 2021, whilst our scores were mostly below the national average, we scored particularly well in the 'We are always learning' theme. We also improved our scores in all four of the questions that are used for the Workforce Race Equality Scheme and improved in two of the scores for the Workforce Disability Equality Scheme.

Staff Survey People Promise Scores 2021

	2021 score	Acute Trust Sector Score
We are compassionate and inclusive	7.0	7.2
We are recognised and rewarded	5.7	5.8
We each have a voice that counts	6.5	6.7
We are safe and healthy	5.7	5.9
We are always learning	5.5	5.2
We work flexibly	5.7	5.9
We are a team	6.5	6.6
Engagement	5.7	5.8
Morale	5.6	5.7

Improvement Plans for 2022/2023
The national staff survey scores provide the Trust with opportunities to focus on a number of key areas. We have asked our Care Groups and Corporate Teams to use the survey responses to focus on three key people priorities that will be meaningful and have impact for the staff within their teams. We are keen to ensure the feedback received from staff makes a real difference to their experience at King's.

We will be launching our new People and Culture strategy as well as our EDI Roadmap in May 2022. Both the strategy and Roadmap set out ambitious but achievable objectives and we will be working in partnership with our teams and people in the Trust, as well as external stakeholders to deliver on these, and become a truly 'clinically led, values driven' organisation.

Trust recruitment
It is has been another exceptionally busy year with Trust recruitment. We received just under 90,000 applications for roles and conducted nearly 11,000 interviews. Including Junior Doctors on rotation programmes, 3155 new starters joined the Trust in 21/22. This included 318 Internationally Educated Nurses. We held 64 AAC panels which resulted in the recruitment of 95 permanent Consultants. As restrictions lifted we were able to attend careers events in person in addition to those held virtually. 11 careers fairs were held in total.

Temporary Staffing
The temporary staffing provision provided the Trust with much needed support in 2021/22, most notably during the winter period where the Trust experienced substantive staff shortages as a result of Omicron in addition to seasonal pressures. Some of our highlights are as follows:

- There was an overall fill of 247,298 Bank shifts
- There was a fill of 49,147 shifts by agency
- There was an overall average fill of 82% for requested shifts

Local Community Engagement
The Trust has worked throughout the year with local authorities and local educational establishments to promote vacancies, career opportunities and also to support those under-represented groups within the community. Approximately 75% of Trust employees live within the communities we directly serve.

We also supported Project SEARCH that help young people with special needs into full-time paid employment.

Equality Diversity and Inclusion

We have always been proud of the rich cultural heritage provided by our 14,000 staff and the strength this gives us to provide compassionate and culturally competent care to all our patients. By 2024, we are committed to have made a marked difference in:

- Improving representation especially at senior levels which reflect the diversity of our communities;
- Strengthening and embedding our inclusive values at all levels which will result in a marked reduction in our bullying, harassment and disciplinary numbers;
- Ensuring our leaders are visible and active champions of EDI which will be evidenced by improved staff satisfaction across the Trust;
- Innovative projects that address reducing inequalities across access and experience for patients who use our services.

While we acknowledge that much work needs to be done in order to achieve the ambitious EDI objectives, we are proud of the progress we have made over the last twelve months, examples include:

- Developing our Equality, Diversity Inclusion Roadmap, which will shape the strategic direction of the Trust's EDI function for the three- year period of 2022 to the end of 2024.
- Becoming a Level 2 Disability Confident Employer and improving accessibility requirements around learning for our disabled staff.
- Introducing and establishing Active Bystander training with over 700 enrollees so far – this is a powerful and impactful training which empowers staff to respectfully challenge inappropriate behaviours.
- Launching an 'EDI Skills Booster Programme' with 21 bite sized training sessions from 15 to 60 minutes. The video-based training features include: Leading experts, contemporary drama, lived experience, illustration and explanation with learner notes and assessment quiz. Some of topics include; *'The impact of Micro-Behaviours', 'Trans and Non-Binary Awareness', 'Understanding & Tackling Gender-Bias', and 'Inclusive Language & Communication'*
- Improving in our approach to tackling disciplinary cases impacting staff of BME background
- Publishing an Inclusion Calendar which provides the basis for a whole Trust approach to promoting and celebrating EDI throughout the year.
- Launching a Women's Network and Interfaith & Belief Network for staff
- Delivering training covering topics such as unconscious bias, micro-aggressions, psychological safety, inclusive leadership, recruitment, active bystander and trans awareness as well as EDI intro sessions to HCAs new starters
- Targeting facilitations in Liver, Finance, Heads of Nursing, lead nurses, Haven's, soon Renal, child health, joint nurses
- Designing and promoting an inclusive pathways document to highlight what support is available when staff need someone to speak to.
- Enrolling onto the Rainbow Badges phase 3 accreditation - which will help ensure King's are implementing the relevant staff training, monitoring, policies and support for LGBTQ+ staff and patients to drive a supportive work and clinical environment
- Increasing visibility of the EDI team during National Inclusion Week which encompassed stalls, conferences, ward visits surveys that led to more than 2000 interactions

Equality Reporting

King's believes that as a public sector organisation we have an obligation to have representative recruitment, training, promotion and other formal employment policies and procedures.

We are open to the value of differences in age, disability, gender, marital status, pregnancy and maternity, race, sexual orientation, and religion or belief. We believe this makes us better able to treat our patients, as well as being a better place to work. All our 2021 EDI

reports including *Gender Pay Gap*, *Workforce Race Equality Standard*, and *Workforce Disability Equality Standard* can be found on the Equality, Diversity and Inclusion Reporting page of the King's website.

Looking Forward

The Board agreed an ambitious three year EDI Roadmap that sets out a wide ranging programme of work, including a Trust wide approach to tackling health inequalities and a framework for building partnerships with our diverse local communities. Some of the priorities we have identified include:

- Embedding EDI in our workforce related induction programmes.
- Introducing a range of EDI training and mentoring programmes.
- Reducing disparities in outcomes for patients from underrepresented groups.
- Enhancing our approach to collecting and responding to feedback from underrepresented groups.
- Increasing participation of underrepresented groups in research,
- Fully embedding Equality Risk Assessment Frameworks (ERAF) in the creation and review of policies and procedures.
- Strengthening and growing our Staff Diversity Networks.
- Supporting our recruitment strategy to attain parity in likelihood of Black and Ethnic Minority candidates to be appointed from shortlisting.
- Introducing our Cultural Intelligence programme which will empower our people to act as confident and compassionate champions of EDI.
- Increasing employment for people with Disabilities and Neurodiversities.
- Applying for Trust Accreditation for our work across LGBTQ+, Disability, and Race

Counter Fraud and Corruption

The Trust has a number of policies in place to counter fraud and corruption and has a good track record in reporting suspected fraud. The work of the Local Counter Fraud Representative is outlined elsewhere in this report and is reported to the Audit Committee. During 2021/22, KPMG has provided the Trust with counter-fraud services, following a competitive tender process.

2.4 Disclosures set out in the NHS Foundation Trust Code of Governance Statutory Framework

The Trust has applied the principles of the NHS Foundation Trust Code of Governance (Code) on a 'comply or explain' basis. The Code is founded on the principles of the UK Corporate Governance Code, and was most recently revised in July 2014. A summary of where detail can be found in relation to the matters we are required to disclose in the report is included in the table below:

Code of Governance reference	Relating to	Annual report reference
A.1.1	Board and Council of Governors	Accountability Report: Directors' Report Annual Governance Statement
A.1.2	Board, Nomination Committee(s), Audit Committee, Remuneration Committee	Accountability Report – Directors' Report
A.5.3	Council of Governors	Accountability Report – Council of Governor Meetings and Attendance
Additional requirement (FT ARM)	Council of Governors	Council of Governors – Governor and Director attendance Accountability Report: Directors' Report Council of Governor Meetings and Attendance
B.1.1	Board	Accountability Report – Directors' Report
B.1.4	Board	Accountability Report – Directors' Report
Additional requirement (FT ARM)	Board	Length of NED appointments: Accountability Report – Directors' Report
B.2.10	Nominations Committee(s)	Accountability Report: Remuneration & Appointments Committee Council of Governors Nominations Committee
Additional requirement (FT ARM)	Nominations Committee(s)	Explanation if neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director: 2021-22 – Not applicable
B.3.1	Chair/ Council of Governors	Accountability Report – Directors' Report
B.5.6	Council of Governors	Accountability Report – Governors in the Community and Governor Committees
Additional requirement (FT ARM)	Council of Governors	Governors exercised their powers to require one or more directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions. 2021-22 – Not applicable
B.6.1	Board	Accountability Report – Evaluation and development of the Board
B.6.2	Board	Accountability Report – Evaluation and development of the Board
C.1.1	Board	Accountability Report - Responsibility of Directors for Preparing the Annual Report and Accounts Annual Governance Statement
C.2.1	Board	Accountability Report - Annual Governance Statement
C.2.2	Audit Committee/ Control environment	Accountability Report - Annual Governance Statement
C.3.5	Audi Committee/ Council of Governors	Not applicable for 2021/22
C.3.9	Audi Committee	Accountability Report – Audit Committee

Code of Governance reference	Relating to	Annual report reference
D.1.3	Board/Remuneration Committee	Not applicable for 2021/22
E.1.4	Membership	Accountability Report – Council of Governors
E.1.5	Board	Accountability Report – Directors' report
E.1.6	Board/ Membership	Accountability Report – King's Membership
Additional requirement (FT ARM)	Membership	Accountability Report – Council of Governors and King's Membership
Additional requirement (FT ARM)	Board/ Council of Governors	Details of company directorships or other material interests: Accountability Report – Company directorships and other significant interests and commitments

2.5 NHS System Oversight Framework

NHS England and NHS Improvement's NHS System Oversight Framework (SOF) provides the framework for overseeing systems including providers and identifying potential support needs. The framework looks at five national themes:

- quality of care;
- finance and use of resources;
- operational performance;
- strategic change;
- leadership and improvement capability.

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Trust has been placed in segment 4. The Trust has agreed criteria for exiting segment 4 with the regulator and progress updates have been reported to the Trust's Finance and Commercial Committee and the Trust's Audit Committee during the year.

This segmentation information is the Trust's position as at 20th June 2022. Current segmentation for NHS Trusts and Foundation Trusts is published on the NHS England and NHS Improvement website:

NHS England » NHS system oversight framework segmentation

2.6 Statement of the Chief Executive's responsibilities as the Accounting Officer of King's College Hospital 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 King's College Hospital 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 King's College Hospital 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, the Accounting Officer is required to comply with the requirements of the DHSC Group Accounting Manual, with particular regard to:

- Observe the Accounts Direction issued by NHSI, 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 DHSC 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 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.

Signed: Date: 22nd June 2022

Professor Clive Kay
Chief Executive and Accounting Officer

2.7 Annual Governance Statement 2021/22

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk or failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of King's College Hospital 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 within the Trust for the year ended 31 March 2022, and up to the date of approval of the annual report and accounts.

Capacity to handle risk

As Chief Executive and Accounting Officer, I have overall responsibility for risk management with the Chief Nurse providing operational leadership. Each Executive Director is responsible for managing the risks within their portfolio. All Executive Directors report to me and I have a range of forums in place to ensure that they are held to account for the performance and delivery of individual, team and Trust objectives.

Following the ratification of the Trust's Risk Management Strategy in March 2021 significant work has been undertaken to roll-out and implement the strategy, including:

- Enhanced risk profile reporting through the Executive Risk and Governance Committee and the Audit Committee.
- Investment in a programme of support and education for Care Group leadership from the Good Governance Institute over the course of 10 months, which included a focused review on risk management in the organisation.
- Developing a risk management training programme in conjunction with the Good Governance Institute which was rolled out to leaders across the organisation.
- Launching a new intranet page to collate guidance and support on risk management and quality governance including best practice examples observed in the Trust.
- Development of the risk module on Datix IQ which will facilitate more effective operational risk management and more effective reporting pathways which will allow us to focus on risk metrics and the effectiveness of mitigating actions.
- Refresh of the Trust's Board Assurance Framework following the launch of the Trust's strategy in July 2021.

The risk and control framework
The Trust's risk management strategy outlines the risk principles, framework and process. The risk management policy support the strategy and focuses on the identification, recording, assessment and management of risk. The policy also includes a 5 x 5 matrix for the assessment and evaluation of risk. The risk scoring is based on an assessment of the consequence/impact and the likelihood.

The policy identifies the duties of key individuals in the risk management process and the roles and responsibilities of relevant groups and committees.

The Trust's internal auditors reviewed the design of the revised risk management framework in April 2021. A further review was completed in March 2022 to assess the operating effectiveness of the arrangements, which provided positive assurance.

Risk appetite
The Trust recognises that its long-term sustainability depends upon delivery of its strategic objectives and its relationships with its patients, staff, the local community and strategic partners. The risk management policy outlines the Board's approach to risk appetite with the lowest risk appetite relating to safety and compliance objectives, including employee health and safety, which a higher appetite associated with the strategic partnerships. During 2021/22 the Board considered risk appetite as part of the strategic risk session to refresh the board assurance framework.

Board assurance framework
The board assurance framework (BAF) connects the Trust's strategic objectives to risk management and assurance arrangements. It summarises the potential risks impacting the achievement of the Trust's strategic objectives and the key controls and processes in place to manage the key risks. The BAF supports the Board's understanding of the effectiveness of the key controls and mitigations in place to manage strategic risk and, as a result, supports oversight of the delivery of the Trust's strategic objectives.

The Trust had an independent developmental Well-Led review during 2020/21. The report, recommended that the Board should continue to develop its thinking on strategic risk and develop the board-level risk documentation. The launch of the Trust's *Strong Roots, Global Reach 2021-2026* strategy in July 2021 and development of the supporting delivery plan provided an opportunity for the Board to review the strategic risks facing the Trust and its risk appetite.

A series of strategic risk sessions have been held with the Board during the year to review and refresh the Trust's BAF reporting arrangements to reflect the *Strong Roots, Global Reach* strategy and strengthen board level oversight of strategic risk.

Quality governance arrangements
'Outstanding care' forms part of King's BOLD vision, which was set out in Trust's strategy published in July 2021. In 2021/22 we have progressed the implementation of our site care group model, which underpins our clinical leadership model. We have also invested in a programme of support for care group leadership from the Good Governance Institute, which included a focused review on risk management in the organisation.

The corporate quality governance arrangements are led by the Chief Nurse and Executive Director of Midwifery and the Chief Medical Officer. The Trust's Quality, People and Performance Committee scrutinises the clinical and quality risk management control

arrangements and assurances that the arrangements are operating effectively. The Committee is chaired by a non-executive director.

The Committee receives an Integrated Performance Report at each meeting. The report provides information on key quality indicators, including infection control, patient safety, patient experience and clinical effectiveness.

In addition to quarterly patient safety, patient outcome and patient experience reports the committee receives updates on any specific quality and safety concerns the Trust is managing, for example: externally-led inspection findings and action plans; infection, prevention and control issues and learning from individual patient cases.

Risks to quality and safety are managed through the Trust's risk management processes. There are processes in place in relation to the identification, reporting and investigation of incidents. The Trust has maintained a positive level of incident reporting and has a framework for the identification and investigation of serious incidents. In 2021/22 the Trust reported 4 never events.

Clinical Commissioning Group partners are involved in the review and sign off of all serious incidents and subsequent action plan reviews. Work has commenced on transitioning the Trust in readiness for the introduction of the national Patient Safety Incident Response Framework in 2022.

Care Quality Commission (CQC)
The Trust is fully compliant with the registration requirements on the Care Quality Commission.

The Trust is currently rated as 'Requires Improvement. In 2021-22 the Trust has had 2 unannounced inspections of the Emergency Departments (ED) at the PRUH (June 2021) and Denmark Hill (July 2021). The report following the PRUH ED inspection was published on the 11th August 2021 and this confirmed that the PRUH ED has been upgraded from 'Inadequate' to 'Requires Improvement'. Improvements were noted in four of the five Key Lines of Enquiry (Safe, Caring, Responsive and Well Led).

The CQC visited Denmark Hill ED on 26th July 2021 for an unannounced CQC inspection. The report was published on the 30th September 2021 and this confirmed that whilst the service had been inspected, it had not been rated. The Denmark Hill Emergency Department therefore remains *Requires Improvement* overall with a rating of *Good* for Caring and Effective, and *Requires Improvement* for Safe, Responsive and Well-Led. An improvement plan has been developed by each ED which sets out the actions to address the Must Do and the Should Do recommendations. The plan is being monitored on a monthly basis at the CQC Executive Oversight Committee.

The Trust's Dental Service underwent a virtual inspection as part of a pilot for a new CQC approach to dental services provided in secondary care in November 2021 followed by an unannounced inspection in March 2022. The report was published in April 2022. The service was not rated, but the report highlights many positive findings. The action plan to address the 'should do' actions is being overseen on a monthly basis by the executive CQC meeting.

The Quality, People and Performance Committee receives a report detailing updates on recent inspections and other CQC related matters.

Major risks
The Trust's principal risks are overseen by the Trust Board and its Committee through the board assurance framework. As outlined above the Trust's BAF was refreshed during the year to reflect in-year and future risks to the achievement of our strategic objectives and BOLD vision.

The principal risks faced by the Trust in 2021/22 and going forward into 2022/23 are set out below:

Risk	Summary	Board Oversight & Assurance Committee
Recruitment & Retention	If the Trust is unable to recruit and retain sufficient staff with the appropriate skills, this will affect our ability to deliver our services and future strategic ambitions which may adversely impact patient outcomes and staff and patient experience	Quality, People & Performance Committee
King's Culture & Values	If the Trust does not implement effective actions to develop the 'Team King's' culture and embed the Trust values, staff engagement and wellbeing may deteriorate, adversely impacting our ability to provide compassionate and culturally competent care to our patients and each other	Quality, People & Performance Committee
Financial Sustainability	If the Trust is unable to improve the financial sustainability of the services it provides, then we may not achieve our financial plans, adversely impacting our ability to deliver our investment priorities and improve the quality of services for our patients in the future	Finance & Commercial Committee
Maintenance and Development of the Trust's Estate	If the Trust is unable to maintain and develop the estate sufficiently, our ability to deliver safe, high quality and sustainable services will be adversely impacted	Major Projects Committee
Apollo Implementation	If the Trust fails to deliver the Apollo Electronic Patient Record (EPR) transformation programme effectively then the clinical and operational benefits may not be realised	Major Projects Committee
Research & Innovation	If the Trust fails to capitalise on innovative and pioneering research opportunities, this may affect our ability to support the development of new treatments and technologies for patients now and in the future, adversely impacting the Trust's ambitions as a world-leading research and innovation centre	Strategy, Research & Partnerships Committee
High Quality Care	If the Trust does not have adequate arrangements to support the delivery and oversight of high quality care, this may result in an adverse impact on patient outcomes and patient experience and lead to an increased risk of avoidable harm	Quality, People & Performance Committee
Partnership Working	If the Trust does not collaborate effectively with key stakeholders and partners to plan and deliver care, this may adversely impact our ability to improve services for local people and reduce health inequalities	Strategy, Research & Partnerships Committee

Demand and Capacity	If the Trust is unable to restore services (as a result of the COVID-19 pandemic) and sustain sufficient capacity to manage increased demand for services, patient waiting times may increase, potentially resulting in an adverse impact on patient outcomes and experience and/or patient harm	Quality, People & Performance Committee
IT Systems	If the Trust's IT infrastructure is not adequately protected systems may be comprised, resulting in reduced access to critical patient and operational systems and/or the loss of data	Audit Committee

The detail included in the refreshed BAF has been developed to:

- map the Trust's key controls, mitigations and sources of assurance to each strategic risk;
- identify the current risk scoring based on the Trust's likelihood/ consequence framework;
- identify any gaps in controls and/or assurances; and
- identify the actions required to address any significant gaps in controls and/or assurances (in line with the development of the Strong Roots, Global Reach Delivery Plan). The Trust's Strategy, Research and Partnerships Committee reviews progress to implement the Strategy Delivery Plan.

The refreshed BAF, detailing the key controls and mitigations, assurances and actions was presented to the Trust Board for review and approval in March.

Each strategic risk has been assigned to a Board Committee for review and oversight. Review of all BAF risks is also considered at the Trust's Audit Committee. An overview of the BAF and a summary of any changes and key developments will be presented to the Trust Board on a quarterly basis.

The BAF will also be used to inform the meeting agendas for the Board and its Committees in 2022/23.

Stakeholders involved in risk management

The Trust's stakeholders are involved in the Trust's risk management arrangements in a number of difference ways, including:

- The Trust's members are represented by the Trust's Council of Governors, which includes public, staff, patient and stakeholder governors.
- The Council of Governors receive updates on the delivery of the Trust's objectives and Governor representatives observe Board assurance committees to seek assurance on the oversight and mitigation of risk.
- Governor engagement in Patient Experience & Safety Committee and Strategy Committee and other Trust patient groups.
- Feedback obtained through the Patient Advice and Liaison Services.
- Commissioner attendance at Serious Incident Panel at Quality, People and Performance Committee.
- Engagement with staff, governors, patient and community groups in the development of the Trust's five-year strategy.
- The Board receives patient or staff stories at each Board meeting
- Executive and Non-Executive Director clinical visits.
- Liaison with NHS England and Improvement as part of SOF4 improvement arrangements.

- Monthly CQC oversight meetings to oversee risks and mitigating actions associated with the regulatory framework.

Workforce Strategies

Our Strong Roots, Global Reach strategy places 'Brilliant People' as the centre of everything we do. During 2021/22 we have developed our People and Culture Plan 2022-2026, underpinned by the Trust's refreshed values – We are a kind, respectful team – to support our BOLD vision. The Plan was formally launched in June 2022. In developing the People and Culture Plan we have prioritised five themes:

- Belonging to King's
- Being our best
- Looking after our people
- Inspiring leadership
- Ensuring our people thrive.

The Board Assurance Framework includes a specific risk in relation to the recruitment and retention of our people. Details regarding the mitigations and key sources of assurance are periodically reviewed by the Board and the Board's Committees. We have developed a strategic recruitment programme which includes a number of initiatives to support recruitment, for example dedicated campaigns for specific services and international recruitment activities.

The Trust's Quality, People and Performance Committee receives regular workforce performance reports to provide a consolidated overview of core workforce priorities and key performance indicators. The report also includes local and national benchmarking information. Metrics reported include: staff engagement, eRostering finalisation, job planning completion, vacancy rates, staff turnover rate, sickness absence, appraisal rates and training compliance. Key workforce metrics are also reported to the Trust Board within the Integrated Performance Report.

The Quality, People and Performance Committee receives other workforce reports including the results of the annual national NHS staff survey and plans to support improvements based on responses to the survey, exception reports from the Guardians of Safe Working and updates from the Trust's Freedom to Speak Up Guardian.

Workforce planning is undertaken as part of the Trust's business planning cycle. Business cases to address any emerging changes to the Trust's workforce profile and to reduce the reliance on temporary staffing arrangements are also considered by the Trust's Investment Board throughout the year.

Workforce data is reviewed along with operational, finance and quality performance metrics as part of care group and site performance reviews to support the identification and escalation of any emerging risks.

In line with NHS Improvement's Developing Workforce Safeguards recommendations to support Trusts in making informed, safe and sustainable workforce decisions, a 3-monthly safer staffing report for the nursing and midwifery workforce is presented to the Board to provide details of the staffing position including, care hours per patient day (CHPPD), vacancy rates and turnover rates, and to outline any trends. The number of staff required per shift is calculated using an evidence based tool, the Safer Nursing Care Tool, which provides specific multipliers depending on the acuity and dependency levels of patients. The number is further informed by professional judgement, taking into consideration issues such as ward size and layout, staff skill mix, incidence of harm and patient satisfaction.

On a monthly basis the Trust-wide Nursing and Midwifery Workforce Governance Group (which was relaunched in June 2021) provides oversight and supports future nursing and midwifery workforce planning.

Processes to support business-as-usual dynamic staffing risk assessments, include regular review of staffing levels, for example, daily staffing huddles, and weekly e-rostering reviews.

Compliance statements
The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff within the past twelve months as required by the *Managing Conflicts of Interest in the NHS* guidance.

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.

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

NHS Improvement Well-Led framework
The Trust had an independent developmental Well-Led review during 2020/21. The final report was issued in March 2021 and the Board considered the key findings and next steps as part of development sessions in April and May 2021.

The Trust has been working with NHSE/I during the year as part of the System Oversight Framework (segmentation 4) arrangements to discuss progress against the recommendations identified and to evidence the improvements made.

The Trust's Audit Committee has also reviewed progress during the year.

Key developments during 2021/22 include:

- The implementation of the site care group model and clinical leadership arrangements;
- Changes to the membership of the Board of Directors and structure of the wider Executive Team;
- Launch of the Trust's five year strategy, *Strong Roots, Global Reach 2021-2026* and new values;
- Development of the People and Culture Plan and the Equality, Diversity and Inclusion Roadmap;
- Review of the Trust's strategic risks and development of the Board Assurance Framework in line with the launch of the strategy;
- Engagement in the development of emerging South East London Integrated Care System and Acute Provider Collaborative governance/ decision-making arrangements; and
- Launch of the Trust's quality governance development programme.

Work is also underway to review the Trust's board committee and executive governance structures to further improve the oversight of risk and the delivery of the Trust's strategic objectives.

NHS Foundation Trust licence condition 4

The Trust has arrangements in place to identify and mitigate risks to compliance with the NHS Foundation Trust licence condition 4 (8) (Foundation Trust governance) including the Board and Board committee structure (further details are outlined in the Accountability Report), the risk management framework and site governance and performance arrangements.

The Trust is able to assure itself of the validity of its Governance Statement by considering information from a range of sources including:

- the Trust's progress in implementing the recommendations of the independent well-led review;
- the Head of Internal Audit opinion and annual report;
- external auditor reports; and
- other external assurance reports e.g. Good Governance Institute.

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

The Board reviews the annual planning process. Delivery of the financial plan is subject to scrutiny and oversight by the Finance and Commercial Committee and the Trust Board at each meeting. A trust-wide process is in place to oversee the development and approval of revenue and capital business cases and significant programmes are monitored by the Major Projects Committee.

The Trust uses a range of key performance indictors (KPIs) to monitor performance. The Trust's performance management framework is aligned to care group leadership structure and regular performance reviews are held at a site and group level. The group site performance review arrangements were refreshed during 2021/22. The Trust's internal auditors reviewed the site governance arrangements, including performance, during the year and provided a 'significant assurance with minor improvements required' assurance rating.

The Trust has a range of policies and procedures to support the financial control framework. During 2021/22 the Trust's internal auditors reviewed the Trust's financial planning and budgeting arrangements and provided a 'significant assurance with minor improvements required' assurance rating. Actions have been identified to progress the recommendations.

The Trust's external auditors are required to assess the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources in line with the National Audit Office's Code of Audit Practice. The external auditors report the findings of their review to the Audit Committee. The conclusion from the 2021/22 review can be found later in this report.

Information Governance and data security
The Trust identified a strategic risk, as part of the refresh of the BAF, in relation to the IT infrastructure and the need to protect systems and data.

The Trust has an Information Governance (IG) framework, including a series of policies and procedures to enable staff to process personal information appropriately. Staff are also required to complete training annually. Performance against the Trust's IG framework is overseen by the Trust's Information Governance Steering Group (IGSG), which is chaired by the Trust's Chief Digital Information Officer and Senior Information Risk Owner (SIRO). The Audit Committee also receives periodic information governance and management updates.

Annually the Trust completes NHS Digital's Data Security and Protection Toolkit (DSPT) to assess compliance with requirements on data protection and security The DSPT provides a framework for the Trust to assess implementation of the 10 data security standards.

The annual submission date for the DSPT has moved from 31 March to 30 June due to impacts of the COVID-19 pandemic. The Trust reported a Standards not met (Improvement plan approved) rating for the 2020/21 submission. The Trust reported compliance with the mandatory requirements with the exception that further work was required to meet the target of 95% of staff completing annual information governance training. Actions were identified to support improved compliance. Following a review of the Trust's Improvement plan by NHS Digital, the Trust's DSPT status was updated to "Approaching Standards".

Work is underway to submit the response to the 2021/22 Toolkit, which is due for submission on 30 June 2022.

Information incidents
In 2021/22 the Trust reported one serious information governance incident. The incident related to the sharing of workforce data inappropriately and was investigated by the Trust's internal Serious Incident Committee. The incident was not required to be reported externally to the Information Commissioner's Office (ICO).

Data quality and governance
To effectively design, implement, and measure improvements in patient care and patient safety the Trust requires high quality data. The Trust has a series of processes and controls in place to support improvements in the completeness and accuracy of data, including elective waiting list data.

The Trust has a data quality strategy, and performance is monitored by the Data Quality Steering Group. The Steering Group reviews internal and external data quality reports including the monthly SUS+ Data Quality dashboard reports. The Trust also has an Internal Activity Recording Panel to review and approve any proposed changes to the recording of Trust data.

Improvements in the quality and accuracy of elective waiting time data are supported by the Trust's referral to treatment (RTT) validation and RTT Data Quality Team. The RTT training team have developed various tools and training environments for all Trust staff who are involved in patient management. Other processes to support improvements in data quality include a trust-wide monthly RTT validation process, sample testing, and deep-dives to explore any areas of concern to identify root causes to inform training plans and/or process updates.

During the year the Audit Committee received a data quality assurance report outlining the Trust's data quality framework, including data validation arrangements, and the Trust's data quality maturity index scores.

Data quality arrangements are also assessed as part of the Trust's annual internal audit plan. In 2021/22, the review focused on emergency department waiting times and actions were developed to address the recommendations identified. The implementation of internal audit recommendations is reviewed by the Executive Risk and Governance Committee and the Trust's Audit Committee.

Equality, Diversity and Inclusion

King's is an incredibly diverse organisation, serving diverse communities and we are incredibly proud of the rich cultural heritage provided by our staff, patients and local communities. Putting diversity, equality and inclusion at the heart of everything we do forms part of King's BOLD vision, which is set out in the Trust's five-year strategy.

In 2021/22 a new executive-level post, Director of Equality, Diversity and Inclusion, was created to accelerate the Trust's ambitious EDI agenda. During the year we have developed our 'Road map to Inclusion' for 2022-2024, which sets out the steps the Trust will be taking over the next two years to make King's a more inclusive place to work, and to be treated.

The Roadmap is designed to help us tackle inequalities through practical initiatives, such as making diverse recruitment panels mandatory for certain roles, increasing diversity in recruitment to research teams, and embedding an Equality Risk Assessment Framework (ERAF) in all new and reviewed policies.

The Trust reported progress regarding the gender pay gap, the workforce race equality standard (WRES) and the workforce disability equality standard (WDES) to the Trust's Quality, People and Performance Committee along with plans to continue to make King's a better place to work.

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

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Quality, People and Performance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The COVID-19 pandemic continued to create operational challenges during 2021/22, however the Board and its Committees continued to meet throughout the year to review and oversee the system of internal control and emerging risks. The Board has reviewed and refreshed the Trust's BAF reporting arrangements to reflect the *Strong Roots, Global Reach* strategy and to strengthen board-level oversight of strategic risk. The Board and the Board's Committees will continue to use the assurance framework to oversee the management and mitigation of strategic risks in 2022/23.

The Audit Committee has received reports from the Trust's internal and external auditors and other external reviewers during the year to support the committee's review of the risk management arrangements and governance framework**.**

2021/22 Internal Audit Plan
The Trust's internal auditors, KPMG LLP, develop an annual audit plan based on the Trust's objectives, risk profile and an assessment of existing sources of assurance. The 2021/22 plan was presented to the Audit Committee in March 2021.The reports, detailing the key findings and recommendations are reviewed by the Trust's Audit Committee.

Three areas were assessed as 'partial assurance with improvements required. Plans are in place to address the findings. The Risk and Governance Committee monitors progress with these actions and updates are provided to the Audit Committee.

The conclusions of each of the 2021/22 reviews are noted in the table below:

2021/22 Internal Audit Review		Conclusion
1	Expenses	Partial assurance with improvements required
2	Data Quality (A&E)	Partial assurance with improvements required
3	DSP Toolkit	Significant assurance with minor improvement opportunities
4	Infection Prevention & Control	Significant assurance with minor improvement opportunities
5	Patient Advice and Liaison Services	Significant assurance with minor improvement opportunities
6	Pathology Contract Management	Significant assurance with minor improvement opportunities
7	PRUH Discharge	Partial assurance with improvements required
8	Cyber Security	Significant assurance with minor improvement opportunities
9	Adult Safeguarding	Significant assurance with minor improvement opportunities
10	Site Governance	Significant assurance with minor improvement opportunities
11	Risk Management	Significant assurance with minor improvement opportunities
12	Financial Planning/ Budgetary Responsibility	Significant assurance with minor improvement opportunities
13	Major Estates Projects	Significant assurance with minor improvement opportunities

Head of Internal Audit Opinion
The overall Head of Internal Audit Opinion for the period 1 April 2021 to 31 March 2022 is one of **'significant assurance with minor improvements'.**

The basis for forming the opinion includes:

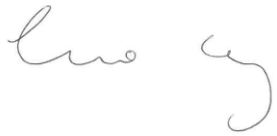
- An assessment of the design and operation of the underpinning aspects of the risk and assurance framework and supporting processes;
- An assessment of the range of individual assurances arising from risk-based internal audit assignments that have been reported throughout the period;

- An assessment of the process by which the Trust has assurance over the registration requirements of regulators.

KPMG's annual report and opinion highlights continued strength in the finance function and significant improvements in the consistency of governance and risk management arrangements across the Trust, an area which the Trust has invested in during the year.

Conclusion

During the year the Trust has made significant improvements to the risk management arrangements and internal control framework, which is demonstrated in the conclusions of individual internal audit reviews and the improved annual Head of Internal Audit assurance rating. No significant control issues have been identified.



Professor Clive Kay **22nd June 2022**
Chief Executive and Accounting Officer

Annual Accounts

ANNUAL ACCOUNTS 2021/22

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF KING'S COLLEGE HOSPITAL NHS FOUNDATIONTRUST

Report on the audit of the financial statements

Independent auditor's report to the Council of Governors of King's College Hospital NHS Foundation Trust

Report on the Audit of the Financial Statements

Opinion on financial statements

We have audited the financial statements of King's College Hospital NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Statement of Comprehensive Income, the Statements 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 2021 to 2022.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Trust as at 31 March 2022 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group accounting manual 2021 to 2022; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2020) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and 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 group's and 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 group or 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 2021 to 2022 that the group and 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 group and 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 group and Trust and the group and 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 group's and 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 and Accounts, 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2021/22 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 2021/22, 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 group's and 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 and the group without the transfer of the services to another public sector entity.

The Audit Committee is Those Charged with Governance. Those Charged with Governance are responsible for overseeing the group and 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: www.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 group and 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 2021 to 2022).
- We enquired of management and the Audit Committee, concerning the group and Trust's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit 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 group and Trust's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls and fraudulent income and expenditure recognition. We determined that the principal risks were in relation to:
  - Journal entries posted by the Trust which met a range of criteria determined during the course of the audit, in particular those posted around the reporting date which reduced expenditure in the Trust Statement of Comprehensive Income
  - The occurrence and accuracy of income relating to the Trust, excluding block contract income
  - The completeness of non-pay expenditure for the Trust
  - Significant accounting estimates, in particular those relating to the valuation of the Trust's land and buildings
- 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 entries affecting the Trust which met the criteria determined by the engagement team;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of land and building valuations for the Trust**;**
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue and expenditure recognition in the Trust accounts, and the significant accounting estimates related to the Trust's land and building valuations.
- Our assessment of the appropriateness of the collective competence and capabilities of the group and Trust's engagement team and component auditors included consideration of the engagement team's and component auditor'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 group and Trust operates
  - understanding of the legal and regulatory requirements specific to the group and Trust including:
    - the provisions of the applicable legislation
    - NHS England's rules and related guidance
    - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The group and 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, financial statement consolidation processes, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - The group and Trust's control environment, including the policies and procedures implemented by the group and Trust to ensure compliance with the requirements of the financial reporting framework.

- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements. No such matters were identified by the component auditors.

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 2022.

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 December 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 – Certificate

We certify that we have completed the audit of the financial statements of King's College Hospital NHS Foundation Trust 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.

Paul Dossett

Paul Dossett, Key Audit Partner

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

London

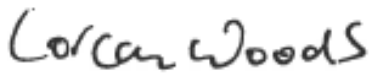
22 June 2022

Trust Accounts Consolidation (TAC) Summarisation Schedules for King's College Hospital NHS Foundation Trust

Summarisation schedules numbers TAC01 to TAC34 and accompanying WGA sheets for 2021/22 are attached.

Finance Director Certificate

1. I certify that the attached TAC schedules have been compiled and are in accordance with:
   - the financial records maintained by the NHS Foundation Trust
   - accounting standards and policies which comply with the Group Accounting Manual issued by the Department of Health and Social Care and
   - the template accounting policies for NHS Foundation Trusts issued by NHS Improvement, or any deviation from these policies has been fully explained in the Confirmation questions in the TAC schedules.
2. I certify that the TAC schedules are internally consistent and that there are no validation errors.
3. I certify that the information in the TAC schedules is consistent with the financial statements of the NHS Foundation Trust.



Lorcan Woods Chief Financial Officer
Date 22nd June 2022

Chief Executive Certificate

1. I acknowledge the attached TAC schedules, which have been prepared and certified by the Chief Finance Officer, as the TAC schedules which the Foundation Trust is required to submit to NHS Improvement.
2. I have reviewed the schedules and agree the statements made by the Chief Finance Officer above.

Professor Clive Kay Chief Executive Officer
Date: 22nd June 2022

King's College Hospital NHS
NHS Foundation Trust

Final Annual Accounts
for the year ended 31 March 2022

FOREWORD TO THE ACCOUNTS

King's College Hospital NHS Foundation Trust

These accounts, for the year ending 31 March 2022, have been prepared by King's College Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006 and comply with the guidance for NHS Foundation Trusts within the Department of Health Group Accounting Manual.

Signed: Date: 22nd June 2022

Prof Clive Kay
Chief Executive

Statement of the Chief Executive's responsibilities as the Accounting Officer of King's College Hospital 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 King's College Hospital 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 King's College Hospital 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
- 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.

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.

Signed: 

Prof Clive Kay
Chief Executive

Date: 22nd June 2022

Consolidated Statement of Comprehensive Income for year ended 31 March 2022

		Group	
		2021-22	2020-21
	Note	**£000**	£000
Operating income from patient care activities	2.1, 2.2	**1,453,442**	1,262,454
Other operating income	2.1	**137,710**	241,819
Total operating income from continuing operations		**1,591,152**	1,504,273
Operating expenses	3.1	**(1,548,879)**	(1,528,797)
Operating surplus / (deficit) from continuing operations		**42,273**	(24,524)
Finance income and costs			
Finance income		**61**	30
Finance expenses	5	**(27,857)**	(27,574)
Public Dividend Capital dividends payable		**(14,198)**	(10,294)
Net finance costs		**(41,994)**	(37,838)
Other (losses) / gains	7	(332)	3,642
Share of profit of associates and joint ventures	7.1	78	2,438
Corporation tax expense		(425)	(1,785)
Deficit from continuing operations		**(400)**	(58,067)
Deficit for the year		**(400)**	(58,067)
Other comprehensive income/(expense), that will not be reclassified subsequently to income and expenditure			
Impairments	6	**(2,352)**	(3,286)
Revaluations	21	**55,809**	23,064
Fair value gains/(losses) on equity instruments designated at FV through OCI		**(279)**	320
Other recognised gains and losses		**-**	95
Other reserve movements		**(75)**	-
Total other comprehensive income		**53,103**	20,193
Total comprehensive income / (expense) for the year		**52,703**	(37,874)
Allocation of losses for the year			
Deficit for the year attributable to:			
(i) non-controlling interest; and		-	-
(ii) Trust		**(400)**	(58,067)
Total		**(400)**	(58,067)
Total comprehensive expense for the year attributable to:			
(i) non-controlling interest; and		**-**	-
(ii) Trust		**52,703**	(37,874)
Total		**52,703**	(37,874)

Consolidated Statement of Comprehensive Income for year ended 31 March 2022 (continued)

		Group	
	Note	**2021-22**	2020-21
Note to Statement of Comprehensive Income		**£000**	£000
Total comprehensive income / (expense) for the year		**52,703**	(37,874)
Add back other comprehensive expenses		**(53,103)**	(20,193)
Deficit for the year		**(400)**	(58,067)
Add back impairments and reversal of impairments *	3.1	**6,040**	59,417
Remove capital donations / grants I&E impact		**(5,417)**	(1,019)
Adjusted financial performance		**223**	331

** This is the total impairments and impairment reversals charged to the Consolidated Statement of Comprehensive Income in the year as disclosed in note 3.1 and note 6.*

The adjusted financial performance is the primary view which is used by the Board of Directors to monitor the Trust's financial performance and is in line with NHS England and NHS Improvement's (NHSEI) financial performance measure.

The Group's deficit for the year was £0.4m and this figure includes asset impairments of £6.04m. This charge relates to impairments that arise from changes in market value of Land and Buildings assets. The NHSEI financial performance measures the surplus/(deficit) before impairments and the impact of donated assets.

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The unconsolidated deficit relating to the Foundation Trust for the year ended 31 March 2022 is £10.5m (2021: £69.5m) and total operating income for the year is £1,590.3m (2021: £1,503.4m).

Statements of Financial Position as at 31 March 2022

		Group		Trust	
		31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	Note	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	8	**31,181**	9,007	**30,820**	8,492
Property, plant and equipment	9	**738,658**	661,663	**738,658**	661,663
Investment in associates, joint ventures and subsidiaries	10.1,10.2	**5,113**	4,135	**250**	250
Other investments	10.4	**2,335**	2,614	**335**	335
Receivables	12	**22,336**	10,053	**87,502**	65,314
Total non-current assets		**799,623**	687,472	**857,565**	736,054
Current assets					
Inventories	11	**21,735**	22,375	**7,928**	7,984
Receivables	12	**75,599**	87,766	**74,504**	89,904
Cash and cash equivalents	13	**92,991**	143,867	**69,893**	122,219
Total current assets		**190,325**	254,008	**152,325**	220,107
Total assets		**989,948**	941,480	**1,009,890**	956,161
Current liabilities					
Trade and other payables	14	**(189,168)**	(222,714)	**(175,613)**	(193,412)
Borrowings	16	**(10,343)**	(9,972)	**(18,039)**	(17,666)
Provisions	18	**(1,813)**	(2,114)	**(1,738)**	(2,114)
Other liabilities	15	**(15,641)**	(13,317)	**(15,508)**	(13,053)
Total current liabilities		**(216,965)**	(248,117)	**(210,898)**	(226,245)
Net current (liabilities) / assets		**(26,640)**	5,891	**(58,573)**	(6,138)
Total assets less current liabilities		**772,983**	693,363	**798,992**	729,916
Non-current liabilities					
Borrowings	16	**(179,445)**	(183,663)	**(230,530)**	(235,558)
Provisions	18	**(5,246)**	(3,823)	**(5,246)**	(3,823)
Total non-current liabilities		**(184,691)**	(187,486)	**(235,776)**	(239,381)
Total assets employed		**588,292**	505,877	**563,216**	490,535
Financed by:					
Taxpayers' equity					
Public Dividend Capital		**1,063,739**	1,034,027	**1,063,739**	1,034,027
Revaluation reserve	21	**211,213**	157,756	**211,213**	157,756
Financial assets at FV through Other Comprehensive Income reserve		**1,579**	1,933	**-**	-
Income and expenditure reserve		**(688,239)**	(687,839)	**(711,736)**	(701,248)
Total taxpayers' equity		**588,292**	505,877	**563,216**	490,535

The notes on pages 10 to 55 form part of these accounts.

The financial statements on pages 4 to 9 were approved by the Board 16th June 2022 and signed on its behalf by

Signed: **Date:** 22nd June 2022

Prof Clive Kay
Chief Executive

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

Group	Note	Public Dividend Capital £000	Revaluation reserve £000	Financial assets at FV through Other Comprehensive Income reserve £000	Income and expenditure reserve £000	Total reserves £000
Taxpayers' and others' equity at 1 April 2021 - brought forward		1,034,027	157,756	1,933	(687,839)	**505,877**
Deficit for the year		-	-	-	(400)	**(400)**
Impairments	21	-	(2,352)	-	-	**(2,352)**
Revaluations - property, plant and equipment	21	-	55,809	-	-	**55,809**
Transfer to retained earnings on disposal of assets	21	-	-	-	-	**-**
Fair value gains on equity instruments designated at FV through OCI		-	-	(279)	-	**(279)**
Share of comprehensive income from associates and joint ventures		-	-	-	-	**-**
Public Dividend Capital received		29,712	-	-	-	**29,712**
Other reserve movements		-	-	(75)	-	**(75)**
Taxpayers' and others' equity at 31 March 2022		**1,063,739**	**211,213**	**1,579**	**(688,239)**	**588,292**
Taxpayers' and others' equity at 1 April 2020 - brought forward		232,384	142,846	1,613	(634,735)	(257,892)
Deficit for the year		-	-	-	(58,067)	(58,067)
Impairments	21	-	(3,286)	-	-	(3,286)
Revaluations - property, plant and equipment	21	-	23,064	-	-	23,064
Transfer to retained earnings on disposal of assets		-	(4,868)	-	4,868	-
Fair value gains on equity instruments designated at FV through OCI		-	-	320	-	320
Share of comprehensive income from associates and joint ventures		-	-	-	-	-
Public Dividend Capital received		801,643	-	-	-	801,643
Other reserve movements		-	-	-	95	95
Taxpayers' and others' equity at 31 March 2021		1,034,027	157,756	1,933	(687,839)	505,877

Trust	Note	Public Dividend Capital £000	Revaluation reserve £000	Financial assets at FV through Other Comprehensive Income reserve £000	Income and expenditure reserve £000	Total reserves £000
Taxpayers' and others' equity at 1 April 2021 - brought forward		**1,034,027**	**157,756**	**-**	**(701,248)**	**490,535**
Deficit for the year		-	-	-	(10,488)	**(10,488)**
Impairments	21	-	(2,352)	-	-	**(2,352)**
Revaluations - property, plant and equipment	21	-	55,809	-	-	**55,809**
Transfer to retained earnings on disposal of assets	21	-	-	-	-	**-**
Public Dividend Capital received		29,712	-	-	-	**29,712**
Taxpayers' and others' equity at 31 March 2022		**1,063,739**	**211,213**	**-**	**(711,736)**	**563,216**
Taxpayers' and others' equity at 1 April 2020 - brought forward		232,384	142,846	-	(636,599)	(261,369)
Deficit for the year		-	-	-	(69,517)	(69,517)
Impairments	21	-	(3,286)	-	-	(3,286)
Revaluations - property, plant and equipment	21	-	23,064	-	-	23,064
Transfer to retained earnings on disposal of assets		-	(4,868)	-	4,868	-
Public Dividend Capital received		801,643	-	-	-	801,643
Taxpayers' and others' equity at 31 March 2021		1,034,027	157,756	-	(701,248)	490,535

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022 (continued)

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.

Financial assets at FV through Other Comprehensive Income reserve
This reserve holds the valuation gain in respect of the PIK note held by the group.

Statement of Cash Flows for the year ended 31 March 2022

		Group		Trust	
		2021-22	2020-21	**2021-22**	2020-21
	Note	**£000**	£000	**£000**	£000
Cash flows from operating activities					
Operating surplus / (deficit) from continuing operations		**42,273**	(24,524)	**30,055**	(33,311)
Non-cash income and expense					
Depreciation and amortisation	3	**37,781**	31,881	**35,033**	31,834
Net Impairments	3	**6,040**	63,926	**6,040**	63,926
Income recognised in respect of capital donations		**(6,686)**	(2,127)	**(6,686)**	(2,127)
(Increase)/Decrease in trade and other receivables		**581**	64,802	**(6,091)**	47,512
(Increase)/Decrease in inventories		**640**	(2,213)	**56**	(140)
Increase/(Decrease) in trade and other payables		**(24,663)**	33,036	**(8,916)**	11,915
Increase/(Decrease) in other liabilities		**2,324**	(1,122)	**2,455**	(1,361)
Increase/(Decrease) in provisions		**1,152**	(7,267)	**1,077**	(7,292)
Other movements in operating cash flows		**(330)**	(245)	**133**	208
Net cash used in operations		**59,112**	156,147	**53,156**	111,164
Cash flows used in investing activities					
Interest received		**61**	30	**1,857**	1,253
Purchase of financial assets		**(900)**	(5,500)	**-**	-
Purchase of intangible assets	8	**(24,407)**	(1,584)	**(24,353)**	(1,753)
Purchase of property, plant and equipment	9	**(74,942)**	(85,113)	**(67,883)**	(51,739)
Sales of property, plant and equipment		**678**	289	**-**	289
Receipt of cash donation to purchase asset		**6,686**	697	**6,686**	697
Cash flows investments other		**-**	3,500	**-**	-
Net cash used in investing activities		**(92,824)**	(87,681)	**(83,693)**	(51,253)
Cash flows from financing activities					
Public Dividend Capital received		**29,712**	801,643	**29,712**	801,641
Movement in loans from the Department of Health and Social Care		**(3,418)**	(738,730)	**(3,418)**	(738,730)
Movement in other loans		**(845)**	3,566	**(640)**	3,844
Capital element of finance lease repayments		**-**	(591)	**(4,713)**	(4,593)
Capital element of PFI and other service concession	22	**(5,302)**	(4,872)	**(5,302)**	(4,872)
Interest on DHSC loans		**(1,224)**	(6,151)	**(1,224)**	(6,151)
Interest on other loans		**(86)**	(18)	**(73)**	-
Interest element of finance lease		**-**	(7)	**(130)**	(107)
Interest element of PFI and other service concession obligations		**(25,796)**	(25,848)	**(25,796)**	(25,848)
Public Dividend Capital dividend paid		**(10,205)**	(13,462)	**(10,205)**	(13,462)
Net cash from financing activities		**(17,164)**	15,530	**(21,789)**	11,722
Increase / (decrease) in cash and cash equivalents		**(50,876)**	83,996	**(52,326)**	71,633
Cash and cash equivalents at 1 April		**143,867**	59,871	**122,219**	50,586
Cash and cash equivalents at 31 March		**92,991**	143,867	**69,893**	122,219

Notes to the accounts

1. Accounting policies

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 2021/22 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.

1.1 Going concern

The Trust has prepared its annual report and accounts on a going concern basis.

Non-trading entities in the public sector are assumed to be going concerns where the continued provision of a service in the future is anticipated, as evidenced by inclusion of financial provision for that service in published documents. The Trust has confirmed that this is applicable to its own services.

1.2 Accounting convention

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

Consolidated Accounts

1.3 Basis of Consolidation

Charitable funds
The King's College Hospital Charity and Friends of King's are independent charities and are not under the control of the Foundation Trust. Therefore, these charities have not been consolidated within these accounts.

1.3.1 Subsidiaries
Subsidiary entities are those over which the Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

The amounts consolidated are drawn from the draft financial statements of the subsidiaries for the year. Where subsidiaries' accounting policies are not aligned with those of the Foundation Trust then the amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

The Foundation Trust has a wholly owned subsidiary company, KCH Commercial Services Ltd, which wholly owns KCH Management Ltd. The accounts for these companies have been consolidated into the group accounts.

In 2016/17, the Foundation Trust formed King's Interventional Facilities Management LLP in partnership with Kings Commercial Services Ltd. The accounts for this partnership have been consolidated into the Trust's annual accounts.

The primary statements and notes to the accounts have been presented with separate 'Group' and 'Trust' columns. Where the difference between the 'Group' and 'Trust' figures is considered immaterial, the 'Trust' version of the note has been omitted.

In accordance with Section 408 of the Companies Act 2006, the trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The trust’s deficit for the period was (£10.5m) (2020/21: (£69.5m)).

1. Accounting Policies (continued)

1.3.2 Associates
Associate entities are those over which the Foundation Trust has power to exercise a significant influence. Associate entities are recognised in the Foundation Trust's financial statements using the equity method of accounting. The investment is initially recognised at cost. It is increased or decreased subsequently to reflect the Foundation Trust's share of the entity's profit or loss or other gains and losses (e.g. revaluation gains on the entity's property, plant or equipment) following acquisition. It is also reduced when any distribution (e.g. share dividends) are received by the Foundation Trust from the associate.

1.3.3 Joint ventures
Joint ventures are arrangements in which the Foundation Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

1.3.4 Joint operations
Joint operations are arrangements in which the Foundation Trust has joint control with one or more other parties, and has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Foundation Trust includes within its financial statements its share of the assets, liabilities, income and expenses.

1.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make various judgements, estimates and assumptions. These are regularly reviewed.

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.4.1 Critical judgements in applying accounting policies

The Trust has made no significant judgements in applying accounting policies in the current year.

1. Accounting Policies (continued)

1.4.2 Sources of estimation uncertainty

The following are assumptions about 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:

Estimate - Revaluation of Land and Buildings

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

Non-specialised buildings and Land – market value for existing use

Land (Denmark Hill Site) – alternative site basis, based on patient postcode analysis

Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

The Trust seeks professional advice from its valuers' annually in determining the value of its land and buildings. The values in the valuer's report have been used to inform the measurement of property assets at valuation in these financial statements. The RICS qualified valuer exercised their professional judgement in providing the valuation and it remains the best information available to the Trust. However, the valuer uses informed assumptions regarding obsolescence, rebuild rates and the area of the sites required to accommodate modern equivalent assets with the same service potential which could change and have a material impact on the valuation.

Consequences of Change in Estimate

The net book value at 31 March 2022 of the Trust's Property, Plant & Equipment valued by professional valuers and reflected in these financial statements is £591m.

A change in the estimated values would result in changes to the Revaluation Reserve and / or a loss or gain recorded as appropriate in the Statement of Comprehensive Income. If the value of land and buildings were to reduce by 5% this would be a change of around £29.6m.

A 5% variance in the value of land and buildings would lead to a £27m difference in the total value of these assets disclosed, with a corresponding charge to revaluation reserve or expenditure position.

The Trust makes a number of other estimates in its financial accounts, which are not considered to be at risk of material incertainty.

1. Accounting Policies (continued)

1.5 Operating segments

The Foundation Trust has a number of business divisions which are aggregated under one reportable segment being the provision of healthcare. The Foundation Trust provides Private Patient, Research and Development and Training and Education services within this healthcare sector, but as they do not have a material impact they are aggregated under this one reportable segment. Note 2 entitled "Operating Income" includes the relevant income figures for these services.
The subsidiary figures have not been disclosed separately in this note as separate Group and Trust only accounts have been provided. The subsidiaries support the Trust in the overall provision of healthcare.

1.6 Revenue from contracts with customers

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

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability. The Trust typically applies standard payment terms of 30 days to all invoices raised.

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 in place during 2021-22 are broadly consistent with those in place during 2020-21, and are described below:

The main source of income for the Trust is contracts with commissioners for health care services. In 2021/22 and 2020/21, the majority of the trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a [Integrated Care System/Sustainability and Transformation Partnership] level. For the first half of the 2020/21 comparative year these blocks were set for individual NHS providers directly, but the revenue recognition principles are the same. 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.

1. Accounting Policies (continued)

The Trust has also 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.

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.

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.

1.7 Other Forms of Income

1.7.1 Revenue 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.

1.7.2 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.

1. Accounting policies (continued)

1.8 Expenditure on employee benefits

1.8.1 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.

1.8.2 Pension Costs
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both Schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme; the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as 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 operating expenses at the time the foundation trust commits itself to the retirement, regardless of the method of payment.

1.9 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.

1.9.1 Value added tax
Most of the activities of the Foundation 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.

1.10 Corporation tax

The Finance Act 2004 amended S519A Income and Corporation Taxes Act 1988 provided power to the Treasury to make certain non-core activities of Foundation Trusts potentially subject to corporation tax. This legislation is effective from September 12 2005. Any outstanding payments of corporation tax as at the end of the financial year are provided for in the Statement of Comprehensive Income. The Foundation Trust did not incur Corporation Tax in 2021/22 as the Foundation Trust did not generate any taxable income. Corporation Tax is payable on profits made in the Trust's trading subsidiary companies.

1. Accounting policies (continued)

1.11 Property, plant and equipment

1.11.1 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 will be supplied to the foundation trust;
it is expected to be used for more than one financial year;
the cost of the item can be measured reliably; and either
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 a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

1.11.2 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.

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

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

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

1. Accounting policies (continued)

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation – Global Standards (effective from 31st January 2020).
Land and buildings are revalued by full site inspection every three years, with desktop valuations on interim years The last asset valuations were undertaken as at 31 March 2022 by a RICS Registered Valuer from Avison Young on a site inspection basis.

Depreciated Replacement Cost (DRC) is recognised under IAS 16 as a method of valuation for financial reporting purposes. DRC assessments were undertaken for those assets considered to be specialised properties (e.g. NHS patient treatment facilities). The Department of Health and Social Care has adopted the Modern Equivalent Asset approach (MEA) in carrying out the DRC assessment method.

Depreciated Replacement Cost has been adopted because of the asset classification as specialist properties which are rarely sold in the open market. The MEA approach is based on valuing the cost of a modern equivalent asset that has the same service potential as the existing asset and then adjusted to take account of obsolescence.

Only that plant and machinery forming part of the building services installations has been included. Total external works for each site have been allocated to each building based upon a percentage of replacement build costs adopted.

The valuation included the Foundation Trust's PFI schemes.

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the property, plant and equipment are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate. All impairments resulting from price changes are charged to the Statement of Comprehensive Income. If the balance on the revaluation reserve is less than the impairment the difference is taken to the Statement of Comprehensive Income.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately. 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 lives or low values or both, as this is not considered to be materially different from current value in existing use.

1.12 Intangible assets

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

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

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer, lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS 38.

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

1. Accounting policies (continued)

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

1.13 Depreciation, amortisation and impairments

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

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

Buildings, installations and fittings are depreciated on their current value on a straight line basis over the estimated remaining life of the asset as advised by the valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the useful economic life of the asset. Standard useful economic lives are estimated for each major category of equipment and individual lives will only be applied where it is clear that the standard lives are materially inappropriate.

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The major categories and their useful economic lives are:

furniture - 7 - 10 years;
office and IT equipment - 5 - 8 years;
soft furnishings - 7 - 10 years;
medical and other equipment - 5 - 15 years.

Useful economic lives of building assets are provided through the annual independent valuation process. Finance-leased assets (including land) are depreciated over the shorter of the useful economic 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.

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The Trust amortise intangibles over the following useful lives range:

software license, 3 - 10 years;
development cost, 5 - 10 years.

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 had previously been recognised in operating expenses, in which case they are recognised as operating expenditure.
Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter 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'.

1. Accounting policies (continued)

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

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

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. 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 economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.14 Donated, government grant or other 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.

Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.15 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.

1.15.1 The Foundation Trust as lessee
Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Foundation 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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

1. Accounting policies (continued)

The annual rental 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.

Operating leases
Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position 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.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

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

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

1.16 Private finance initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the trust. In accordance with HM Treasury's FREM, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

1.16.1 Services received
The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

1.16.2 Lifecycle Replacement
Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Foundation Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is predetermined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively. Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised, and is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

1. Accounting policies (continued)

1.16.3 Assets contributed by the Trust to the operator for use in the scheme
Assets contributed by the Foundation Trust for use in the scheme continue to be recognised as items of property, plant and equipment in the foundation trust's Statement of Financial Position.

1.17 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 method. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks.

1.18 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. These balances exclude monies held in the Foundation Trust's bank account belonging to patients. Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within payables. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, interest receivable and interest payable in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

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 Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

1.19 Provisions

The Foundation 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 HM Treasury's discount rates effective for 31 March 2022.

Early retirement provisions are discounted using HM Treasury's pension discount rate of negative 1.30% (2020-21: negative 0.95%) in real terms.

All general provisions are subject to four separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:

A nominal short-term rate of 0.47% (2020-21: minus 0.02%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.

A nominal medium-term rate of 0.70% (2020-21: 0.18%) for inflation adjusted expected cash flows over 5 years up to and including 10 years from the Statement of Financial Position date.

A nominal long-term rate of 0.95% (2020-21: 1.99%) for inflation adjusted expected cash flows over 10 years and up to and including 40 years from the Statement of Financial Position date.

A nominal very long-term rate of 0.66% (2020-21: 1.99%) for inflation adjusted expected cash flows exceeding 40 years from the Statement of Financial Position date.

1.19.1 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 Foundation Trust. The total value of clinical negligence provisions carried by NHS resolution on behalf of the Foundation Trust is disclosed in note 18 but is not recognised in the Foundation Trust's accounts.

1. Accounting policies (continued)

1.19.2 Non-clinical risk pooling
The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk-pooling schemes under which the foundation trust pays an annual contribution to the 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 as and when the liability arises.

1.20 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 19 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.

1.21 Financial assets and financial liabilities

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

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

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

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

Financial assets are classified as subsequently measured at amortised cost.
Financial liabilities are classified as subsequently measured at amortised cost.

1.21.1 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.

1. Accounting policies (continued)

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.

1.21.2 Financial assets measured at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

On initial recognition of an equity investment that is not held for trading, the Trust may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

1.21.3 Financial assets and financial liabilities at fair value through income and expenditure
Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

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

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

The carrying amount of the trade receivable is reduced when the outstanding debt is greater than one year and payment has not been agreed with the respective debtor. Overseas visitor's debts less than one year are provided for based on historical recoverability. Private Patient debts and salary overpayments are provided for based on management estimation of the percentage of recoverability. The Foundation Trust applies the percentage provided by the Department of Health to gross debts for injury costs recovery (RTA).

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.

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.

1. Accounting policies (continued)

1.22 Public dividend capital

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

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

A charge, reflecting the cost of capital utilised by the Foundation 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 NHS foundation 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 and grant funded assets,
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 and;
any PDC dividend balance receivable or payable;
In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.23 Foreign exchange

The functional and presentational currency of the Foundation Trust is sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. The Foundation Trust does not have material foreign currency transactions. Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

1.24 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, third party assets are disclosed in Note 24 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

1.25 Losses and special payments

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

1. Accounting policies (continued)

1.26 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2021-22.

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

IFRS 16 Leases
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 without restatement and 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 defined by HM Treasury. For 2022, this rate is 0.95%. 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 has estimated the impact of applying IFRS 16 in 2022/23 on the opening statement of financial position and the in-year impact on the statement of comprehensive income and capital additions as follows:

	2021-22 £000
Estimated impact on 1 April 2022 statement of financial position	
Additional right of use assets recognised for existing operating leases	86,143
Additional lease obligations recognised for existing operating leases	(86,143)
Changes to other statement of financial position line items	-
Net impact on net assets on 1 April 2022	**-**
Estimated in-year impact in 2022/23	
Additional depreciation on right of use assets	(11,273)
Additional finance costs on lease liabilities	(771)
Lease rentals no longer charged to operating expenditure	11,694
Other impact on income / expenditure	-
Estimated impact on surplus / deficit in 2022/23	**(349)**
Estimated increase in capital additions for new leases commencing in 2022/23	**75,187**

1. Accounting policies (continued)

From 1 April 2022, the principles of IFRS 16 will also be applied to the Trust' payments are linked to [a price index representing the rate of inflation]. The when a change in the index causes a change in future repayments and that cash flow. Under existing accounting practices, amounts relating to changes as incurred. This is expected to increase the PFI liability on the statement of to IFRS 16. The effect of this has not yet been quantified.

1.28 Prior Period Adjustment Policy

The Trust applies IAS 8 when considering if prior period adjustments are rec prior period Losses and Special Payments disclosure (Note 27) has been rest information not shown in the previous year in relation to overtime correctiv to be material to understanding this disclosure.

2. Operating income

2.1 Income from activities by classification

	Group 2021-22 £000	2020-21 £000
Income from patient care activities		
Block contract / system envelope income*	**1,337,312**	1,184,456
High cost drugs income from commissioners	**38,226**	6,754
Other NHS clinical income**	**7,788**	10,403
Additional income for delivery of healthcare services		
Private Patient income	**5,451**	6,294
Elective Recovery Fund	**19,607**	-
Additional pension contribution central funding*	**31,211**	29,145
Other clinical income**	**13,847**	25,401
Total income from activities* **	**1,453,442**	1,262,453
Other operating income recognised in accordance with IFRS 15		
Research and development	**5,731**	6,539
Education and training	**44,100**	44,399
Non-patient care services to other bodies	**12,182**	3,925
Reimbursement and top-up funding	**18,798**	127,199
Income in respect of employee benefits accounted on a gross basis	**7,700**	8,530
Other****	**23,069**	21,354
Total other operating income (IFRS 15)	**111,580**	211,946
Other operating income recognised in accordance with other standards		
Research and development	**12,892**	12,453
Education and training - notional income from apprenticeship fund	**662**	522
Receipt of capital grants and donations	**6,686**	697
Charitable and other contributions to expenditure	**8**	160
Donated equipment from DHSC for COVID response (non-cash)	**-**	1,430
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	**4,527**	13,366
Rental revenue from operating leases	**1,355**	1,245
Total other operating income (Non-IFRS 15)	**26,130**	29,873
Total operating Income	**1,591,152**	1,504,273

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

** Other NHS clinical income includes HIV/AIDS funding, NSCG funding for liver services, bone marrow transplant funding, critical care funding from CCGs, CQUIN funding, off-tariff drugs and devices, renal dialysis, direct access, community midwifery, community dental services, national screening programmes, RTA funding and IVF services.

*** Income from patient care activity is recognised in accordance with IFRS 15.

**** Other income includes PFI transitional support, clinical excellence awards, staff nursery, car parking, accommodation and commercial rents.

Variances in Patient Care income between years relate to changes in the block funding regime and Covid reimbursement process.

2.2 Income from activities by type

	Group 2021-22 £000	2020-21 £000
NHS Foundation Trusts	**-**	2,156
NHS Trusts	**479**	1,481
Clinical Commissioning Groups and NHS England *	**1,432,502**	1,236,004
Department of Health and Social Care	**-**	42
NHS Other (including Public Health England and Prop Co)	**2,645**	32
Non-NHS		
Local Authorities	**3,050**	2,716
Private patients	**5,451**	6,294
Overseas patients (non-reciprocal)	**3,736**	5,633
Injury costs recovery	**3,448**	3,629
Other **	**2,131**	4,467
Total income from activities	**1,453,442**	1,262,454

* Includes £31.211m (2020-21: £29.145m) notional income for pension contributions paid by NHS England on behalf of the Trust

** Non-NHS Other income includes patient care provided to devolved administrations, personal contributions for IVF treatment and services to prisons.

2.3 Overseas visitors

	Group 2021-22 £000	2020-21 £000
Income recognised this year	**3,736**	5,633
Cash payments received in-year	**597**	520
Additions to provision for impairment of receivables	**3,225**	1,041
Amounts written off in-year	**3,921**	3,801

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

	2021-22 £000	2020-21 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	**10,809**	14,439
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

2.5 Transaction price allocated to remaining performance obligations

Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:	31 March 2022 £000	31 March 2021 £000
within one year	15,641	13,317
after one year, not later than five years	0	0
after five years	0	0
Total revenue allocated to remaining performance obligations	15,641	13,317

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

2.6 Income from activities arising from commissioner requested and non-commissioner requested services

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

	Group 2021-22 £000	2020-21 £000
Commissioner requested services	**1,425,496**	1,336,709
Non-commissioner requested services	**165,656**	167,564
Total	**1,591,152**	1,504,273

2.7 Fees and charges - aggregate of all schemes that, individually, have a cost exceeding £1m

	Group 2021-22 £000	2020-21 £000
Income	**5,451**	6,294
Full cost	**(4,782)**	(5,866)
Surplus	**669**	428

2.8 Operating lease income

	Group 2021-22 £000	2020-21 £000
Rental revenue from operating leases	**1,355**	1,245

	31 March 2021 £000	31 March 2020 £000
Future minimum lease receipts due on leases of buildings expiring		
- not later than one year	**1,301**	1,245
- between one and five years	**5,204**	2,490
Total	**6,505**	3,735

The above note discloses income generated in operating lease agreements where King's College Hospital NHS Foundation Trust is the lessor. The operating leases relate to the lease of space and buildings owned by the Trust.

3. Operating expenses

3.1 Operating expenses by type

	Group 2021-22 £000	2020-21 £000
Purchase of healthcare from NHS and DHSC bodies	**9,959**	15,000
Purchase of healthcare from non-NHS and non-DHSC bodies	**63,428**	53,456
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	**190,142**	175,898
Supplies and services - clinical (excluding drugs costs)	**124,660**	101,087
Supplies and services - general	**7,088**	13,155
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**4,527**	13,366
Inventories written down (net including drugs)	**243**	1,327
Staff and executive directors costs	**891,544**	857,257
Remuneration of non-executive directors	**168**	140
Establishment	**13,085**	11,331
Transport (including patient travel)	**11,095**	11,523
Premises	**38,978**	31,123
Rentals under operating leases - minimum lease payments	**11,709**	7,543
PFI service costs	**68,261**	65,646
Clinical negligence	**45,935**	43,701
Depreciation on property, plant and equipment	**35,548**	30,004
Amortisation on intangible assets	**2,233**	1,877
Net impairments	**6,040**	63,926
Movement in credit loss allowance: contract receivables / contract assets	**2,304**	4,650
Consultancy costs	**4,755**	3,078
Audit fees payable to the external auditor		
Statutory audit	**312**	303
Internal audit costs	**287**	258
Other *	**16,578**	23,148
Total operating expenses	**1,548,879**	1,528,797

* Other operating expenses include expenditure relating to training, legal fees, storage costs, work permits and infection control costs.

The audit fee for the current year is £312k, including £52k of irrecoverable VAT . No other remuneration was paid to the Trust's external auditors in 2021-22 (2020-21 : Nil)

Research and development expenditure is included in other operating expenditure, clinical and general supplies and services, premises and establishment expenses as well as in staff costs.

3.2 Operating leases

Rentals under operating leases include the following:

	Group 2021-22 £000	2020-21 £000
Operating lease expense		
Minimum lease payments	**11,709**	7,543
Total	**11,709**	7,543

Future minimum lease payments fall due as follows:

	2021-22 £000	2020-21 £000
Hire of plant and machinery		
- not later than one year	**2,860**	708
- between one and five years	**5,213**	1,657
- later than five years	**152**	200
Total hire of plant and machinery	**8,225**	2,565
Rental of buildings		
- not later than one year	**9,654**	4,601
- between one and five years	**34,698**	14,586
- later than five years	**44,046**	22,948
Total rental of buildings	**88,398**	42,135
Total	**96,623**	44,700

This note discloses costs and commitments incurred under non-cancellable operating lease arrangements where King's College Hospital NHS FT is the lessee.
Significant lease commitments relate to the rental of certain Trust hospital sites including Coldharbour Works, Beckenham Beacon and a number of satellite renal and dental sites.

3.3 Late Payment of Commercial Debts (Interest) Act 1998

	2021-22 £000	2020-21 £000
Compensation paid to cover debt recovery costs under this legislation	**-**	5

3.4 Limitation on Auditor's Liability

The limitation on auditor's liability in 2021/22 was £5m (2020/21: £5m).

4 Employee benefits

4.1 Employee benefits

	Group 2021-22 Total £000	2020-21 Total £000
Salaries and wages	**639,015**	609,820
Social security costs	**65,104**	60,390
Apprenticeship levy	**2,818**	2,870
Employer contributions to NHS Pensions	**71,942**	67,551
Employer contributions to NHS Pensions paid by NHS England on behalf of the Trust	**31,211**	29,145
Temporary staff (including bank and agency)	**82,578**	87,501
Total gross employee benefits	**892,668**	857,277
Recoveries from other bodies in respect of staff cost netted off expenditure	**-**	-
Total employee benefits	**892,668**	857,277
Of which		
Costs capitalised as part of assets	**(1,124)**	(20)
Total employee benefits excluding capitalised costs	**891,544**	857,257

4.2 Early retirements due to ill health

During 2021/22 there were 6 early retirements from the trust agreed on the grounds of ill-health (1 in the year ended 31 March 2021). The estimated additional pension liabilities of these ill-health retirements is £227k (£58k in 2020/21).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

4.3 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 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 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 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 also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

5 Finance expenses

	Group 2021-22 £000	2020-21 £000
Loans from the Department of Health and Social Care		
Capital loans	**1,189**	1,289
Finance leases	**-**	7
Other Loans	**100**	18
Finance costs on PFI and other service concession arrangements		
Main finance cost	**15,716**	16,124
Contingent finance cost	**10,080**	9,724
Total interest expense	**27,085**	27,162
Unwinding of discount on provisions	**(30)**	(25)
Other finance costs	**802**	437
Total finance costs	**27,857**	27,574

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

6 Impairments

	Group 2021-22 £000	2020-21 £000
Changes in market price - charged to operating expenses	**6,040**	59,417
Changes in market price - charged to the revaluation reserve	**2,352**	3,286
Other impairments - charged to operating expenses	**-**	4,509
Total	**8,392**	67,212

Asset valuations were undertaken in 2022 as at the prospective valuation date of 31 March 2022. This was based on alternative site which included a review of the Trust's patient base, through an analysis of postcode information allocated between outpatients and inpatients.

The revaluation resulted in an overall increase of £65.4m in the value of land and buildings owned by the Trust offset by impairments to land and building values of £6.7m. This was primarily due to significant increases in land values.

As a result of the revaluation, an impairment amount of £6.040m has been taken to the Statement of Comprehensive Income and a revaluation surplus of £55.809m transferred to revaluation reserve. An impairment of £2.352m has been charged to the revaluation reserve.

7 Other gains / (losses)

	Group 2021-22 £000	2020-21 £000
Gains on disposal of property, plant and equipment	**49**	155
Gains on disposal of other financial assets / investments	**-**	3,487
Losses on disposal of assets	**(381)**	-
Total (losses) / gains on disposal of assets	**(332)**	3,642

7.1 Share of operating profit in associates and joint ventures

	Group 2021-22 £000	2020-21 £000
Viapath Group LLP	**78**	2,438
	78	2,438

8 Intangible non-current assets

8.1 Intangible non-current assets - current year

Group	Software licences £000	Intangible assets under construction £000	Total £000
Cost or valuation			
At 1 April 2021	**22,138**	**-**	**22,138**
Additions purchased	**1,191**	**23,216**	**24,407**
Disposals	**(7,145)**	**-**	**(7,145)**
At 31 March 2022	**16,184**	**23,216**	**39,400**
Amortisation			
At 1 April 2021	**13,131**	**-**	**13,131**
Charged during the year	**2,233**	**-**	**2,233**
Disposals	**(7,145)**	**-**	**(7,145)**
At 31 March 2022	**8,219**	**-**	**8,219**
Net book value			
Purchased	**6,676**	**23,216**	**29,892**
Leased	**1,289**	**-**	**1,289**
Total at 31 March 2022	**7,965**	**23,216**	**31,181**

8.2 Intangible non-current assets - current year

Trust	Software licences £000	Intangible assets under construction £000	Total £000
Cost or valuation			
At 1 April 2021	**21,196**	**-**	**21,196**
Additions purchased	**1,137**	**23,216**	**24,353**
Disposals	**(7,145)**	**-**	**(7,145)**
At 31 March 2022	**15,188**	**23,216**	**38,404**
Amortisation			
At 1 April 2021	**12,704**	**-**	**12,704**
Charged during the year	**2,027**	**-**	**2,027**
Disposals	**(7,145)**	**-**	**(7,145)**
At 31 March 2022	**7,586**	**-**	**7,586**
Net book value			
Purchased	**6,313**	**23,216**	**29,529**
Leased	**1,289**	**-**	**1,289**
Total at 31 March 2022	**7,602**	**23,216**	**30,818**

The range of useful economic lives over which intangible assets are amortised is included in note 1.13.

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset. Intangible assets under construction relates to the Trust's Electronic Patient Records (EPR) system.

8 Intangible non-current assets

8.3 Intangible non-current assets - prior year

Group	Software licences £000	Development expenditure £000	Total £000
		Group	
Cost or valuation			
At 1 April 2020	**20,554**	**707**	**21,261**
Additions purchased	**1,584**	**-**	**1,584**
Disposals	**-**	**(707)**	**(707)**
At 31 March 2021	**22,138**	**-**	**22,138**
Amortisation			
At 1 April 2020	**11,276**	**707**	**11,983**
Charged during the year	**1,877**	**-**	**1,877**
Reclassifications	**(22)**	**-**	**(22)**
Disposals	**-**	**(707)**	**(707)**
At 31 March 2021	**13,131**	**-**	**13,131**
Net book value			
Purchased	**7,718**	**-**	**7,718**
Leased	**1,289**	**-**	**1,289**
Total at 31 March 2021	**9,007**	**-**	**9,007**
Revaluation reserve balance			
At 1 April 2020	**37**	**-**	**37**
Transfer to I&E Reserve	**(37)**	**-**	**(37)**
At 31 March 2021	**-**	**-**	**-**

Development expenditure represents the implementation cost of the Activity Based Costing project, which was completed in 2006-07.

8.4 Intangible non-current assets - prior year

Trust	Software licences £000	Development expenditure £000	Total £000
		Trust	
Cost or valuation			
At 1 April 2020	**19,443**	**707**	**20,150**
Additions purchased	**1,753**	**-**	**1,753**
Disposals/derecognition	**-**	**(707)**	**(707)**
At 31 March 2021	**21,196**	**-**	**21,196**
Amortisation			
At 1 April 2020	**10,920**	**707**	**11,627**
Charged during the year	**1,806**	**-**	**1,806**
Disposals/derecognition	**-**	**(707)**	**(707)**
Reclassification	**(22)**	**-**	**(22)**
	12,704	**-**	**12,704**
Net book value			
Purchased	**7,203**	**-**	**7,203**
Leased	**1,289**	**-**	**1,289**
Total at 31 March 2021	**8,492**	**-**	**8,492**
Revaluation reserve balance			
At 1 April 2020	**37**	**-**	**37**
Transfer to I&E Reserve	**(37)**	**-**	**(37)**
At 31 March 2021	**-**	**-**	**-**

The range of useful economic lives over which intangible assets are amortised is included in note 1.13.

For all categories of intangible assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

9 Property, plant and equipment

9.1 Property, plant and equipment - current year

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2021	**90,307**	**446,866**	**1,775**	**24,703**	**135,550**	**53,385**	**2,505**	**755,092**
Additions purchased	-	5,434	-	38,159	8,454	6,255	246	**58,548**
Additions - leased / IFRIC 12 scheme assets (excluding lifecycle)	-	-	-	-	902	-	-	**902**
Additions - assets purchased from cash donations/grants	-	-	-	6,114	282	290	-	**6,686**
Impairments charged to operating expenses	-	(11,616)	-	-		-	-	**(11,616)**
Impairments charged to the revaluation reserve	-	(3,218)	-	-	-	-	-	**(3,218)**
Reversal of impairments credited to operating expenses	4	1,341	-	-	-	-	-	**1,345**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	39,409	3,434	57	-	-	-	-	**42,900**
Reclassifications	-	16,456	-	(16,456)	-	-	-	**-**
Disposals*	-	-	-	-	(24,515)	(11,586)	(1,054)	**(37,155)**
At 31 March 2022	**129,720**	**458,697**	**1,832**	**52,520**	**120,673**	**48,344**	**1,697**	**813,484**
Depreciation								
At 1 April 2021	**-**	**513**	**-**	**-**	**64,327**	**26,741**	**1,849**	**93,430**
Charged during the year	-	17,542	84	-	10,263	7,508	151	**35,548**
Impairments charged to operating expenses	-	(1,180)	-	-	-	-	-	**(1,180)**
Impairments charged to the revaluation reserve	-	(866)	-	-	-	-	-	**(866)**
Reversal of impairments credited to operating expenses	-	(3,051)	-	-	-	-	-	**(3,051)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(12,825)	(84)	-	-	-	-	**(12,909)**
Reclassifications	-	-	-	-	-	-	-	**-**
Disposals*	-	-	-	-	(23,505)	(11,586)	(1,054)	**(36,145)**
At 31 March 2022	**-**	**133**	**-**	**-**	**51,085**	**22,663**	**946**	**74,827**
Net book value								
Owned - purchased	**87,943**	**251,368**	**1,640**	**49,072**	**60,536**	**25,578**	**637**	**476,775**
Owned - donated	**3,654**	**12,306**	**192**	**3,214**	**2,060**	**102**	**115**	**21,643**
On balance sheet PFI	**38,123**	**194,891**	**-**	**234**	**5,873**	**-**	**-**	**239,121**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**1,119**	**-**	**-**	**1,119**
Total at 31 March 2022	**129,720**	**458,565**	**1,832**	**52,520**	**69,588**	**25,680**	**752**	**738,658**
Revaluation reserve balance								
At 1 April 2021	**53,081**	**103,241**	**1,434**	**-**	**-**	**-**	**-**	**157,756**
Revaluation and indexation in year	**39,409**	**13,907**	**141**	**-**	**-**	**-**	**-**	**53,457**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**-**		**-**	**-**
At 31 March 2022	**92,490**	**117,148**	**1,575**	**-**	**-**	**-**	**-**	**211,213**

The effective date of land and building revaluation was 31 March 2022 and the valuation was carried out by Kerry Maguire of Avison Young, a RICS registered valuer.

The range of useful economic lives over which property plant and equipment are depreciated are included in note 1.13.
For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.
*A number of items with zero net book value were decommissioned in 2021-22 following an internal review.

9 Property, plant and equipment - continued

9.2 Property, plant and equipment - current year

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	Trust							
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2021	**90,307**	**446,866**	**1,775**	**24,703**	**119,453**	**53,385**	**2,505**	**738,995**
Additions purchased	-	5,434	-	38,159	1,395	6,255	246	**51,489**
Additions - leased / IFRIC 12 scheme assets (excluding lifecycle)	-	-	-	-	7,961	-	-	**7,961**
Additions - equipment donated from NHSE for COVID response (non-cash)	-	-	-	-		-	-	**-**
Additions - assets purchased from cash donations/grants		-	-	6,114	282	290	-	**6,686**
Impairments charged to operating expenses	-	(11,616)	-	-	-	-	-	**(11,616)**
Impairments charged to the revaluation reserve	-	(3,218)	-	-	-	-	-	**(3,218)**
Reversal of impairments credited to operating expenses	4	1,341	-	-	-	-	-	**1,345**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	39,409	3,434	57	-	-	-	-	**42,900**
Reclassifications	-	16,456	-	(16,456)	-	-	-	**-**
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	-	-	-	**-**
Disposals*	-	-	-	-	(24,515)	(11,586)	(1,054)	**(37,155)**
At 31 March 2022	**129,720**	**458,697**	**1,832**	**52,520**	**104,576**	**48,344**	**1,697**	**797,387**
Depreciation								
At 1 April 2021	**-**	**513**	**-**	**-**	**48,229**	**26,741**	**1,849**	**77,332**
Charged during the year	-	17,542	84	-	10,263	7,508	151	**35,548**
Impairments charged to operating expenses	-	(1,180)	-	-	-	-	-	**(1,180)**
Impairments charged to the revaluation reserve	-	(866)	-	-	-	-	-	**(866)**
Reversal of impairments credited to operating expenses	-	(3,051)	-	-	-	-	-	**(3,051)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(12,825)	(84)	-	-	-	-	**(12,909)**
Reclassifications	-	-		-	-			**-**
Disposals*	-	-	-	-	(23,505)	(11,586)	(1,054)	**(36,145)**
At 31 March 2022	**-**	**133**	**-**	**-**	**34,987**	**22,663**	**946**	**58,729**
Net book value								
Owned - purchased	**87,943**	**246,125**	**1,640**	**46,172**	**6,110**	**25,287**	**637**	**413,914**
Owned - donated	**3,654**	**12,306**	**192**	**6,114**	**2,025**	**393**	**115**	**24,799**
On balance sheet PFI & Finance Lease	**38,123**	**200,134**	**-**	**234**	**60,335**		**-**	**298,826**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**1,119**	**-**	**-**	**1,119**
Total at 31 March 2022	**129,720**	**458,565**	**1,832**	**52,520**	**69,589**	**25,680**	**752**	**738,658**
Revaluation reserve balance								
At 1 April 2021	**53,081**	**103,241**	**1,434**	**-**	**-**	**-**	**-**	**157,756**
Revaluation and indexation in year	**39,409**	**13,907**	**141**	**-**		**-**	**-**	**53,457**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2022	**92,490**	**117,148**	**1,575**	**-**	**-**	**-**	**-**	**211,213**

The effective date of land and building revaluation was 31 March 2022 and the valuation was carried out by Kerry Maguire of Avison Young, a RICS registered valuer.

The range of useful economic lives over which property plant and equipment are depreciated are included in note 1.13.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

*A number of items with zero net book value were decommissioned in 2021-22 following an internal review.

9 Property, plant and equipment

9.3 Property, plant and equipment - prior year

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	Group							
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2020	**72,760**	**415,104**	**1,878**	**89,270**	**99,899**	**41,630**	**2,466**	**723,008**
Additions purchased	1,435	11,852	-	32,032	33,598	11,755	29	**90,701**
Additions donated	-	-	-	-	697	-	-	**697**
Additions - equipment donated from NHSE for COVID response (non-cash)	-	-	-	-	1,430	-	-	**1,430**
Impairments charged to operating expenses	-	(64,198)	-	(2,344)		-	-	**(66,542)**
Impairments charged to the revaluation reserve	-	(10,604)	(124)	-	-	-	-	**(10,728)**
Reversal of impairments credited to operating expenses	144	(570)	-	-	-	-	-	**(426)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	15,968	1,037	21	-	-	-	-	**17,026**
Reclassifications	-	94,245	-	(94,255)	-	-	10	**-**
Disposals	-	-	-	-	(74)	-	-	**(74)**
At 31 March 2021	**90,307**	**446,866**	**1,775**	**24,703**	**135,550**	**53,385**	**2,505**	**755,092**
Depreciation								
At 1 April 2020	**-**	**344**	**-**	**-**	**56,811**	**21,134**	**1,711**	**80,000**
Charged during the year	-	16,601	90	-	7,590	5,585	138	**30,004**
Impairments charged to operating expenses	-	(2,107)	-	-	-	-	-	**(2,107)**
Impairments charged to the revaluation reserve	-	(7,393)	(49)	-	-	-	-	**(7,442)**
Reversal of impairments credited to operating expenses	-	(935)	-	-	-	-	-	**(935)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(5,997)	(41)	-	-	-	-	**(6,038)**
Reclassifications	-	-	-	-	-	22	-	**22**
Disposals	-	-	-	-	(74)	-	-	**(74)**
At 31 March 2021	**-**	**513**	**-**	**-**	**64,327**	**26,741**	**1,849**	**93,430**
Net book value								
Owned - purchased	**61,307**	**240,836**	**1,587**	**24,243**	**61,489**	**26,494**	**523**	**416,480**
Owned - donated	**2,607**	**11,545**	**188**	**-**	**2,118**	**149**	**134**	**16,741**
On balance sheet PFI	**26,393**	**193,973**	**-**	**460**	**6,186**	**-**	**-**	**227,012**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**1,430**	**-**	**-**	**1,430**
Total at 31 March 2021	**90,307**	**446,354**	**1,775**	**24,703**	**71,223**	**26,643**	**657**	**661,663**
Revaluation reserve balance								
At 1 April 2020	**37,113**	**99,418**	**1,447**	**-**	**4,564**	**-**	**257**	**142,799**
Revaluation and indexation in year	**15,968**	**3,823**	**(13)**	**-**	**-**	**-**	**-**	**19,778**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**(4,564)**	**-**	**(257)**	**(4,821)**
At 31 March 2021	**53,081**	**103,241**	**1,434**	**-**	**-**	**-**	**-**	**157,756**

The effective date of land and building revaluation was 31 March 2021 and the valuation was carried out by an independent valuer.

The range of useful economic lives over which property plant and equipment are depreciated are included in note 1.13.
For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

9 Property, plant and equipment - continued

9.4 Property, plant and equipment - prior year

Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings	Total
	Trust							
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2020	**72,760**	**415,104**	**1,878**	**89,270**	**83,805**	**41,630**	**2,466**	**706,914**
Additions purchased	1,435	7,025	-	32,032	1,514	11,755	29	**53,790**
Additions leased		4,827			32,081			**36,908**
Additions donated	-	-	-	-	697	-	-	**697**
Additions - equipment donated from NHSE for COVID response (non-cash)	-	-	-	-	1,430	-	-	**1,430**
Impairments charged to operating expenses	-	(64,198)	-	(2,344)	-	-	-	**(66,542)**
Impairments charged to the revaluation reserve	-	(10,604)	(124)	-	-	-	-	**(10,728)**
Reversal of impairments credited to operating expenses	144	(570)	-	-	-	-	-	**(426)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	15,968	1,037	21	-	-	-	-	**17,026**
Reclassifications	-	94,245	-	(94,255)	-	-	10	**-**
Transfers to/from assets held for sale and assets in disposal groups	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	(74)	-	-	**(74)**
At 31 March 2021	**90,307**	**446,866**	**1,775**	**24,703**	**119,453**	**53,385**	**2,505**	**738,995**
Depreciation								
At 1 April 2020	**-**	**344**	**-**	**-**	**40,713**	**21,134**	**1,711**	**63,902**
Charged during the year	-	16,601	90	-	7,590	5,607	138	**30,026**
Impairments charged to operating expenses	-	(2,107)	-	-	-	-	-	**(2,107)**
Impairments charged to the revaluation reserve	-	(7,393)	(49)	-	-	-	-	**(7,442)**
Reversal of impairments credited to operating expenses	-	(935)	-	-	-	-	-	**(935)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(5,997)	(41)	-	-	-	-	**(6,038)**
Disposals	-	-	-	-	(74)	-	-	**(74)**
At 31 March 2021	**-**	**513**	**-**	**-**	**48,229**	**26,741**	**1,849**	**77,332**
Net book value								
Owned - purchased	**61,308**	**236,022**	**1,587**	**24,243**	**6,186**	**26,494**	**513**	**356,353**
Owned - donated	**2,607**	**11,545**	**188**	**-**	**2,118**	**149**	**144**	**16,750**
On balance sheet PFI	**26,393**	**198,788**	**-**	**460**	**61,490**	**-**	**-**	**287,130**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**1,430**	**-**	**-**	**1,430**
Total at 31 March 2021	**90,307**	**446,354**	**1,775**	**24,703**	**71,224**	**26,643**	**657**	**661,663**
Revaluation reserve balance								
At 1 April 2020	**37,113**	**99,418**	**1,447**	**-**	**4,564**	**-**	**257**	**142,799**
Revaluation and indexation in year	**15,968**	**3,823**	**(13)**	**-**		**-**	**-**	**19,778**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**(4,564)**		**(257)**	**(4,821)**
At 31 March 2021	**53,081**	**103,241**	**1,434**	**-**	**-**	**-**	**-**	**157,756**

The effective date of land and building revaluation was 31 March 2021 and the valuation was carried out by independent valuer.

The range of useful economic lives over which property plant and equipment are depreciated are included in note 1.13.

For all categories of non-property assets, the Trust considers that depreciated historical cost is an acceptable proxy for current value in existing use, as the useful economic lives used are considered to be realistic reflection of the lives of assets and the depreciation methods used reflect the consumption of the asset.

10 Investments

10.1 Subsidiary undertakings, associates and joint ventures held

The Foundation Trust's principal subsidiary undertakings, associates and joint ventures as included in its consolidated accounts are set out below.
The accounting date of the financial statements for the subsidiaries is 31 March 2022, and for the associate (Viapath), 31 December 2021.

The Trust holds a £250k investment in KCH Commercial Services Ltd.

	Country of Incorporation and Registered Office	Beneficial interest	Principal activity
Directly owned subsidiary undertakings			
KCH Commercial Services Ltd	UK	100%	Holding company
KCH Interventional Facilities Management LLP *	UK	100%	Interventional Facilities Management
Indirectly owned subsidiary undertakings			
KCH Management Ltd	UK	100%	Healthcare services
Associates			
Viapath Group LLP (Viapath)	UK	24.5%	Healthcare services
MedTech Innovations Ltd	UK	30%	Healthcare technology
Joint operations			
NIHR/Wellcome Trust Clinical Research Facility (CRF) **	UK		
Equity		35%	Research
Constructions		54%	Research
Other investments			
King's Fertility Limited	UK	10%	Healthcare services

* KCH Interventional Facilities Management LLP (KIFM) is a limited liability partnership between King's College Hospital NHS Foundation Trust (90%) and KCH Commercial Services Ltd (10%). KIFM started trading on 1 July 2016 and was set up to provide an efficient transformation and procurement service to the Trust. The income, expenses, assets, liabilities, equity and reserves of KIFM have been consolidated in full into the appropriate financial statement lines.
** The Foundation Trust entered into a joint operation with King's College London and South London and Maudsley NHS Foundation Trust for the construction and use of premises known as the NIHR/Wellcome Trust Clinical Research Facility, which opened in November 2012.
The Foundation Trust has capitalised 54% of the cost of the building, and equipment assets therein based on the construction proportion. The Foundation Trust recognises 35% of revenue and expenditure generated by the facility, based on the equity proportion as stipulated in the Collaboration Agreement.

MedTech Innovations Ltd is a joint venture with GSTT NHS FT and King's College London. The Trust has a 30% ownership share in this company.

10.2 Carrying value of associates

	2021-22	2020-21
Group		
	£000	£000
Balance at 1 April	**4,135**	4,949
Acquisitions in year	**900**	5,725
Share of profit	**78**	2,438
Impairments	**-**	-
Disbursements/dividends received	**-**	(3,500)
Disposals	**-**	(5,477)
Balance at 31 March	**5,113**	4,135

The balance includes investment of £1,125k in MedTech Innovations Ltd. The remainder of the balance relates to Viapath, which provides critical pathology services to the Trust.

Investments in Viapath and MedTech Innovations are held by the Trust's subsidiary KCH Commercial Services Ltd.

10.3 Value of associates

	2021-22	2020-21
	Viapath	Viapath
	£000	£000
Total gross assets of the entity as at 31 March	**149,900**	71,903
Total gross liabilities of the entity as at 31 March	**(129,300)**	(55,516)
Total revenues for the year ending 31 March	**171,700**	135,900
Profit for the year ending 31 March	**12,000**	6,663

The above figures are estimates based on the Viapath annual accounts for the year ended 31 December 2021.
Figures from the Viapath year end are used as there is not expected to be a material difference in position between the two year end dates.

10.4 Carrying value of other investments

	Group		**Trust**	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
	£000	£000	**£000**	£000
King's Fertility Limited	**335**	335	**335**	335
Other financial assets*	**2,000**	2,279	**-**	-
	2,335	2,614	**335**	335

*Other financial assets relates to a PIK note held by KCH Management Ltd

11 Inventories

11 Inventories - current year

	Group			
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Total £000
At 1 April 2021	**8,916**	**13,459**	**-**	**22,375**
Additions	**189,998**	**96,262**	**-**	**286,260**
Additions donated	**-**	**-**	**4,527**	**4,527**
Inventories consumed and expensed	**(190,142)**	**(96,515)**	**(4,527)**	**(291,184)**
Write down of inventories	**(243)**	**-**	**-**	**(243)**
At 31 March 2022	**8,529**	**13,206**	**-**	**21,735**

Inventories - current year

	Trust			
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Total £000
At 1 April 2021	**7,603**	**381**	**-**	**7,984**
Additions	**189,505**	**36,344**	**4,527**	**230,376**
Inventories consumed and expensed	**(189,582)**	**(36,323)**	**(4,527)**	**(230,432)**
At 31 March 2022	**7,526**	**402**	**-**	**7,928**

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 2021/22 the Trust received £4.5m of items purchased by DHSC.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income. No material balance of centrally issued stock was held by the Trust as at the balance sheet date.

11 Inventories - prior year

	Group				
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Energy £000	Total £000
At 1 April 2020	9,015	11,147	-	-	20,162
Additions	177,126	96,907	-	-	274,033
Additions donated	-	-	13,366	-	13,366
Inventories consumed and expensed	(175,898)	(94,595)	(13,366)	-	(283,859)
Write down of inventories	(1,327)	-	-	-	(1,327)
At 31 March 2021	8,916	13,459	-	-	22,375

Inventories - prior year

	Trust				
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Energy £000	Total £000
At 1 April 2020	7,414	430	-	-	7,844
Additions	158,754	17,478	13,366	-	189,598
Inventories consumed and expensed	(158,565)	(17,527)	(13,366)	-	(189,458)
At 31 March 2021	7,603	381	-	-	7,984

Opening balances were qualified in 2019-20, as stock takes could not be performed. In 2020-21 all required stock takes were undertaken, with auditors attending virtually where required.

12 Trade and other receivables

12 Trade and other receivables

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Current				
Contract receivables	**65,317**	65,852	**60,980**	63,818
Allowance for impaired contract receivables / assets	**(10,888)**	(13,472)	**(10,675)**	(13,443)
Deposits and advances	**503**	429	**503**	429
Prepayments (non-PFI)	**7,908**	8,134	**5,842**	6,652
PDC dividend receivable	**-**	3,168	**-**	3,168
VAT receivable	**12,299**	17,388	**14,540**	14,358
Other receivables due from subsidiaries	**-**	-	**2,854**	8,662
Clinician pension tax provision reimbursement funding from NHSE	**118**	-	**118**	-
Other receivables	**342**	6,268	**343**	6,260
Total current receivables	**75,599**	87,766	**74,504**	89,904
Non-current				
Contract receivables	**12,352**	10,053	**11,520**	1,607
Other receivables due from subsidiaries	**-**	-	**73,781**	63,707
Clinician pension tax provision reimbursement funding from NHSE	**2,201**	-	**2,201**	-
Other Receivables	**7,783**	-	**-**	-
Total non-current receivables	**22,336**	10,053	**87,502**	65,314
Total	**97,935**	97,819	**162,006**	155,218
Of which are receivable from NHS and DHSC group bodies:				
Current	**21,049**	31,090	**21,049**	31,090
Non-current	**2,201**	-	**2,201**	-

The majority of trade is with NHS England and Clinical Commissioning Groups. As these bodies are funded by the UK Government to buy NHS patient care services, no credit scoring of them is considered necessary.
The largest outstanding debtor at 31 March 2022 was Solutions Asset Finance totalling £14.460m (2021: King's College London - £7.490m).

12 Allowances for credit losses - 2021/2022

	Group		Trust	
	Contract receivables £000	**All other receivables £000**	**Contract receivables £000**	**All other receivables £000**
Allowances as at 1 Apr 2021 - brought forward	**13,472**	**-**	**13,443**	**-**
New allowances arising	3,989	-	3,777	-
Reversals of allowances	(1,685)	-	(1,656)	-
Utilisation of allowances (write offs)	(4,888)	-	(4,888)	-
Allowances as at 31 Mar 2022	**10,888**	**-**	**10,676**	**-**

Allowances for credit losses - 2020/2021

	Group		Trust	
	Contract receivables £000	**All other receivables £000**	**Contract receivables £000**	**All other receivables £000**
Allowances as at 1 Apr 2020	**13,579**	**-**	**13,560**	-
New allowances arising	6,592	-	6,582	-
Reversals of allowances	(1,942)	-	(1,942)	-
Utilisation of allowances (write offs)	(4,757)	-	(4,757)	-
Allowances as at 31 Mar 2021	**13,472**	**-**	**13,443**	**-**

13 Cash and cash equivalents

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Opening balance	**143,867**	59,871	**122,219**	50,586
Net change in year	**(50,876)**	83,996	**(52,326)**	71,633
Closing balance	**92,991**	143,867	**69,893**	122,219
Made up of				
Cash with Government Banking Service	**77,295**	127,956	**59,637**	113,699
Commercial banks and cash in hand	**15,696**	15,911	**10,256**	8,520
Cash and cash equivalents as in statement of financial position	**92,991**	143,867	**69,893**	122,219
Patients' money held by the Foundation Trust, not included above	**13**	14	**13**	14

14 Trade and other payables

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Current				
Trade payables	**55,933**	61,775	**44,089**	55,065
Capital payables	**5,608**	15,315	**5,610**	14,845
Accruals	**93,571**	114,350	**93,431**	94,031
Receipts in advance	**1,022**	916	**1,022**	915
Social security costs	**9,887**	9,429	**9,872**	9,430
Other taxes payable	**9,805**	9,434	**9,284**	8,759
PDC Dividend Payable	**825**	-	**825**	-
Other payables	**12,518**	11,494	**11,480**	10,367
Total	**189,168**	222,714	**175,613**	193,412
Of which are payable to NHS and DHSC group bodies:				
Current	**24,032**	17,398	**24,032**	17,398

All trade and other payables are current; there are no non-current balances.

15 Other liabilities - Deferred income

	Group and Trust	
	31 March 2022 £000	31 March 2021 £000
Current		
Deferred income	**15,641**	13,317
Total	**15,641**	13,317

All deferred income is current; there are no non-current balances.
£133k of the deferred income is held by the subsidiary, KCH Management Ltd.

16 Borrowings

	Group		Trust	
	31 March 2022	31 March 2021	**31 March 2022**	31 March 2021
Current	**£000**	£000	**£000**	£000
Loans from DHSC				
Capital loans	**3,734**	3,769	**3,734**	3,768
Other loans	**844**	845	**640**	640
Obligations under finance leases	**-**	-	**7,900**	7,900
Obligations under PFI contracts	**5,765**	5,358	**5,765**	5,358
Total current borrowings	**10,343**	9,972	**18,039**	17,666
Non-current				
Loans from DHSC				
Capital loans	**40,251**	43,669	**40,251**	43,669
Other loans	**2,697**	3,527	**2,562**	3,203
Obligations under finance leases	**-**	-	**51,220**	52,218
Obligations under PFI contracts	**136,497**	136,467	**136,497**	136,468
Total non-current borrowings	**179,445**	183,663	**230,530**	235,558
Total	**189,788**	193,635	**248,569**	253,224

16.1 Reconciliation of liabilities arising from financing activities

Group	**Loans from DHSC**	**Other loans**	**PFI and LIFT schemes**	**Finance Leases**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Carrying value at 1 April 2021	**47,438**	**4,372**	**141,825**	-	**193,635**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,418)	(845)	(5,302)	-	**(9,565)**
Financing cash flows - payments of interest	(1,224)	(86)	(15,716)	-	**(17,026)**
Non-cash movements:					
Additions	-	-	902	-	**902**
Interest charge arising in year	1,189	100	15,716	-	**17,005**
Other Changes	-	-	4,837	-	**4,837**
Carrying value at 31 March 2022	**43,985**	**3,541**	**142,262**	**-**	**189,788**

Trust	**Loans from DHSC**	**Other loans**	**PFI and LIFT schemes**	**Finance Leases**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Carrying value at 1 April 2021	**47,438**	**3,843**	**141,825**	**60,118**	**253,224**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,418)	(641)	(5,302)	(4,713)	**(14,074)**
Financing cash flows - payments of interest	(1,224)	(73)	(15,716)	(130)	**(17,143)**
Non-cash movements:					
Additions	-	-	902	-	**902**
Interest charge arising in year	1,189	73	15,716	130	**17,108**
Other Changes	-	-	4,837	3,715	**8,552**
Carrying value at 31 March 2022	**43,985**	**3,202**	**142,262**	**59,120**	**248,569**

17 Finance lease obligations

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	**31 March 2022 £000**	31 March 2021 £000
Gross lease liabilities	**-**	-	**60,747**	61,881
Of which liabilities are due:				
- not later than one year	**-**	-	**8,926**	8,132
- later than one year and not later than five years	**-**	-	**31,960**	35,323
- later than five years	**-**	-	**19,861**	18,173
Total	**-**	-	**60,747**	61,628
Finance charges allocated to future periods		-	**(1,626)**	(1,510)
Net lease liabilities	**-**	-	**59,121**	60,118
Of which liabilities are due:				
- not later than one year	**-**	-	**8,687**	7,900
- later than one year and not later than five years	**-**	-	**31,105**	34,495
- later than five years	**-**	-	**19,329**	17,723
Total	**-**	-	**59,121**	60,118

The Group holds no external finance leases. The Trust leases clinical equipment and 1 modular building from its subsidiary, KFM on a finance lease basis.

18 Provisions

18.1 Provisions - current year

Group	**Pensions: Early Departure costs £000**	**Pensions: Injury benefits * £000**	**Legal claims £000**	**Other £000**	**Clinicians' Pension Provision £000**	**Total £000**
At 1 April 2021	4,344	213	150	1,230	-	**5,937**
Arising during the year	-	-	87	75	2,319	**2,481**
Utilised during the year - cash	(660)	(60)	(5)	(291)	-	**(1,016)**
Reversed unused	(176)	-	(77)	(196)	-	**(449)**
Change in discount rate	127	9	-	-	-	**136**
Unwinding of discount	(33)	3	-	-	-	**(30)**
At 31 March 2022	**3,602**	**165**	**155**	**818**	**2,319**	**7,059**
Expected timing of cash flows:						
No later than one year	655	67	155	818	118	**1,813**
Later than one year and not later than five years	2,251	98	-	-	2,201	**4,550**
Later than five years	696	-	-	-	-	**696**
Total	**3,602**	**165**	**155**	**818**	**2,319**	**7,059**

Provisions of £75k are held by the KCH Management Ltd. All other provisions relate to the Trust.

The timing of the provisions cash flow represents our best estimate of future liabilities based on available input from NHS professionals in the respective areas.

"Other provisions" relates to provisions raised against the cost of defending and settling legal disputes

18.2 Provisions - prior year

Group	**Pensions: Early Departure £000**	**Pensions: Injury benefits* £000**	**Legal claims £000**	**Other £000**	**Clinicians' Pension Provision £000**	**Total £000**
At 1 April 2020	4,252	267	150	8,560	-	13,229
Arising during the year	-	-	-	551	-	551
Utilised during the year - cash	(681)	-	-	(7,881)	-	(8,562)
Utilised during the year - accruals	-	(50)	-	-	-	(50)
Reversed unused	-	-	-	-	-	-
Change in discount rate	794	-	-	-	-	794
Unwinding of discount	(21)	(4)	-	-	-	(25)
At 31 March 2021	4,344	213	150	1,230	-	5,937
Expected timing of cash flows:						
No later than one year	680	54	150	1,230	-	2,114
Later than one year and not later than five years	2,720	155	-	-	-	2,875
Later than five years	944	4	-	-	-	948
Total	4,344	213	150	1,230	-	5,937

All provisions relate to the Trust.

The timing of the provisions cash flow represents our best estimate of future liabilities based on available input from NHS professionals in the respective areas.

18.3 Provisions - further information

Clinical negligence

£928.729m (31 March 2021: £605.053m) is included in the provisions of the NHS Resolution at 31 March 2022, in respect of the estimated clinical negligence liabilities and existing liabilities of the Foundation Trust. As such, no provision is included in the Trust's accounts. NHS Resolution took over responsibility for unsettled clinical negligence claims for 1 April 2000, financial responsibility for all other clinical negligence claims transferred on 1 April 2002.

Pensions

The measure of the Foundation Trust's pension liability for early retired staff was recalculated in 2012-13, using the Office for National Statistics life expectancy tables. Expected future cash flows have been discounted using the real discount rate of (0.95%) (202021: (0.50%)) (set by HM Treasury) to determine the full liability.

Legal claims

The provision is based upon information provided by the NHS Resolution and refers to non-clinical claims against the Foundation Trust (e.g. public and employer's liability cases).

Other

The Foundation Trust has provided £0.466m (31 March 2021: £0.756m) for outstanding Employment Tribunal cases and associated legal fees. A further provision has been provided for the costs of defending and settling legal claims.

19 Contingencies

	Group and Trust	
	31 March 2022	31 March 2021
	£000	£000
Contingent liabilities		
Non-clinical legal claims	**(86)**	(64)

The above contingencies refer to non-clinical legal claims, dealt with by the NHS Resolution on behalf of the Foundation Trust. This represents our best estimate of future liabilities based on available input from NHS professionals in the respective areas.

The Foundation Trust has no contingent assets.

20 Contracted capital commitments

	Group and Trust	
	31 March 2022	31 March 2021
	£000	£000
Property, plant and equipment	**13,375**	16,211

Capital commitments includes £8m in respect of the second phase of CCU development and £3m on the PRUH car park project.

21 Revaluation reserve

Group and Trust		**31 March 2022**	31 March 2021
	Property, plant and equipment	**Total**	Total
	£000	**£000**	£000
At 1 April 2021	**157,756**	**157,756**	142,846
Net impairments	**(2,352)**	**(2,352)**	(3,286)
Revaluations	**55,809**	**55,809**	23,064
Transfer to I&E reserve	**-**	**-**	(4,868)
At 31 March 2022	**211,213**	**211,213**	157,756

22 On-SoFP PFI arrangements

22.1 The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	Group and Trust 31 March 2022 £000	31 March 2021 £000
Gross PFI liabilities	**301,664**	321,066
Of which liabilities are due:		
- not later than one year	**21,018**	21,019
- later than one year and not later than five years	**80,384**	81,008
- later than five years	**200,262**	219,039
Total	**301,664**	321,066
Finance charges allocated to future periods	**(159,402)**	(179,241)
Net PFI liabilities	**142,262**	141,825
Of which liabilities are due:		
- not later than one year	**5,765**	5,358
- later than one year and not later than five years	**23,179**	17,722
- later than five years	**113,318**	118,745
Total	**142,262**	141,825

22.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	Group and Trust 31 March 2022 £000	31 March 2021 £000
Total future payments committed of which will fall due:		
- not later than one year	**95,642**	82,916
- later than one year and not later than five years	**405,879**	348,610
- later than five years	**1,297,744**	1,186,338
Total	**1,799,265**	1,617,864

22.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group and Trust 31 March 2022 £000	31 March 2021 £000
Unitary payment payable to service concession operator (total of all schemes)	**92,679**	88,738
Consisting of:		
- Interest charge	**15,716**	16,124
- Repayment of finance lease liability	**5,302**	4,872
- Service element	**58,317**	54,414
- Revenue lifecycle maintenance	**3,264**	3,604
- Contingent rent	**10,080**	9,724
	92,679	88,738
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**6,680**	7,628
Total	**99,359**	96,366

22.4 PFI Schemes

King's College Hospital

The PFI consisted of two phases: phase 1 (construction of the new Golden Jubilee Clinical Wing) and phase 2 (refurbishment of the existing Ruskin Wing). The project enabled the centralisation of acute services on the Denmark Hill site following the transfer of services from Dulwich Hospital and Mapother House. As part of the scheme, HpC (King's College Hospital) plc also took responsibility for the provision of site-wide catering, domestic and portering services from April 2000. As a result recurrent revenue savings were achieved.

The project has been financed by a means of a wrapped, index linked bond guaranteed by MBIA-AMBAC and debt and equity capital provided by Costain, Skanska, Sodexo and Edison Capital. The contract period is 38 years. The annual payments by the Trust are dependent on availability and service quality standards being met.
The commitments above include an inflationary increase of 3.3% (2020/21: 2.29%).

Princess Royal Hospital - building PFI
Under the building PFI, United Healthcare (Bromley) Limited provided the land, building and site-wide hard and soft facilities management at the Princess Royal Hospital.
The capital funding is a combination of senior debt and equity finance. The senior debt financing was originally provided by way of loan from Commerzbank AG (and others). There was a refinancing process in 2004 which involved the issue of 3.018% index-linked guaranteed secure bonds, repayable in 66 six monthly instalments which commenced in 2004 and will end in 2036, and are subject to half yearly indexation in line with RPI.

Princess Royal Hospital - managed equipment services PFI
The MES PFI Scheme agreement dated 22 March 2002 is a 30 year PFI agreement and relates to the purchase of medical equipment, and the installation, maintenance and replacement of this and other clinical equipment. This agreement is between (1) The Trust, (2) United Healthcare (Bromley) Limited and (3) Healthsource (Bromley) Limited and commenced on the 1st of January 2003.

23 Financial instruments

23.1 Risk profile and management

Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with NHS England and clinical commissioning groups, and the way those commissioners are financed, the Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Foundation Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Foundation Trust's standing financial instructions and policies agreed by the board of directors. This treasury activity is subject to review by the internal auditor.

Currency risk

The Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Foundation Trust itself has no overseas operations and therefore has low exposure to currency rate fluctuations. The Trust's subsidiary, KCH Management Ltd, is involved in some overseas activities and is exposed to exchange rate movements on a loan held. This is an immaterial risk to the KCH group position.

Interest rate risk
44% of the Foundation Trust's financial assets and 99% of its financial liabilities carry nil or fixed rates of interest. The interest rate on cash held is 0.03%, so overall the Foundation Trust is not exposed to significant interest-rate risk. The two tables below show the interest rate profiles of the Foundation Trust's financial assets and liabilities.

Credit risk

Because the majority of the Foundation Trust's revenue comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2022 are in receivables from customers, as disclosed in the trade and other receivables note (note 12). Trade and other receivables outstanding but not past due date are considered recoverable and are not impaired. Factors determining the of impairment of trade and other receivables past due is included in note 1.21.4.

Liquidity risk

The Foundation Trust’s operating costs are incurred under contracts with clinical commissioning groups and NHS England, which are financed from resources voted annually by Parliament. The Foundation Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Foundation Trust is not, therefore, exposed to significant liquidity risks outside of the uncertainty in the funding regime. See note 1.1.

23.2 Financial assets

Group	Total £000	Floating rate £000	Fixed rate £000	Non-interest bearing £000
Gross financial assets				
at 31 March 2022	**164,768**	**92,991**	**-**	**71,777**
at 31 March 2021	215,182	143,867	-	71,315
Trust				
Gross financial assets				
at 31 March 2022	**203,817**	**69,893**	**-**	**133,924**
at 31 March 2021	253,414	122,219	-	131,195

The weighted average interest rate for total financial assets was 0.03% (2020/21: 0.01%).
The weighted average period for which fixed years was unlimited (2020-21: unlimited).
The non-interest bearing weighted average term years was nil (2020-21: nil).

23.3 Financial liabilities

Group	Total £000	Floating rate £000	Fixed rate £000	Non-interest bearing £000
Gross financial liabilities				
at 31 March 2022	**364,200**	**3,541**	**193,029**	**167,630**
at 31 March 2021	402,003	4,372	194,723	202,908
Trust				
Gross financial liabilities				
at 31 March 2022	**410,789**	**3,202**	**245,368**	**162,219**
at 31 March 2021	432,996	3,844	249,381	179,771

The weighted average interest rate for total financial liabilities was 8.37% (2020/21: 8.39%).
The weighted average period for which fixed years was unlimited (2020-21: unlimited).
The non-interest bearing weighted average term years was nil (2020-21: nil).

23.4 Carrying values of financial assets

Group

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	69,442	-	-	**69,442**
Other investments / financial assets	335	-	2,000	**2,335**
Cash and cash equivalents	92,991	-	-	**92,991**
Total at 31 March 2022	**162,768**	**-**	**2,000**	**164,768**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	68,701	-	-	**68,701**
Other investments / financial assets	335	-	2,279	**2,614**
Cash and cash equivalents	143,867	-	-	**143,867**
Total at 31 March 2021	**212,903**	**-**	**2,279**	**215,182**

Trust

Carrying values of financial assets as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	133,339	-	-	**133,339**
Other investments / financial assets	585	-	-	**585**
Cash and cash equivalents	69,893	-	-	**69,893**
Total at 31 March 2022	**203,817**	**-**	**-**	**203,817**

Carrying values of financial assets as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Trade and other receivables excluding non financial assets	130,610	-	-	**130,610**
Other investments / financial assets	585	-	-	**585**
Cash and cash equivalents	122,219	-	-	**122,219**
Total at 31 March 2021	**253,414**	**-**	**-**	**253,414**

23.5 Carrying values of financial liabilities

Group

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	43,985	-	**43,985**
Obligations under PFI, LIFT and other service concessions	142,262	-	**142,262**
Other borrowings	3,541	-	**3,541**
Trade and other payables excluding non financial liabilities	167,630	-	**167,630**
Other financial liabilities	-	-	**-**
Provisions under contract	6,782	-	**6,782**
Total at 31 March 2022	**364,200**	**-**	**364,200**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	47,438	-	**47,438**
Obligations under PFI, LIFT and other service concessions	141,825	-	**141,825**
Other borrowings	4,372	-	**4,372**
Trade and other payables excluding non financial liabilities	202,908	-	**202,908**
Other financial liabilities	-	-	**-**
Provisions under contract	5,460	-	**5,460**
Total at 31 March 2021	**402,003**	**-**	**402,003**

Trust

Carrying values of financial liabilities as at 31 March 2022	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	43,985	-	**43,985**
Obligations under finance leases	59,121	-	**59,121**
Obligations under PFI, LIFT and other service concessions	142,262	-	**142,262**
Other borrowings	3,202	-	**3,202**
Trade and other payables excluding non financial liabilities	154,610	-	**154,610**
Provisions under contract	6,707	-	**6,707**
Total at 31 March 2022	**409,887**	**-**	**409,887**

Carrying values of financial liabilities as at 31 March 2021	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Loans from the Department of Health and Social Care	47,438	-	**47,438**
Obligations under finance leases	60,118	-	**60,118**
Obligations under PFI, LIFT and other service concessions	141,825	-	**141,825**
Other borrowings	3,844	-	**3,844**
Trade and other payables excluding non financial liabilities	174,311	-	**174,311**
Provisions under contract	5,460	-	**5,460**
Total at 31 March 2021	**432,996**	**-**	**432,996**

23.6 Fair values of financial assets and liabilities

The carrying value of financial assets and liabilities is considered a reasonable approximation of their fair values.

23.7 Maturity of financial liabilities

	Group		Trust	
	31 March 2022 £000	31 March 2021 £000	31 March 2022 £000	31 March 2021 £000
In one year or less	**195,599**	235,119	**213,952**	202,098
In more than one year but not more than five years	**104,817**	101,423	**136,642**	135,490
In more than five years	**230,301**	253,618	**250,162**	271,330
Total	**530,717**	590,160	**600,756**	608,918

This analysis is based on undiscounted future cash flows i.e. gross liabilities including finance charges. The amounts of both principal and interest payments which the Trust and group are committed to make under PFI and finance lease obligations are shown in Notes 16 and 17.

24 Third party assets

At 31 March 2022, the Foundation Trust held £13,348 (31 March 2021: £13,632) cash at bank and in hand that related to monies held by the Foundation Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts.

25 Events after the reporting period

There have been no material adjusting or non-adjusting events after 31 March 2022.

26 Related parties

King's College Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health. The Department of Health and Social Care is the Trust's parent department and ultimate controlling party.

During the year, none of the Board members, the Foundation Trust's governors, members of the key management staff or parties related to them have undertaken any material transactions with the Foundation Trust.

The Department of Health and Social Care (DHSC) is regarded as a related party. During the year, the Foundation 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 entity, including CCGs, NHS Trusts and NHS England, as well as the NHS Resolution and the NHS Business Services Authority (including NHS Supply Chain). These organisations are listed below.

NHS England	South London and Maudsley NHS Foundation Trust
NHS South East London CCG	Oxleas NHS Foundation Trust
Health Education England	Department of Health and Social Care
NHS Kent and Medway CCG	NHS Hammersmith and Fulham CCG
NHS South West London CCG	NHS Central London (Westminster) CCG
Guy's & St Thomas' NHS Foundation Trust	NHS Newham CCG
NHS Surrey Heartlands CCG	Lewisham and Greenwich NHS Trust
Department for Work and Pensions	Community Health Partnerships
NHS Blood and Transplant	St George's University Hospitals NHS Foundation Trust
NHS East Sussex CCG	NHS Resolution
NHS West Sussex CCG	NHS Property Services
NHS North Central London CCG	HM Revenue & Customs
Lambeth London Borough Council	NHS Pension Scheme

Current year	**Income**	**Expenditure**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
Viapath Group LLP	11,906	88,033	2,050	7,174
Medtech	-	900	-	-

Prior year	**Income**	**Expenditure**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
Viapath Group LLP	6,311	51,059	3,244	3,222
Medtech	-	225	-	225

26.1 Related parties - Trust

In addition to the related party disclosures above, the Trust has the following transactions with its subsidiary companies:

Current year	**Income**	**Expenditure**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
King's Interventional Facilities Management	11,225	166,094	60,407	71,256
King's Commercial Services Ltd	193	-	13,177	-
KCH Management Ltd	420	500	3,300	739

Prior year	**Income**	**Expenditure**	**Receivables**	**Payables**
	£000	**£000**	**£000**	**£000**
King's Interventional Facilities Management	9,189	150,249	55,351	66,231
King's Commercial Services Ltd	95	61	13,198	91
KCH Management Ltd	-	1,224	4,070	1,665

27 Losses and special payments

Group and Trust	2021-22 Number	2021-22 Value £000	2020-21 Number	2020-21 Value £000
Losses of cash due to:				
- overpayment of salaries	**56**	**68**	78	54
Bad debts and claims abandoned in relation to:				
- private patients	**31**	**317**	40	56
- overseas visitors	**638**	**3,921**	775	3,801
- other	**27**	**0**	42	109
Stores Losses	**7**	**243**	157	1,327
Damage to buildings, property etc. due to:				
- theft, fraud etc.	**9**	**7**	8	8
Total losses	**768**	**4,556**	1,100	5,355
Special payments due to:				
Ex-gratia payments due to:				
- loss of personal effects	**14**	**10**	8	10
- overtime corrective payments *	**1**	**5**	1	399
Total special payments	**15**	**15**	9	409
Total losses and special payments	**783**	**4,571**	1,109	5,764

In 2021-22 there were nil cases where the loss or special payment exceeded £300,000 (2020-21: 0 cases).

Losses and special payments are disclosed on an accruals, rather than a cash basis, but exclude provision for future losses.

* Prior year restated to include disclosure of overtime corrective payments (Flowers Judgement) accrued in 2020-21.