King's College Hospital
NHS Foundation Trust

ANNUAL REPORT AND ACCOUNTS 2022-23

King's College Hospital NHS Foundation Trust

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

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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

I am delighted to be writing this statement for the Annual Report and Accounts, my first as Chairman here at the Trust.

I have spent the past 6 months getting to know King's, and the challenges we face – as well as the enormous potential of this superb organisation. More than anything, I have been impressed with the attitude and skill of staff I have met, and by the huge support that exists for King's amongst our stakeholders, and the diverse populations we serve.

Patients rightly expect a first-class service when they visit our hospitals – and, in many cases, we are able to provide it. Many of our services are rated highly, and across a number of our services, patient outcomes are amongst the very best, both nationally and internationally. However, we also know that we can improve in a number of areas - as the Care Quality Commission (CQC) inspection of medical wards at Orpington Hospital in 2022 demonstrated.

King's continues to be a major employer locally, and I am pleased to say we remain a significant and valued part of the communities we serve. We have committed to being an anchor organisation, and there are a number of living and practical examples of this in action - including, but not limited to, the creation of Coldharbour Works and the new King's Academy, which is helping to re-generate parts of Loughborough Junction, as well as the superb Project SEARCH initiative, which is enabling young people with learning disabilities and autism gain valuable work experience at King's College Hospital and the PRUH.

Partnership working is a crucial part of the modern NHS, and I am pleased to say that King's is continuing to establish itself as a credible, collaborative and trusted organisation within the local health economy. The most difficult challenges - including waiting list reduction, and effective management of our finances - are best solved by working together, which is I am so pleased with the work King's is doing as part of the South East London Acute Provider Collaborative, and within the South East London Integrated Care System.

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. They have continued to provide essential oversight of our efforts to ensure our teams the best possible care for the communities we serve. I am also grateful to the hundreds of volunteers who kindly donate their time to support staff support patients under our care - their contribution is invaluable.

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

Charles Alexander, CBE

PERFORMANCE REPORT

Chief Executive's Statement

I have now been Chief Executive at King's for four years, and I am more proud 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 our patients and local communities has never wavered, for which I am extremely grateful.

Whist the impact of COVID-19 has lessened, we have continued to treat an average of 157 COVID-19 positive patients per day over the past year. Since the start of the pandemic, we have admitted over 12,174 COVID-19 positive patients across our hospitals and outcomes for patients treated for COVID-19 at the Trust are amongst the very best nationally, for which our teams deserve enormous credit.

King's has continued to reduce its waiting lists, and at the end of March 2023, 13 patients were waiting longer than 18 months for treatment; with 924 patients waiting over a year, compared to 6801 at the peak of the pandemic. In short, our teams have really delivered for our patients, and whilst there is clearly more to do, a number of initiatives - including additional operating theatres at Orpington and Queen Mary's Hospitals – are helping us ensure patients get the treatment they need.

We have delivered the first full year of our five year 'Strong Roots, Global Reach' strategy, which has given shape, purpose and drive to our work as an organisation, together with our BOLD vision for the future. Our focus on supporting our **Brilliant People** saw a major milestone with the publication of our People and Culture Plan for 2022-2026, which was published during the Trust's first 'Brilliant People week' in June 2022. We have introduced some excellent initiatives to support career, personal and professional development for staff, including the launch of King's Kaleidoscope, our Trust-wide learning and development offer.

We aim to provide **Outstanding Care** at all times, and over the past year, our clinical outcomes across a range of specialities have continued to be amongst the very best nationally, and internationally. Our focus has been to prioritise service and investment plans to address the key needs of our services. This includes a multi-million pound investment in Epic, our new electronic health record, which will be launched jointly with Guy's and St Thomas' NHS Foundation Trust in October 2023

We continue to make progress in improving the experience of patients using our services. This includes the introduction of new signage, hearing loops and a wheelchair hire scheme, as well as a new Patient Entertainment System funded by King's College Hospital Charity, and a new initiative to improve how we look after patients' belongings when they are in hospital.

Unfortunately, we have not delivered the improvements we needed to in some areas, such as timely access to emergency care. However, we recognise the importance of delivering improvements in this area, and we have worked with London Ambulance Service to ensure

that patients are transferred promptly when they arrive at the hospital, and have introduced a number of initiatives aimed at improving patient flow through our hospitals.

As **Leaders in Research, Innovation and Education**, we have continued to develop and deliver world-class research, innovation and education - providing the best teaching, and bringing new treatments and technologies to patients. Indeed, during 2022/23, the Trust has the highest ever number of research participants recruited in a single year – 29,725.

As important, we continue our work to put **Diversity, Equality and Inclusion at the heart of everything we do**. Our staff networks are now well-established, with over 2,000 members, and in May 2022, we published our Equality, Diversity and Inclusion Roadmap, which is an important step forward for our organisation. Our internship programme for people with learning disabilities and autism at both King's College Hospital and Princess Royal University Hospital has been very successful, and I am delighted that we have been able to offer permanent roles to so many of the graduates of that programme. This has been an invaluable experience for a number of young people, whom we rightly regard as highly capable and respected colleagues.

When I arrived at King's, the Trust was in 'Financial Special Measures', and since then, the Board of Directors, and colleagues across the Trust, have worked hard to address the significant issues of concern identified, many of which dated back a number of years. This progress was recognised by NHS England in November 2022 when the Trust was moved out of System Oversight Framework (SOF) 4, and whilst we need to do further work to become financially sustainable, this was a positive and significant step forward for King's.

We also had a number of Care Quality Commission (CQC) inspections in 2022, including reviews of adult medical care across three hospital sites, maternity services at King's College Hospital and the Princess Royal University Hospital, and Child Health at King's College Hospital. The CCQ also carried out a well-led review, and upgraded the Trust's leadership arrangements from 'Requires Improvement' to 'Good', and praised the positive impact this has had on staff, and our services.

Going forward, we need to maintain and build on the progress we have made with elective recovery, whilst also continuing to innovate, and support our staff in the process. Financial sustainability remains a priority, and a challenging efficiency target has been set for 2023/24 which is a key focus for the Trust.

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 Charles Alexander, our Chairman.

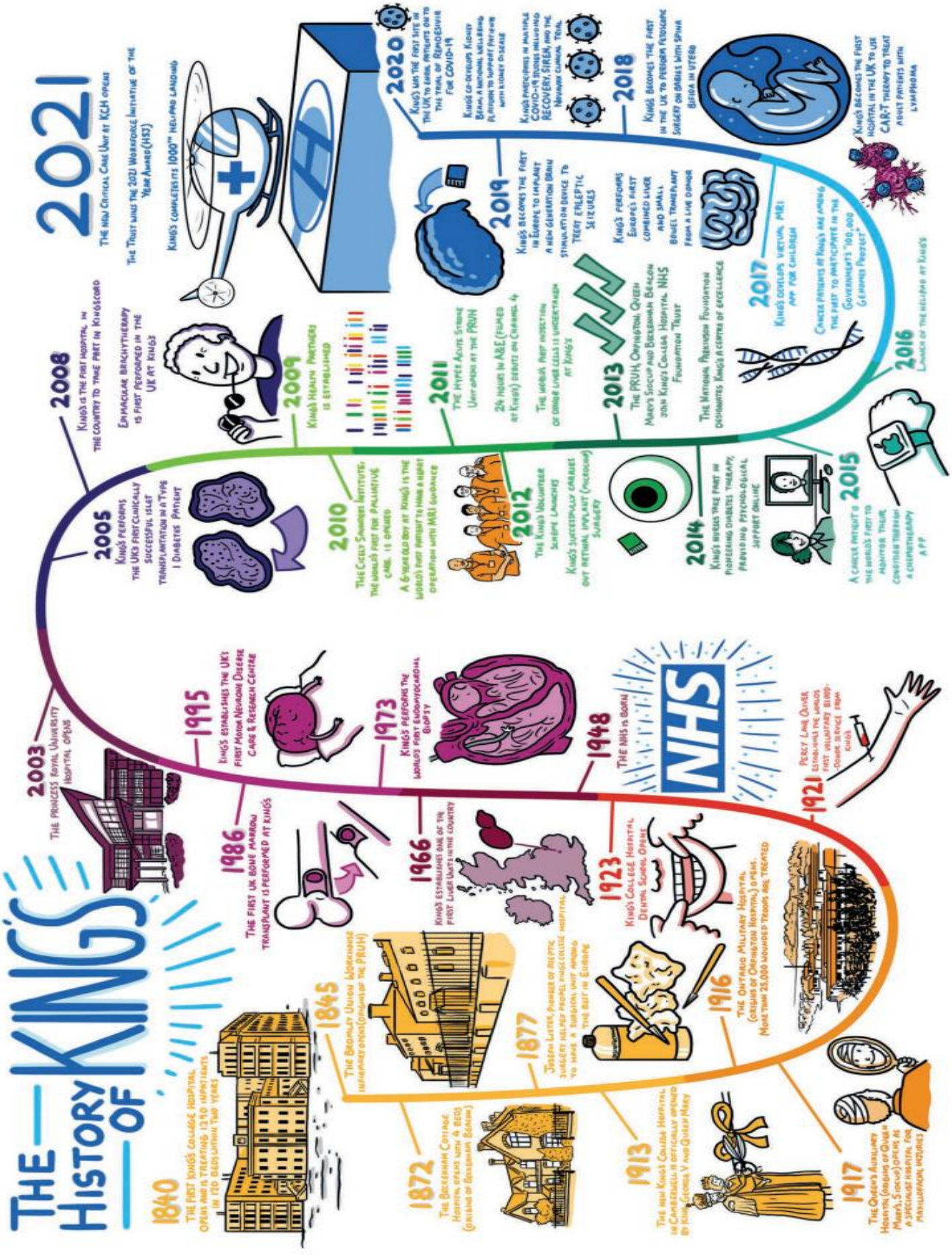
Professor Clive Kay
Chief Executive

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

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.

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. The helipad, opened in 2016, 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

The Trust operates with 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 49.

The Trust's Strategic Objectives 2022/23

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 pasionate 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 20 provides further information on how we have delivered against these objectives in 2022/23.

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 the South East London Integrated Care System that covers the London boroughs of Bexley, Bromley, Greenwich, Lambeth, Lewisham and Southwark. This comprises 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 surplus of £0.405m to the Trust in 2022/23 including income from its ownership of the Synnovis 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, an ambulatory centre 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 deficit of £0.068m 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 £10.472m from KFM for 2022/23.

PERFORMANCE ANALYSIS

Financial Performance and Sustainability

Although the Trust had agreed a break-even plan at the start of the year, this was amended part way through the year and the Trust agreed to deliver a deficit target of £19.9m. The Trust delivered an adjusted deficit of £19.963m, after removing the impact of impairments of £45m.

Liquidity and Capital

In 2022/23 the Trust drew down £20.066m of DHSC Capital Programme Allocation and £19.693m System Capital Support PDC funding against 2022/23 capital projects. Capital expenditure incurred is in line with the Trust's CDEL allowance.

Total capital expenditure in 2022/23 was £114.021m (including Right of Use Assets of £37.387m), 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. This included the new Willowfield building on the Denmark Hill site, which opened in October 2022.

Borrowings and Capital Plan

Total borrowings are £350.044m for the Trust and £290.750m for the 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 £137.425m.

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".

In applying the guidance, the Trust is not aware of any plans for services currently provided to be ceased.

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.

A Review of King's Strategic Objectives for 2022/23

The Trust published our 5-year strategy, 'Strong Roots, Global Reach' in 2021, setting out the Trust's BOLD vision with four ambitions:

- To have **Brilliant people** to attract, retain and develop passionate and talented people, creating an environment where they can thrive.
- To deliver **Outstanding Care** for our patients, their families and carers.
- **To be Leaders in Research, Innovation and Education**, we continue to develop and deliver world-class research, innovation and education - providing the best teaching, and bringing new treatments and technologies to patients
- To make King's a more inclusive place for staff and patients and to build on our commitment to put **Diversity, Equality and Inclusion at the heart of everything we do.**

The strategy marked a significant step forward in how we operate as a Trust. Placing focus on how we work in an increasingly collaborative way with our partners across the South East London Integrated Care System, and further afield, our investment in both our specialist and general hospital services, placing a greater emphasis on addressing the socio-economic determinants of health as well as the important role we play in improving the health and wellbeing of our local communities.

For the first time last year, the Trust published an Action Plan for 2022/23 setting out the 20 priority actions the organisation would focus on and deliver over the year. As of the end of the financial year, we completed 15 of these 20 priority actions, with two more to be completed in the first quarter of 2023/24 and the remaining three will be completed by the end of 2023/24.

During 2022/23, the Trust has taken huge steps towards achieving our strategic ambitions, with significant progress being made across the Trust in each of the four elements of our BOLD vision. Our focus on supporting our **Brilliant People** saw a major milestone with the publication of our People and Culture Plan for 2022-2026 which was published during the Trust's first 'Brilliant People week' in June 2022. This plan sets out the Trust's actions to attract, retain and develop passionate and talented people, and ensuring we are creating the right environment to support our people to thrive.

To support career development and personal and professional development, the People directorate launched 'King's Kaleidoscope', our new Trust-wide learning and development offer for all staff at King's. The offer includes role and subject-based education, learning forums, a modern leadership and management development pathway as well as work-based learning. So far over 2,000 of our brilliant people have engaged with the resources available.

The opening of new purpose-built wellbeing hubs at both our Denmark Hill and Orpington sites which aim to offer practical and emotional support to our staff, has been a key focus of our aim to prioritise and invest in the holistic health and wellbeing of our people. In addition, King's received full accreditation as a London Living Wage Employer this year, and the People Directorate has responded to the cost-of-living crisis by offering financial wellbeing support for staff. Our Nursing Directorate continues to develop and implement a more preventative approach to managing cases of violence and aggression towards our staff, by leading the way through trials of new bespoke preventative models.

To support our aspiration to deliver **Outstanding Care** for our patients, their families and carers, we have sought to prioritise our service and investment plans to ensure we are addressing the needs of our key services, and investing in the capacity and capability of

those specialised services where King's has a leading role in the system. This year, we have made significant progress on our major capital estates projects, with the opening of our new outpatients building (Willowfield building) on the Denmark Hill site, and the completed construction of our new Critical Care Unit, which was co-designed with patients and has private bays and space for family and loved ones. Both of these new spaces will transform the way we deliver care to patients by providing a modern and pleasant environment.

Teams across the Trust have been working incredibly hard to reduce waiting times for our patients. Because of these efforts, King's has been the best performing Trust in London in 2022/23 in terms of elective care performance and ranked the 4th best in London for our day-case rates, with waits of more than 104 weeks at the Trust eliminated from June 2022.

These efforts have been supported by the opening of a new operating theatre at Orpington Hospital in June 2022, and work with our partners across the South East London Integrated Care System, including through a High-Volume, Low Complexity plan led by the Acute Provider Collaborative. We are also ensuring we are investing in the capability to continue in these efforts, by investing in a new surgical robot, which will substantially increase our capacity to treat more patients in the coming years.

Our care must have the needs of people at its heart and we continued to make progress towards delivering a significant improvement in the experience that patients, their families and carers have across our services and sites. This year, a key area of focus has been ensuring that we deliver care that prioritises the outcomes that matter most to our patients. Our Patient Outcomes team hosted a 'What Matters Most' patient outcomes conference in September 2022, with 14 sessions, 28 speakers and nearly 400 attendees. The team are also continuing to ensure that outcomes are effectively captured within our new Epic electronic health record system from October 2023.

To continue to deliver high quality care and invest in our services and facilities, we need financial stability and sustainability as a Trust. This year marked real progress on this journey through moving out of System Oversight Framework (SOF) 4, previously known as financial special measures, a decision by NHS England that recognises significant financial improvements. We also continue to deliver on our Cost Improvement Programme, which saw savings of £38.6 million in 2022/23.

As **Leaders in Research, Innovation and Education**, we continued to develop and deliver world-class research, innovation and education - providing the best teaching, and bringing new treatments and technologies to patients. We know that better health outcomes for our communities rely on participation in our clinical research by our diverse local populations. Over 2022/23, we continue to be a top participant recruiting NHS trust to the NIHR portfolio, and at the end of the year, over 700 commercial and non-commercial research studies were open, or in follow up, exceeding the target for this year.

Ensuring we are future-focused, we continue to be a key partner in KHP Ventures, a collaboration between King's, Guy's and St Thomas' Hospital NHS Foundation Trust and King's College London, which now has a portfolio of 10 new investments across digital health, MedTech and enterprise healthcare technologies. These investments have the potential to radically improve the experience and outcomes of our patients.

The forthcoming launch of our new single accessible and reliable integrated electronic health record system (Epic) in collaboration with our colleagues at Guy's and St Thomas' NHS Foundation Trust has been a key area of focus. Ensuring we are on track for the joint launch later in 2023, the Apollo team has recruited over 1,800 digital champions have been recruited across the Trust to ensure that staff are supported through the 'Go-Live' process.

As a teaching trust, we are committed to promoting a culture of lifelong learning. To ensure we are creating an environment where our nurses, midwives and allied health professionals can flourish, we are excited for the imminent launch of our new King's Academy for Nurses, Midwives and Allied Health Professionals in July 2023. This is a new state-of-the-art education and training academy ready that will deliver in-person and online training and education opportunities for our staff as well as NHS staff from other Trusts and international nurses and organisations.

Through the publication of our Roadmap to Inclusion (2022-2024) in May 2022, the Trust set out our plans to make King's a more inclusive place for staff and patients and to build on our commitment to put **Diversity, Equality and Inclusion at the heart of everything we do.**

The Roadmap to Inclusion makes equality, diversity and inclusion (EDI) training a priority. This year the EDI team has launched new Active Bystander training, ensuring our people feel equipped to deal with incidents of discrimination, and to support a culture that is wholly supportive of equal opportunities and cultural differences, and stands resolutely against discrimination. Over 1,400 members of staff (10% of King's workforce) have now completed this training. In September 2022, a new reciprocal mentoring programme was launched at the Trust, enabling staff to learn about the lived experiences of colleagues with different protected characteristics, regardless of their background, job, band or department.

Our staff networks provide leadership and advocate for their members, strengthening the culture of inclusion at the Trust. Our staff networks have over 2,000 members. This year saw the launch of two new staff networks – a Women's Network and an Inter Faith and Belief Network.

Our focus on inclusion has not been limited to our staff, this year we launched our new Trust-wide Health Inequalities programme which aims to ensure that our services are accessible and play a larger role in helping people live healthy lives. A first health inequalities showcase took place at the PRUH and Denmark Hill in March, which included the publication of a brochure that captures the projects being undertaken across the Trust to reduce health inequalities.

Performance - Core Constitutional Targets

Providing high quality care when patients most need it

The Trust's operational delivery and performance against patient access targets was impacted by the effects of the second COVID-19 wave during the first months of the financial year, following which the Trust enacted rapid recovery of elective and diagnostic activity whilst still meeting with required infection control standards in response to COVID-19.

The number of COVID-positive patients in our beds has reduced and this year we have typically been caring for on average 15 patients per day in our critical care beds and 142 patients in our General & Acute (G&A) beds. At the end of this financial year, there were 14 COVID positive patients in our critical care beds and 145 patients in our G&A beds.

As part of our on-going response to managing the unique demands of COVID, we have continued with our transformation of outpatient services by providing an increased number of non-face to face outpatient appointments via telephone as well as standardising provision of video-based appointments using one system supplier this year. Our outpatient text reminder service has been rolled out to patients attending all our hospital site clinics as well as non-

face to face appointments. This has required a complete re-build of our outpatient clinic templates for the PRUH and South Sites as well as Denmark Hill and Tessa Jowell sites which was completed by summer 2022.

The Trust's ED four-hour performance based on monthly ED Sitrep return submissions is 60.2% for the period April 2022 to March 2023, which is a reduction in performance compared to the performance level of 69.3% achieved for the same period last year.

The number of '2 week wait' (2ww) cancer referral demand received from GPs in 2022/23 has increased by 7.6% between April 2022 to March 2023 compared to the same period last year. This has included a 16% increase in Gynaecology and a 13% increase in Colorectal 2ww referrals from GPs.

Referral to Treatment (18-week) performance

Following the impact of the three COVID-19 waves and the commencement of our elective recovery programme, by March 2022 there were only 865 patients waiting over 52 weeks and 20,469 patients waiting over 18 weeks delivering Referral to Treatment (RTT) incomplete performance of 73.1%, against the 92% national target.

The cross-Trust Elective Assurance group that was setup to ensure that effective action plans were in place to recover elective activity including day case/inpatient, outpatients as well as diagnostics and planned investigation activity continues to monitor performance across RTT as well as diagnostic and cancer domains. This group continues to link with the South East London Operations 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 Independent Sector and NHS mutual aid capacity to reduce the backlog of long waiting patients.

The Trust has continued with the implementation of its transformation programmes in outpatient re-design and digitisation to improve our patient's experience with the services that we provide, as well as theatre productivity improvement programmes to maximise the use of our day case and inpatient theatres and outpatient clinic throughput in-week.

The Trust has implemented an Enhanced Theatre Support Programme which focusses on providing a daily forward and retrospective view of activity and sessions through all our theatre complexes. Targeted work is also underway across all our sites to improve pre-operative assessment capacity and throughput. An external support company has also been engaged to complete a period of triaging patients and completion of documentation updates from January 2023.

As part of our on-going elective recovery programme, the Trust continues to use two new operating theatres at Queen Mary's Hospital Sidcup to support our efforts in reducing waiting lists from patients undergoing routine procedures. These theatres are being used collaboratively by all 3 SEL Acute Trusts to carry out high volume, low volume complexity procedures.

A new operating theatre and recovery suite was also opened at Orpington Hospital which enables additional orthopaedic procedures to be performed, benefiting patients locally as well as patients living across South East London.

By the end of March 2023 the number of 52 week waiters had reduced by 74 cases (8.6%) this financial year to 791 patients, as we have seen the number of 52 week waiters increase in Q4 from January onwards this year. RTT incomplete performance has fluctuated throughout the year but has improved to 72.6% by March 2023, set against a PTL size of 82,385 waiters.

Cancer treatment targets

2ww GP referral demand for suspected cancer has increased by 7.6% for April 2022 to March 2023 compared to the same period in 2021/22. There has been an increase of over 1,300 referrals in Colorectal Surgery which equates to a 13.2% referral increase. Despite this referral increase compliance against the cancer 2 week wait GP referral 93% target has been maintained throughout the year apart from June 2022 and March 2023. Performance has typically exceeded 95.1% in most months but performance in March 2023 has reduced below national standards to 90.7%.

The Trust has not met the 62-day GP referral to treatment standard during 2022-23, reporting an average monthly performance of 64.6% compared to the national 85% target. Performance improved in the last three months of the year, reaching 68.5% for March 2023.

The 62-day PTL backlog reduction had broadly tracked to plan throughout the year until December 2022, but has ended approximately 15% behind trajectory by March 2023. The impact of industrial action during Q4 has contributed to this year-end position. Nevertheless, the Trust benchmarks favourably against the national position.

Except for September 2022, the Trust has exceeded the new 75% national target for the 28 ‘Faster Diagnosis Standard’ for each month this year.

The Trust was successful in its bid to setup a Rapid Diagnostic Centre (RDC) which will improve both time to diagnostics and diagnosis, and this was opened in the spring of 2022.

Diagnostic waiting times

By March 2023 the number of patients waiting on the diagnostic waiting list for a DM01 reportable test reduced from a prior year peak of 14,491 patients to 293 patients, and an associated performance of 97.7% of patients waiting less than 6 weeks.

At the Denmark Hill, the largest backlogs at the start of the financial year were in adult and paediatric endoscopy and cardiac echo where increased in-week and weekend outpatient capacity was implemented to reduce the number of long waiters - and cardiac MRI (Magnetic Resonance Imaging) for which an outsourcing solution was extended to ensure on-going achievement of cardiac MRI log-wait reductions.

The PRUH and South Sites has continued to achieve the national 99% target for patients waiting less than 6 weeks since March 2022 where 99.7% compliance was delivered. During 2022/23 PRUH and South Sites has maintained this compliant position, recording zero breaches in four months during the year.

Emergency Care Standard (ECS)

Achievement of the Emergency Department four-hour performance standard continues to be a challenge at both acute sites. Type 1 A&E department attendance levels for the period April 2022 to March 2023 are 4.0% higher compared to the same period last year. Type 3 Urgent Treatment Centre attendances have reduced by -1.4% for the Denmark Hill and PRUH centres for the same period.

Four-hour performance at the Denmark Hill site has also remained pressured during the year, in particular Type 1 A&E performance which has remained below 50% since June 2022.

Bed occupancy at DH has remained exceptionally high throughout the year at 96.0% based on daily Sitrep submissions. There has been a significant increase in the number of patients waiting over 12-hours for admission into beds, from 82 cases reported in March 2022 to an in-year high of 304 cases reported in December 2022 and 302 cases reported in March 2023.

The Denmark Hill clinical team worked with the EPR team during the year to replace their current Symphony A&E system with the EPR Allscripts system which better integrates clinical activity and documentation recording. The new ED system went live in July 2022.

The ED team are working to deliver improvements in time to clinician assessment across Ambulatory, Majors and SDEC (Same Day Emergency Care) for non-overnight patient cohorts and improvements in flow. The team is also working on the introduction of continuous flow model to support admitted patient pathway and reduce overcrowding.

Four-hour emergency performance at the PRUH site has been increasingly challenged during the financial year, reducing from 66.2% in March 2022 to 54.1% in December 2022. Performance has started to recover during quarter 4 of this year, reaching 61.3% by March.

Bed occupancy at PRUH has remained exceptionally high throughout the year at 98.8% based on our daily Sitrep submissions. We have seen a dramatic increase in the number of patients waiting over 12-hours for admission into beds, from 214 cases reported in March 2022 to an in-year high of 905 cases reported in December 2022 and 899 cases reported in March 2023.

The Trust has focused on reducing the number of delayed ambulance handovers. This has included work to improve flow and discharge across the Trust and with system partners through the Integrated Flow Board. In January, a ‘Star Chamber’ approach has been taken to review each workstream’s delivery against agreed plans, with increased focus on meeting trajectories in the last three months of the year.

Following a successful series of ward moves, the Trust has expanded the provision of same day emergency care (SDEC) provision as well as improving the discharge lounge area to improve discharge lounge utilisation. Work is ongoing with London Ambulance Service (LAS) to take patients directly to the Medical Assessment Unit, and the site has implemented a refined Flow Navigator role and mobilised a provision of discharge team/social care at the

front door of ED. Work is currently underway between PRUH, Greenbrooks Urgent Treatment Centre (UTC) and Oxleas to embed an enhanced assessment criteria and direct referral from UTC streaming.

Infection Prevention and Control (IPC)

The Trust continues to monitor all other instances of healthcare-associated infections as a matter of priority. In 2022/23 there were 5 cases of meticillin-resistant staphylococcus aureus (MRSA) at the Trust compared to 4 cases reported for the previous year. There were 72 cases of VRE Bacteraemia reported compared to 75 case for the previous year). There were 157 cases of E-Coli Bacteraemia against a target of 123. In 2022/23 there were 126 cases of C. difficile across the Trust. This was above the target set by the Department of Health and Social Care (DHSC) of 126, and higher than last year's incidence of 103. Monthly infection prevention and control audits undertaken to ensure that improvements are sustained and that improvements are identified early and action is taken.

COVID-19 has continued to be a priority for the Trust and IPC measures have been in place to ensure staff and patients are kept safe. Mask-wearing was required in all clinical areas during 2023-23.

Clinical Outcomes

King's continues to report good outcomes in relation to mortality. As a Trust, its mortality, as assessed using the NHS Digital Summary Hospital-level Mortality Indicator (SHMI), is 98 (Dec 21 to Nov 22) which is considered "as expected". 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, stroke, perinatal care, pneumonia, kidney dialysis, sepsis, paediatric intensive care, hip fracture, acute kidney injury, hip and knee replacements, cardiac surgery, oesophago-gastric cancer, prostate cancer, lung cancer, follicular lymphoma, intensive care, liver intensive care, 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 2022/23, 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 3 never events, 1 less than in 2021/22. There were 142 serious incidents and 434 moderate harm incidents. The process for investigating serious incidents is outlined in the Annual Governance Statement later in this report. During 2022/23, the Trust registered 850 complaints which is lower than the 1,127 complaints registered in the previous year. 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 92.4% recommendation rate in March 2023, compared to 94.6% at the end of March 2022. The average score across 2022/23 was 93.9%.

Please note from April 2022, the additional Quality Metrics nutrition, hydration and emotional support have been removed from our internal surveying programme.

- **FFT - A&E**: Overall Trust score decreased to 65.9% in March 2023, compared to 64.58% in March 2022. The average score across 2022/23 was 64.4%. A Trust-wide action plan based on the National CQC Urgent and Emergency Patient Experience Survey results was drafted, with local site action plans to complement. Patient feedback themes were sent monthly to the Site Executive at the PRUH for incorporation into staff training within the department and to identify areas for improvement.
- **FFT – Outpatients**: Trust FFT score for outpatients was 90.4% for March 2023, an improvement compared to the March 2022 score of 89.4%. The average score across 2022/23 was 90.3%. Further cross-Trust conversations have commenced around standardising patient communication within 'MyChart' as part of the Apollo programme. A joint Communications and Engagement Plan with GSTT has now been developed.
- **FFT – Maternity combined**: Overall Trust combined FFT maternity score has decreased to 86.6% in March 2023 from 87.2% in March 2022. The average score across 2022/23 was 89.0%. Feedback by SMS is collected for women across all key touchpoints: antenatal, labour and birth and community postnatal; and further work is being carried out to widen the patient sample.

Progress was made with achieving the objectives set out in the Quality Account Priorities (QAP) for 2022-23 as outlined below.

Quality Account Priority	**Objectives**	**2022-23 targets**
Patient Safety: To improve the detection of the deteriorating patient and escalation as appropriate	Achieving 60% of all unplanned critical care unit admissions from non-critical care wards of patients aged 18+, having a NEWS2 score, time of escalation and time of clinical response recorded.	Fully Achieved
	Achieving 60% of all unplanned paediatric critical care unit admissions from noncritical care paediatric wards of children up to their 16th birthday, having a Bedside Paediatric Early Warning Score (BPEWS) score, time of escalation and time of clinical response recorded.	Partially Achieved
	Achieving 60% of all unplanned maternity critical care unit admissions from the birth centres or labour wards, having a Maternity Early Warning Score (MEWS) score, time of escalation and time of clinical response recorded.	Partially Achieved
Patient Safety: Supporting Positive Behaviour to increase patient safety 'Confident, Supported, Protected'	To reduce the incidents of violence and aggression from patients, visitors and service users towards staff.	Partially Achieved
	To provide staff with the support they require to aid recovery from incidents of violence and aggression, promoting their health, well-being and safety.	Fully Achieved
	To provide an environment where all people at King's feel confident, supported and protected	Fully Achieved
Patient Experience: To improve patient experience through effective communication (2 year project)	To improve communication skills with patients and their relatives / carers through education and training.	Year 2 Objective
	To improve responsiveness to patients and their relatives / carers through answering telephone calls.	Fully Achieved
	To improve information provision to patients and their relatives / carers.	Year 2 Objective

Patient Outcomes: To improve patient outcomes in neuro and major trauma rehabilitation services (2 year project)	To clarify, define, measure and improve the outcomes that matter most to patients receiving rehabilitation following a severe head injury or major trauma through co-design with patients and their families / carers.	Partially Achieved

Improving the detection and escalation of deteriorating patients
Positive progress was made towards improving the detection of the deteriorating patient and escalating as appropriate. This was linked to the national NHS England and Improvement (NHSE/I) Commissioning for Quality and Innovation (CQUIN) goal, CCG3, recording of NEWS2 score, escalation time and response time for unplanned critical care admissions for adults. This was fully achieved with every quarterly data submission, showing sustained improvement across the Trust from April 2022 to March 2023.

The work in paediatrics, maternity and mental health has also made good progress despite not fully meeting the annual milestones as planned and the improvement work in these areas will continue into 2023/24.

Work also continues to improve compliance with our resuscitation training following the review and roll out of the training needs analysis (January 2023) and a fully established central resuscitation team with capacity to provide training to all staff. Work continues into 2023-24 with a focus on sepsis as the Patient Safety Quality Priority in response to learning from our serious incidents, inquests and feedback from the CQC.

Supporting positive behaviour to increase staff and patient safety
This priority has successfully achieved its aims after running for 2 years as a Trust priority. Staff and patient support, incident response and improvement work is now embedded in the Trust's governance process led by a multidisciplinary team.

Improve Patient Experience through effective communication
Year 1 focussed on Ophthalmology as a pilot area, with a particular focus on answering telephones as this was an area of frustration and concern for our patients. This has led to a reduction in the number of Patient Advice and Liaison Service (PALS) contacts raising concerns about inability to contact Ophthalmology over the telephone and has also led to a 10% decrease in the % of FFT feedback in ophthalmology which relates to communication. Year 2 will focus on implementing the learning from Ophthalmology as well as the other objectives in relation to co-production and communication between patients and healthcare professionals.

Improve Patient Outcomes in Neuro and Major Trauma Rehabilitation
Year 1 of the priority to improve patient outcomes in neuro and major trauma rehabilitation services focussed on literature review, focus groups, co-production and development of additional outcome questionnaires on the outcomes that matter most to patients. Patient outcomes questionnaires are now being sent to patients and Year 2 will focus on the feedback and improvement work to achieve the best possible outcome.

The objectives for each priority also includes the impact the priority has towards the implementation of our BOLD Strategy, tackling health inequalities, sustainability and mental health.

More detail on the Trust's quality priorities can be found in the Trust's 2022/23 Quality Account, published on the website.

Research and Development 2022/23

Research and Development (R&D) is a central part of the offer of care we make to patients, relatives and staff.

The Trust R&D strategy has three main aims:

Aim 1- Increase commercial and academic research activity ensuring equity of access for all patients and staff.

Aim 2 - Develop an Advanced Therapies and Biomedical Sciences

Aim 3 – Develop a Trust – wide, supportive research

The Trust annual research meeting – R&D Strategy Four Years on – will be held on 20th October 2023.

R&D remain on track to fully deliver all three aims by March 2025 – as demonstrated in some of the highlights outlined below

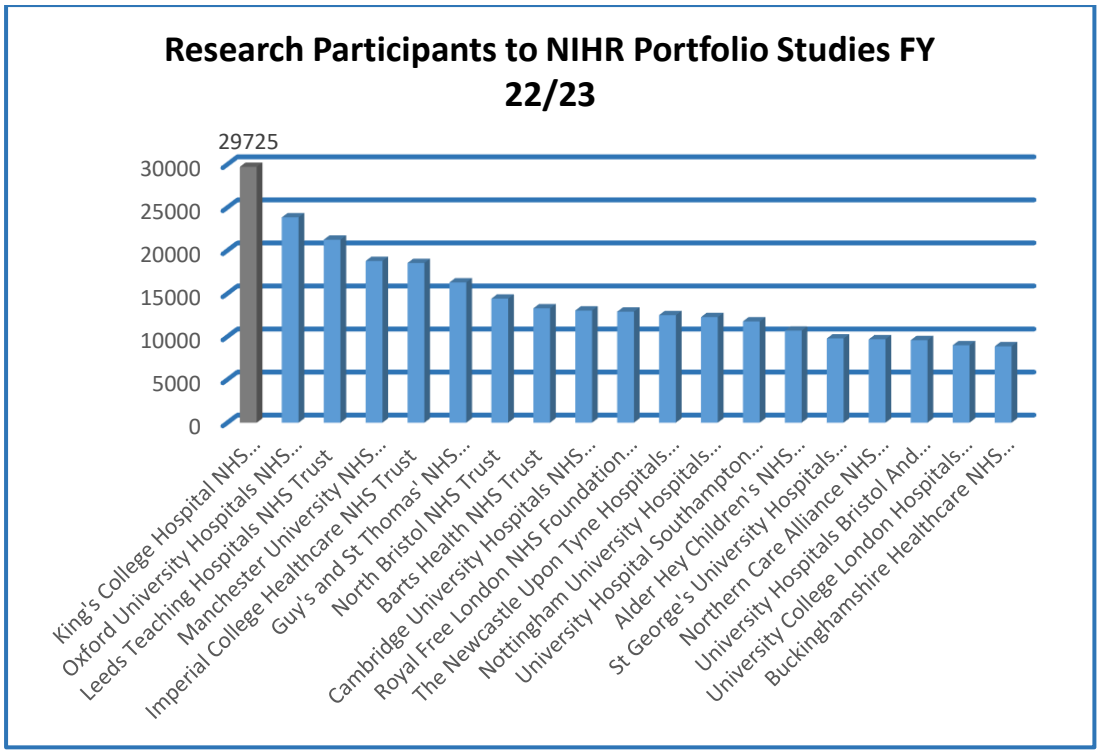
R&D Highlights 2022/23

- Novavax's Nuvaxovid vaccine, trialled at King's CRF and sites across the UK, approved for use in the UK by the MHRA.
- Consultant physiotherapist Charles Reilly was awarded a £1.2 million Fellowship Award from the NIHR for his research study: SELF Breathe.
- Prof Ray Chaudhuri was successful in being awarded Centre of Excellence Award from Parkinson's Foundation.
- Ophthalmology research team was part of group awarded £2 million from the NIHR to trial a novel therapy to delay sight loss due to glaucoma.
- Prof Anil Dhawan was successful £2.3 million MRC grant , for an in house developed advanced therapy product to use first in human.
- CRF Director Prof Peter Goadsby was awarded the global brain prize.
- The Brain Tumour Charity has presented the neuro-oncology team with an award for their dedication to treating patients with brain tumours, and their patient-focused, pioneering research.
- John Smith, Research Matron, was one of only 15 nurses in the UK accepted onto a full scholarship from the NIHR to join their Senior research Leadership Programme.

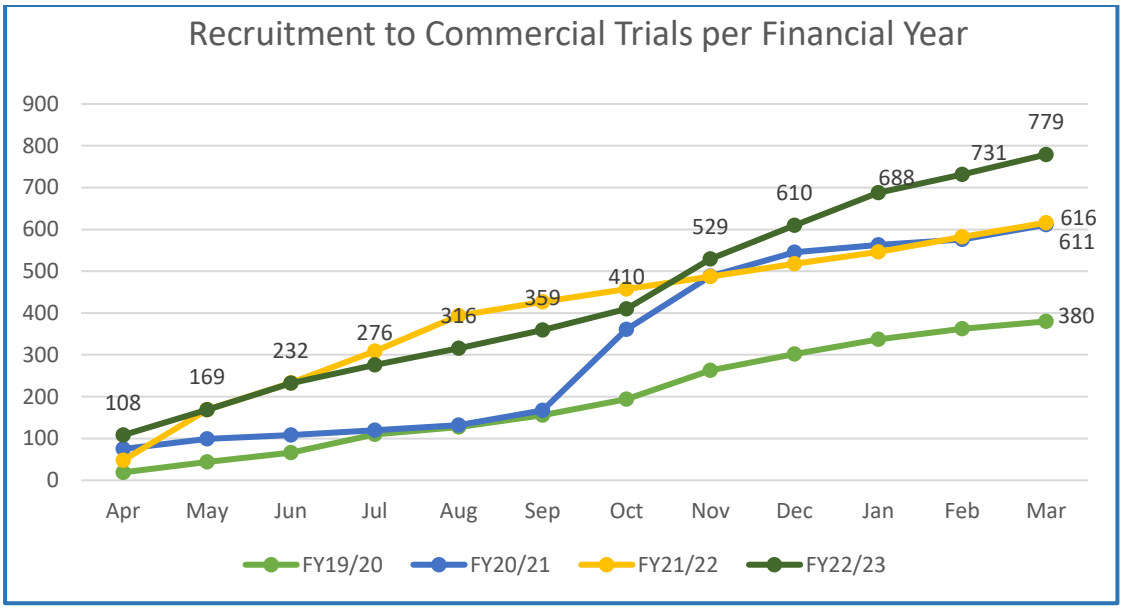
- King's researchers, led by Ammar Al-Chalabi, are part of group awarded £4.25 million to develop new treatments for Motor Neurone Disease (MND).
- Applied Research Collaborative (ARC) hosted by Kings College Hospital awarded £1.875m as part of the NIHR ARC National Priorities programme to lead a national Mental Health Implementation Network.

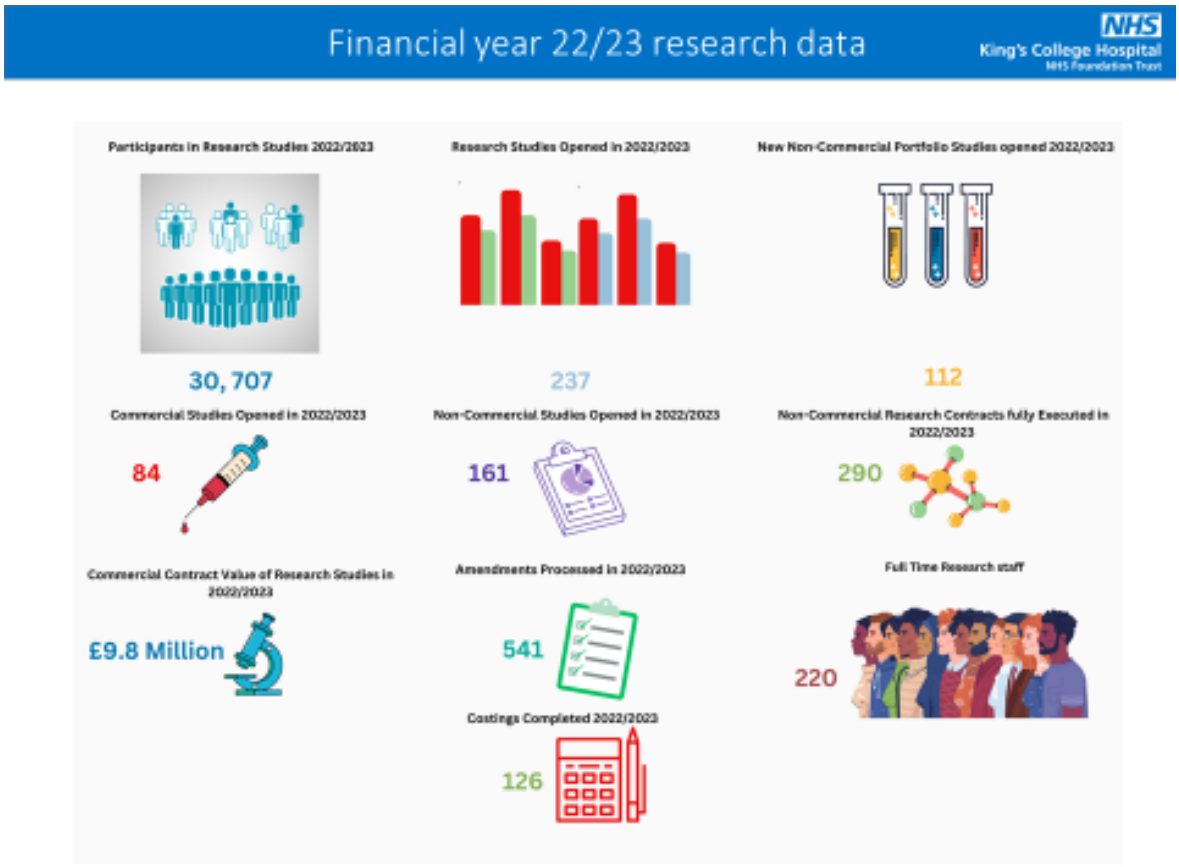
R&D Performance

Kings College Hospital has been the highest performing NHS Trust in the U.K in terms of recruitment to the NIHR portfolio of research studies during 22/23 – with the highest ever number of research participants recruited in a single year – 29,725



Kings College Hospital have also had a successful year with respect to commercial research recruiting the highest number ever annually in 2022/23





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 290 cases being raised. This is an increase of 50% compared to last year. As a consequence, during 2022/23, 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 cases raised included concerns about patient safety and quality, but the majority of cases related to bullying and harassment, micro-aggressions, poor culture and incivility.

Concerns are raised by all staff groups, with 36.2% coming from nurses, 20% from admin and clerical staff, 16% from doctors and 10% from midwifes, with the remainder coming from other staff groups. 80% of cases are raised at the Denmark Hill site, with the remainder from the PRUH and South Sites.

The FTSU Guardian has continued to deliver training to teams across all sites and is working to address barriers to speaking up. This will remain a priority for 2023/24.

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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 57.

Equality and Human Rights

Improving the delivery of services at King's and 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.

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:

- Launched the health inequalities programme at King's which aims to reduce disparities in access and outcomes. Activities include operationalising the "Vital 5" and playing our part in addressing the five common health issues across South East London (weight management, harmful drinking, smoking, high blood pressure and identifying and improving poor mental health), increasing diversity in the way that we carry out research studies and trials and developing a health inequalities dashboard to help identify where improvements are needed across our hospitals and services.
- Built community partnerships aimed at removing barriers to healthcare including mistrust of healthcare institutions. This includes working with local colleges and youth programmes.

King's Sustainable Healthcare for All

Our King's Green Plan: *Sustainable Healthcare for All* was launched in 2021, setting out our commitment to providing environmentally sustainable healthcare, a vision of where we need to be and how we plan to get there. During the second year of delivering this Green Plan, we continue to make progress towards our objectives and carbon reduction targets, harnessing collaboration and innovation to accelerate change wherever possible.

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

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

The primary goal over the five-year period covered in the King's Green Plan is to reduce the total NHS Carbon Footprint emissions by 44% by 2025/26 against a 2019/20 baseline. A 2019/20 baseline has been adopted due to improved accuracy of data compared to previous years.

<u>Summary of Sustainability Performance in 2022/23</u>

Significant work is underway regarding the decarbonisation of our estate, sustainable medicines and waste management. Our carbon footprint is reviewed and calculated every year and in 2022/23 this was equivalent to an NHS Carbon Footprint of 35,451 tonnes CO_2 and NHS Carbon Footprint Plus of 237,926 tonnes CO_2. In 2022/23, the Trust has achieved a 9% NHS Carbon Footprint reduction of 3,430 tonnes CO_2. In order to achieve the 2025/26 target, the Trust will need to reduce CO_2 emissions by 4,523 tonnes in each of the next 3 years.

Key performance updates include:

- **Energy**: A decarbonising national grid combined with energy and carbon reduction efforts across Trust sites has resulted in continued reductions in our carbon footprint from energy, with a 5% annual reduction since 2021/22.
- **Water:** Consumption and associated carbon emissions remain constant since previous reporting years.
- **Waste**: Waste volume and carbon emissions are in line with the previous reporting year, maintaining zero waste to landfill. However, the Trust has experienced a reduction in the total volume recycled (from 29% to 20% of domestic waste). This is owing to segregation issues which the Trust is working to resolve. See note 2.
- **Medical gases**: Compared to 2021/22, a 6% increase in the number of inhalers dispensed has resulted in an annual increase in related emissions of 4%. We have continued to reduce our carbon footprint from anaesthetic gases with a significant annual reduction of 28%. The Trust has dedicated eco champions focussed on carbon reduction of medical gases, and reductions are anticipated in coming years once planned interventions, e.g. inhaler education and awareness campaigns, are implemented. See note 3.
- **Travel and transport**: Since 2021/22, fleet mileage has significantly reduced with an overall fleet size reduction from 65 to 57. Business travel has increased significantly from pandemic restriction levels, which was to be expected, with an annual increase of 60%. See note 4 and 5.
- **Procurement**: Carbon emissions from procurement are based on spend data and show an annual reduction of 12%. See note 6**.**

Table 1: Summary of performance

	2019/20	2020/21	2021/22	2022/23	% change YOY	Variance from previous year
Energy Management						
Energy Expenditure (£)	6,714,940	6,554,575	6,713,553	10,854,795	↑ 62%	4,141,242
Purchased Gas (kWh)	130,609,385	132,586,057	132,154,000	121,625,966	↓ 8%	-10,528,034
Purchased Electricity (kWh)	25,934,228	25,886,666	26,002,174	27,468,180	↑ 6%	1,466,006
Exported Electricity (kWh)	8,886,585	9,955,560	8,925,859	4,908,249	↓ 45%	-4,017,610
Energy Consumption (kWh)	147,657,02	148,517,16	149,230,31	144,185,897	↓ 3%	-5,044,418
Energy Carbon Emissions (tCO_2e)	28,370	28,093	27,992	26,564	↓ 5%	-1,428
Water Management						
Water Consumption (m^3)	295,478	294,099	305,533	305,900	→ 0%	367
Water Carbon Emissions (tCO_2e)	102	101	46	46	→ 0%	0

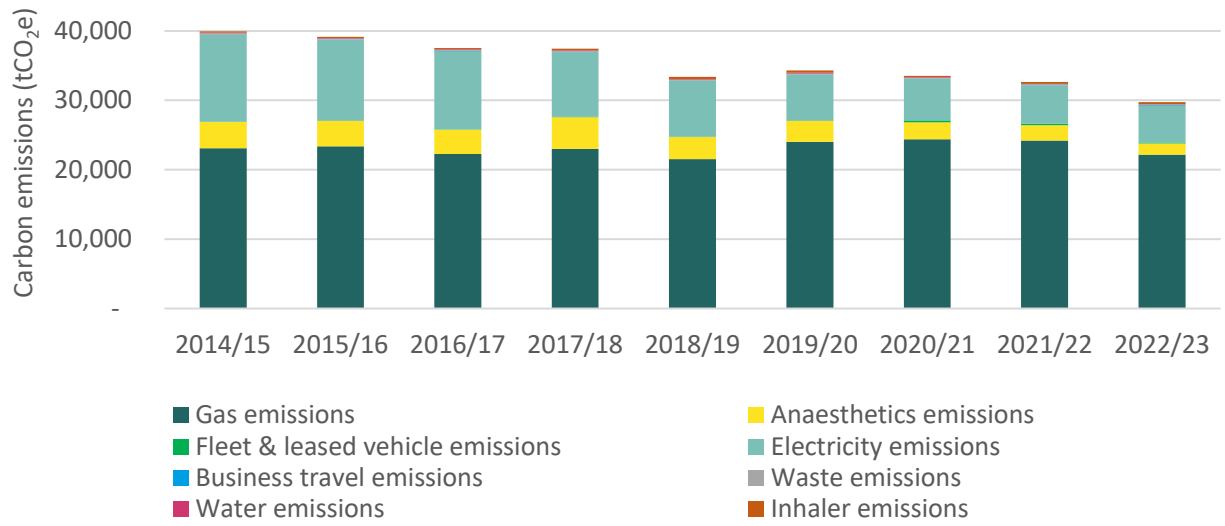
Waste Management[2]						
Waste (tonnes)	5,653	5,132	5,444	5,513	↑ 1%	69
Waste Expenditure (£)	1,850,000	1,499,492	1,728,437	2,220,809	↑ 28%	492,372
Waste Carbon Emissions (tCO_2e)	115	84	112	113	↑ 1%	1
Medical Gases						
Anaesthetic Gases (tCO_2e)	3,015	2,460	2,231	1,601	↓ 28%	-629
Inhalers (tCO_2e)[3]	329	196	272	284	↑ 4%	12
Total Medical Gases (tCO_2e)	3,344	2,656	2,502	1,885	↓ 25%	-617
Travel						
Fleet Mileage (miles)[5]	1,185,000	942,799	768,985	450,812	↓ 41%	-318,173
Fleet Carbon Emissions (tCO_2e)	30	251	187	113	↓ 40%	-74
Business Travel Mileage (miles)[4]	167,188	102,275	272,318	434,544	↑ 60%	162,225
Business Travel Carbon Emissions (tCO_2e)	49	29	49	80	↑ 63%	31
Procurement Management[6]						
Procurement Expenditure (£)	423,234,831	586,574,622	644,496,343	658,313,000	→ 2%	13,816,657
Procurement Carbon Footprint (tCO_2e)	189,117	285,722	263,696	232,167	↓ 12%	-31,529
Carbon						
NHS Carbon Footprint (tCO_2e)[1]	39,074	38,197	38,881	35,451	↓ 9%	-3,430
NHS Carbon Footprint Plus (tCO_2e)	194,917	291,304	271,843	237,926	↓ 12%	-112,203

- ***Note 1:*** *total carbon footprint from previous years has been updated to include improved business and fleet travel data.*
- ***Note 2:*** *waste figures for Denmark Hill for March 2023 have been estimated using February 2023 figures. In terms of the WEEE waste, this is not weighed at Denmark Hill but instead charged per item, therefore, WEEE waste is currently excluded from waste carbon conversions.*
- ***Note 3:*** *data for inhalers has been backdated utilising the Trust's inhaler carbon dashboard, which provided more accurate analysis of carbon footprint by inhaler type.*
- ***Note 4:*** *public transport mileage not provided. A reserve mileage rate of 28p per mile has been applied to calculate mileage from the expenses data. For car expenses, fuel type has not been provided, resulting in carbon conversion factors for average car applied. Business travel from 2021/22 and 2022/23 includes travel from Clarity (business travel agency), including international flights.*
- ***Note 5:*** *the overall fleet mileage data is significantly less than was reported in 2022, likely due to vehicle odometer readings being submitted in 2022 and not actual annual mileage.*
- ***Note 6:*** *procurement expenditure and carbon footprint data analysis use a spend data proxy and P4CR methodology provided by the Sustainable Development Unit which presents significant limitations and inaccuracies.*

Carbon footprint 2022/23

In 2022/23, King's continued to reduce emissions from buildings (gas and electricity), fleet and anaesthetic gases, but there has been an annual increase in carbon emissions from inhalers, waste, and business travel. 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.

Figure 1: Carbon reduction progress by emissions source from 2014/15 to 2022/23



Summary of key activities in 2022/23

We are proud of the progress we have made over the past year. Key highlights are provided below.

Governance: New joint Sustainability team across King's and Guy's and St Thomas', with the recruitment of an Associate Director of Sustainability.

Medical gases: The Nitrous Oxide and Entonox reduction project is working towards reducing/ eliminating wastage in terms of leakage, decommissioning manifolds and NOX returned to BOC (currently vented into the atmosphere).

- Clinical usage data has been collected at Orpington and DH so far for clinical areas that are served by piped nitrous oxide. We are continuing to collect weekly data, to help measure impact of improvements (as we move into testing ideas) across these sites.
- Installation of accessories that hold portable nitrous on all anaesthetic gas machines has begun. This has already allowed some manifolds to be reduced in size or decommissioned.
- We have carried out exposure monitoring of nitrous oxide to staff on maternity units to ensure staff are within WEL limits of nitrous oxide when working in these areas.

Climate Change Adaptation Plan has been developed.

Reduce, reuse, recycle: Plastic reduction projects in development including: 'gloves off' and a move towards reusable sharps bins.

Active/sustainable travel and transport: The offer of vehicles through the Trust salary sacrifice scheme was reduced to low emission vehicles only (up to 75g CO2/km) and 50% of new orders are for fully electric vehicles. From June 2023, the scheme will only offer fully electric vehicles and this has been communicated to staff members well in advance.
New Green Travel Plans have been developed for Denmark Hill, Orpington and the PRUH as well as one overall plan for KCH. Following extensive consultation, these will be finalised and signed off in early 2023/24.

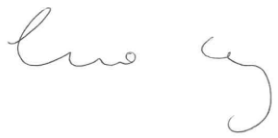
Sustainable food systems: we are making progress towards removing processed red meats from our menus.

Estates: an electrical substation has been built at the new PRUH car park to enable the installation of 82 electric vehicle charging points, which will go live in 2023/24.

Asset management and utilities: the Trust was awarded £640,000 to produce Heat Decarbonisation Plans for DH, Orpington and PRUH sites. This will assist us understand how we can plan ahead to decarbonise our buildings and work towards Net Zero Carbon.

Summary of Performance

The strategic report was approved by the Board of Directors on 27th June 2023 and signed on its behalf by:

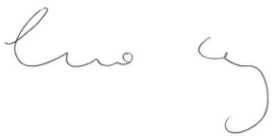


Professor Clive Kay Date: 30 June 2023
Chief Executive

Significant issues and events since the end of 2022/23

The Trust has agreed with its ICS a £49m deficit plan for 2023/24. Our external auditors have noted that it is predicated on a number of assumptions and carries a significant level of risk, including delivery of a £72m CIP programme – a number in excess of what the Trust had been able to achieve in the past. As of May 2023, the Trust has only identified circa 24% of schemes against the programme. This is considered to represent a risk to the Trust's longer-term financial sustainability, particularly in the context of increasing financial pressures across the NHS.

The performance report was approved by the Board of Directors on 27 June 2023 and signed on its behalf by:



Professor Clive Kay Date: 30 June 2023
Chief Executive

ACCOUNTABLITY REPORT 2022/23

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 50.

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 57.

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 88.

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) were undertaken by the Deputy Chair until her departure in July 2022, and are now undertaken by one of the Non-Executive Directors.. 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 2022/23, the Board of Directors comprised:

Chair	Sir Hugh Taylor (to 30th November 2022)
	Charles Alexander, CBE (from 1st December 2022)
Non-Executive Directors	Nicholas Campbell-Watts Dame Christine Beasley Professor Jonathan Cohen Professor Yvonne Doyle Akhter Mateen Sue Slipman (to 21st July 2022) Professor Richard Trembath Steve Weiner
Chief Executive Officer	Professor Clive Kay
Chief Financial Officer	Lorcan Woods
Chief People Officer	Mark Preston
Chief Nurse and Executive Director of Midwifery	Professor Nicola Ranger (to 30th November 2022)
Acting Chief Nurse and Executive Director of Midwifery	Clare Williams (from 1st Decmeber 2022)
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

Charles Alexander, CBE
Charles Alexander was been Joint Chairman for Guy's and St Thomas' and King's College Hospital NHS Foundation Trusts since December 2022. He is former Chair of both the Royal Marsden NHS Foundation Trust and the Royal Marsden Cancer Charity, roles he held between 2016 and 2022.

Charles has had a long and distinguished career working at board level across a number of different sectors, including the roles of Managing Director of International, Corporate and Project Finance at NM Rothschild, and President of GE Capital Europe. He is currently Chairman of VIVID Housing, a leading Housing Association and Housing Development Company in southern England, a role he has held since July 2021.

Charles has also served on a number of other Boards including at the English National Opera and as the Lead Non-Executive Director at the Department of Culture, Media and Sport. He is a strong supporter of the arts, and chairs The Countess of Munster Musical Trust and the musical charity Opera Rara. He spent 6 years volunteering with Trinity Hospice, providing support to patients and families at the end of life, and he was made a CBE in 2022 for his services to culture and health.

Voting Board Member. Term in Office: December 2022 to November 2026

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. She is the Board's Senior Independent Director.

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 was the NHS Medical Director for Public Health until 31st March 2023, 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. He is currently a Non-Executive Director of CABI - a not-for-profit international development organisation, a 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)

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, the Department of Health 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)

Clare Williams
Clare was appointed as the Trust's Chief Nurse and Executive Director of Midwifery on an interim basis in December 2022. As Chief Nurse, Clare has professional responsibility for nurses, midwives, and allied health professionals at the Trust. Prior to taking up her current role, Clare had been Deputy Chief Nurse at King's since May 2020, having joined the organisation from Brighton and Sussex University Hospitals NHS Trust, where she held a number of senior nursing roles. Clare has also held senior nursing roles at Frimley Health NHS Foundation Trust, mainly focussed on patient safety, patient experience, workforce, education and practice development. She has a Masters degree in Education from the University of Surrey.

Voting Board Member. Term in office: December 2022 to 31st May 2023 (temporary appointment, four 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. All Committees report regularly to the Board.

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. This was extended for a further two years during 2022/23. 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 2022, the Committee fulfilled its oversight responsibilities with regard to monitoring the integrity of the financial statements and the annual report and accounts for 2021/22 before submission to the Board and regulators.

During 2022/23 the Committee considered reports covering a variety of financial, operational and compliance matters including: data quality, risk management, information governance and the Data Security and Protection Toolkit. Some of the financial reports considered included procurement waivers and Better Payment Practice Compliance. In line with its delegated authority, the Committee provided oversight of a variety of trust-level controls, including the Standing Financial Instructions; the Board Assurance Framework; and reports on losses, special payments and write-offs.

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 2022/23 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: sickness absence and conflicts of interest.

Grant Thornton presented the Draft External Audit Report for 2021/22. 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 was chaired by Non-Executive Director Sue Slipman and was 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 local integrated care system 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. The committee was disbanded as part of a broader governance review during 2022.

Finance and Commercial Committee

The Finance and Commercial Committee is chaired by Non-Executive Director Steve Weiner 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 Cost Improvement Programme (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 the Chair of the Board of Directors, 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, integrated care systems and Acute Provider Collaborative, 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 Chair of the Board of Directors. 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 Board had planned to have an independent well-led review in late 2022, but this was superceded by a full CQC Well-Led inspection in November 2022. The CQC published their report in February 2023 and the Trust received a "Good" rating for well-led. The Trust worked 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. This culminated in a decision in November 2022, to move the Trust from segmentation 4 to Segmentation 3.

Key developments during 2022/23 include:

- Reviewing the Trust's governance structures, including the Board and it's committees, the quality governance structure and the governance framework for managing external relationships;
- Changes to the membership of the Board of Directors.
- Development and oversight of the first year delivery plan for 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
- Review of the Trust's quality governance assurance programme.

Board of Directors - Meetings, Attendance, Committee Memberships

	Board and Committee Attendance 2022/23								
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**	**6**	**1**	**5**	**5**	**3**	**4**	2	
Non-Executive Directors									
Charles Alexander (started 1 December 2022)	2	-	-	-	2	1	-		
Dame Christine Beasley*	4	-	-	-	4	3	-	1	
Professor Jon Cohen	4	6	-	-	5	3	-	2	
Professor Yvonne Doyle*	4	-	-	-	3	1	-	1	
Akhter Mateen	3	6	1	5	-	3	3	2	
Professor Richard Trembath	3	-	-	-	-	1	-	2	
Nicholas Campbell-Watts	4	-	-	-	4	3	-	2	
Steve Weiner	4	4	-	5	-	-	4	1	
Executive Directors									
Professor Clive Kay**/*** Chief Executive Officer	4	4	-	4	4	3	3		
Beverley Bryant Chief Digital Information Officer (Joint GSTT)	4	-	-	2	-	-	3		
Jonathan Lofthouse Site Chief Executive PRUH and South Sites	4	-	1	4	3	3	4		
Julie Lowe Site Chief Executive, DH	4	-	-	5	5	3	4		
Dr Leonie Penna Chief Medical Officer	4	-	-	2	5		-		
Mark Preston* Chief People Officer	4	-	1	-	5	3	-		
Claire Williams Acting Chief Nurse and Executive Director of Midwifery	1	4	-	-	2	-	-		
Lorcan Woods** Chief Financial Officer	4	6	-	5	-	3	4		

Board Members no longer in post									
Sir Hugh Taylor**/*** Trust Chair	3	1	-	2	3	2	3	2	
Sue Slipman Deputy Chair / Non-Executive Director	1	1	1	2	-	1	-	0/1	
Professor Nicola Ranger (Left 30/11/2022) Chief Nurse and Executive Director of Midwifery	3	2	1	3	4	2	-		

* 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, as well as the wider London area.

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, end of life care, the development of the Trust strategies and the Apollo programme.

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 the Chair of the Board of 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 2022-23, 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. 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.

Nominations Committee Membership 2022/23

Nominations Committee Members	Status	Constituency
Sir Hugh Taylor (to 30 November 2022) Charles Alexander CBE (from 1 December 2022)	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, 01 April 2022 –31 March 2023				
		Constituency	**Tenure**	**Meetings Attended**
Patient Governors	Deborah Johnston	Patient	15/06/2021 - 14/06/2024	5/5
	Devon Masarati	Patient	15/06/2021 - 14/06/2024	5/5
	David Tyler	Patient	15/06/2021 - 14/06/2024	1/5
	Billie McPartlan	Patient	01/12/2019 – 31/01/2026	3/5
	Adrian Winbow	Patient	15/06/2021 - 14/06/2024	0/5
	Chris Symonds	Patient	01/02/2023-31/01/2026	2/2
	Fidelia Nimmons	Patient	01/02/2023-31/01/2026	2/2
Public Governors	David Jefferys	Bromley	01/02/2020 - 31/01/2023	3/5
	Jane Clark**	Bromley	07/12/2020 - 31/01/2023	1/5
	Tony McPartlan	Bromley	01/02/2020 - 31/01/2023	3/5
	Devendar Singh Banker	Bromley	01/02/2020 - 31/01/2026	0/5
	Tony Benfield	Bromley	01/02/2023-31/01/2026	0/2
	Katie Smith	Bromley	01/02/2023-31/01/2026	0/2
	Victoria O'Connor	Bromley	01/02/2023-31/01/2026	0/2
	Jacqueline Best Vassel	SEL System	01/02/2023-31/01/2026	2/2
	Marcus Ward	Lambeth	01/12/2019 - 30/11/2022	0/5
	Emily George	Lambeth	15/06/2021 – 14/06/2024	1/5
	Rashmi Agrawal	Lambeth	15/06/2021 – 14/06/2024	3/5
	Daniel Kelly	Lambeth	15/06/2021 – 14/06/2024	2/5
	Cllr Ibtisam Adem	Lambeth	01/02/2023-31/01/2026	0/2
	Lindsay Batty Smith	Southwark	15/06/2021 – 14/06/2024	4/5
	Jane Allberry	Southwark	15/06/2021 – 14/06/2024	5/5
	Hilary Entwistle	Southwark	01/12/2019 - 30/01/2026	5/5
	Angela Buckingham	Southwark	15/06/2021 – 14/06/2024	4/5
	Susan Wise	Lewisham	01/02/2020 - 31/01/2022	0/5
Staff Governors	Tunde Joksenumi	Admin, Clerical and Management	15/06/2021 – 14/06/2024	5/5
	Aisling Considine	Allied Health Professionals	15/06/2021 – 14/06/2024	3/5
	Mike Dowling	Nurses and Midwives	01/12/2019 – 30/11/2022	3/5
	Christy Oziegbe	Nurses and Midwives	01/02/2023-31/01/2026	0/2
	Erika Grobler	Nurses and Midwives	18/11/2021 – 14/06/2024	3/5
	Akash Deep	Medical and Dentistry	15/06/2021 – 14/06/2024	0/5
Stakeholder Governors	Anne Marie Rafferty	King's College London	01/10/2019 - 30/09/2023	0/5
	Cllr Jim Dickson	Lambeth Council	22/08/2018 – 21/07/2023	5/5
	Dr Di Aitken	Lambeth CCG	28/02/2019 - 31/03/2023	0/5
	Ian Rothwell	South London and Maudsley NHS Foundation Trust	14/03/2021 - 13/03/2024	1/5
	David Morris**	Joint Staff Office	20/04/2021 – 01/06/2022	0/5
	Phidelma Lisowska**	Joint Staff Office	02/06/2022-31/05/2023	2/5
	Cllr Dora Dixon Fyle	Southwark Council	01/10/2020 – 20/09/2022	0/5
	Cllr Robert Evans	Bromley Council	20/11/2019 – 31/03/2023	3/5

****** 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 page 19.

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 November 2022. A full action plan was drafted following receipt of the report in February 2023 this was regularly reviewed by both the executive led Quality Assurance Group. During late 2022/23, an external assessment of the Board's governance was commissioned. This review resulted in a new Board Committee structure being agreed by the Board of Directors at its meeting in March 2023. The changes will be implemented during 2023/24.

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 2022/23.

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.

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

	Group 2022-23	
	Number	**£000**
Non-NHS Trade Invoices:		
Paid in the year	247,172	1,185,223
Paid within target	177,303	986,457
Percentage paid within target	71.7%	83.2%
NHS trade invoices		
Paid in the year	3,057	52,617
Paid within target	1,580	23,302
Percentage paid within target	51.7%	44.3%

Total trade invoices		
Paid in the year	250,229	1,237,840
Paid within target	178,883	1,009,759
Percentage paid within target	71.5%	81.6%

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 2022/23 improvement in payment performance at Finance & Commercial Committee. The Audit Committee has also considered the process in place to ensure compliance. Although improvements have been achieved, with the Trust significantly reducing aged creditors and 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 £64.591m and this includes the asset impairment of £45.149m. 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 deficit after adjusting for asset impairments and the impact of donated assets was £19.963m.

Because of the continuing service provider relationship that the Trust has with NHS England and ICSs, 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.

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 2022/23, no surplus was available for reinvestment.

Full details of financial performance in 2022/23, the responsibilities of the Accounting Officer and a statement from the auditors can be found in the Annual Accounts 2022/23 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 2022/23, 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). This was extended in 2022/23 to cover a further two 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 2022/23, 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.

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 88) and the 2022/23 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 2023, our patient and public membership stood at 10,501. 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 e-bulletin reaches over 4,000 members. Associate members also received regular e-bulletins during the year.

Annual Members' Meeting 2022
The Trust's Annual Members Meeting was held virtually in September 2022. The meeting included a Trust update on finance and quality, presentations from clinical staff about the approach to infection, prevention and control and improving services to patients at the PRUH. Our lead governor provided a governors' update and there was a question and answer session for members.

Member engagement in quality programmes

As the COVID-19 risk has lessened during the year, the Trust's ability to engage members in quality programmes including PLACE and nutrition audits was has improved. The Trust also continued to engage with Members through virtual meetings.

Current membership numbers:

Public constituency	**2022/23**
At year start (1 April)	7679
New members	135
Members leaving	132
At year end (31 March)	7682

Staff constituency	**2022/23**
At year start (1 April)	13,225
New members	2,362
Members leaving	2,136
At year end (31 March)	13,451

Patient constituency	**2022/23**
At year start (1 April)	2800
New members	82
Members leaving	63
At year end (31 March)	2819

2.2 REMUNERATION REPORT

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

Foreword

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. 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 paragraphs below outline the key activities of the Committee during the year.

Charles Alexander CBE, Chair of the Remuneration Committee

The Annual Statement

The following King's Executive appointments were made in 2022/23:

- Clare Williams, Interim Chief Nurse and Executive Director of Midwifery
- Siobhan Coldwell, Acting Director of Corporate Affairs
- Ellis Pullinger, Apollo SRO (role commences during 2023/24 but appointment made during 2022/23)
- Tracey Carter, Chief Nurse and Executive Director of Midwifery (role commences during 2023/24 but appointment made during 2022/23)
- Bernadette Taylor (role commences during 2023/24 but appointment made during 2022/23)

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 appraisals.

Senior Manager Remuneration Policy

There have been no changes to the Trust's remuneration policies during 2022/23. 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 pages 51/52.

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 pages 48/49 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 64-67. Note 1.8 in the annual accounts sets out accounting policies for pensions and other retirement benefits.

The Trust has taken a number of steps to ensure that the salaries for Executive Directors and Chief Officers are reasonable, especially where payment is more than £150,000. These steps include:

- Posts are evaluated using a recommended independent external agency. The Trust commissions Hays Executive to undertake this task in line with the Hays job evaluation scheme
- Hays considers a number of factors in the evaluation, comparing similar-sized Trusts and functions/complexity, factoring in the London market dimension and the relative remuneration amongst the Shelford Group, of which King's is a member. Hays provides the Trust with a salary range and recommendation
- The Remuneration and Appointments Committee agrees the salary range and benefits package before the post is advertised based on the advice from Hays Executive and market advice from the executive search organisation
- Due cognisance is given to the VSM annual pay survey, which includes executive pay levels. The post is advertised and once appointed and remuneration agreed via the Remuneration and Appointments committee, the Trust seeks guidance from NHSE to support the salary range
- The only non-cash element of the most senior managers' remuneration packages is pension-related benefits accrued during membership of the NHS Pension Scheme. Contributions into the scheme are made by both the employer and employee in accordance with the statutory regulations
- The Trust does not consult with staff on its senior staff remuneration. This is solely a matter for the Remuneration and Appointments Committee.

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 notice period in their service contract. Policy for loss of office is in line with the NHSE 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 2022/23.

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 as part of a wider review of talent management and succession.

Non-Executive Director Remuneration Framework
Remuneration for Non-Executive directors and the Chair is at a spot rate and is not pensionable. It has not been reviewed during 2022/23.

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 2022/23 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 2022/23
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.

Annual Report of the Remuneration and Appointments Committee
The membership, meetings and attendance of the Remuneration and Appointments Committee can be found on pages 48/49. The Chief Executive Officer and Chief People Officer attended the Committee for relevant agenda items but were not full members. During 2022/23, the Committee took advice from Hays and used executive search agencies to fill key posts.

The Committee took reports during the year including:

- The appointments outlined on page 59.
- The resignations of executive directors.

There have been no other major decisions on senior managers' remuneration or substantial changes relating to senior managers' remuneration in 2022/23.

The committee agreed to award senior managers a 3% pay increase, in line with the national pay award for Agenda for Change staff.

The Committee engaged the services of a recruitment company to support the recruitment of the Chief Nursing Officer and Executive Director of Midwifery, and the Director of Equality, Diversity and Inclusion. The estimated cost of these services was £67k. A process is in place to ensure the appointment of recruitment consultants complies with the Trust's procurement policy, and will invite tenders as appropriate.

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 total remuneration of the highest-paid director in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration of the employee at the 25th percentile, median and 75th percentile is further broken down to disclose the salary component.

The banded remuneration of the highest paid director in the organisation in the financial year 2022-23 was £307.5k (2021-22, £297.5k). This is a change between years of 3.4% (2021-22, 3.5%) relating to the agreed pay uplift. The highest-paid director did not receive any performance pay or bonuses in either year.

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 4.3% (2021-22, 0.4%). The percentage increase is a weighted average by payroll category (substantive 3.6%, bank 0.7% and agency 0%). In 2021-22, an underlying increase in average substantive pay costs of 3.8% was 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 2022-23 (2021-22=0). 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 2022-23 was from £20.3k to £308k (2021-22 £18.5k to £298k).

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.

	2022/2023		
	25th percentile	**Median**	**75th percentile**
Total Remuneration (£)	31,472	38,220	53,143
Salary component of total remuneration (£)	31,237	38,086	53,143
Pay ratio information	9.77 : 1	8.05 : 1	5.79 : 1

	2021/2022		
	25th percentile	Median	75th percentile
Total pay and benefits excluding pension benefits (£)	29,938	36,598	51,764
Salary component of total pay (£)	29,822	36,264	51,764
Pay ratio information	9.94 : 1	8.13 : 1	5.75 : 1

In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

The additional 2022/23 pay award has not been included in the above calculations due to the complexity of apportioning the pay award at an individual employee level in order to accurately calculate the above ratio.

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

Director and Governor Expenses

There were no governor expenses during 2022/23.

The information in this section is subject to audit.

Salary and pension entitlements of senior managers

A) Remuneration

		2022-23			2021-22		
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	25 - 30	-	25 - 30	40 - 45	-	40 - 45
Charles Alexander***	Chairman	15 - 20	-	15 - 20			
Sue Slipman	Non-Executive Director	5 - 10	-	5 - 10	25 - 30	-	25 - 30
Professor Jon Cohen	Non-Executive Director	10 - 15	-	10 - 15	10 - 15	-	10 - 15
Professor Yvonne Doyle	Non-Executive Director	10 - 15	-	10 - 15	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	10 - 15	-	10 - 15
Steve Weiner	Non-Executive Director	10 - 15	-	10 - 15	10 - 15	-	10 - 15
Dame Christine Beasley	Non-Executive Director	10 - 15	-	10 - 15	5 - 10	-	5 - 10
Executive Directors							
Professor Clive Kay	Chief Executive	305 - 310	-	305 - 310	295 - 300	-	295 - 300
Lorcan Woods	Chief Financial Officer	195 - 200	47.5 - 50.0	245 - 250	185 - 190	45.0 - 47.5	235 - 240
Dr Leonie Penna *	Chief Medical Officer	230 - 235	-	230 - 235	220 - 225	-	220 - 225
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	120 - 125	-	120 - 125	180 - 185	57.5 - 60.0	240 - 245
Clare Williams	Chief Nurse and Executive Director of Midwifery	45 - 50	32.5 - 35.0	80 - 85	-	-	-
Beverley Bryant **	Chief Digital Information Officer	150 - 155	-	150-155	145 - 150	-	145 - 150
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	175 - 180	227.5 - 230.0	400 - 405	180 - 185	300.0 - 302.5	480 - 485

Julie Lowe	Site Chief Executive (Denmark Hill)	185 - 190	70.0 - 72.5	255 - 260	180 - 185	192.5 - 195.0	375 - 380
Mark Preston	Chief People Officer	160 - 165	107.5 -110.0	270 - 275	90 - 95	132.5 - 135.0	225 - 230
Louise Clark	Acting Chief People Officer	-	-	-	60 - 65	42.5 - 45.0	105 - 110
*** Salary relating to non-managerial role**							
Dr Leonie Penna	Chief Medical Officer	155 - 160	-	155 - 160	145 - 150	-	145 - 150
**** Salary paid by Guys and St Thomas' NHS Foundation Trust**							
Beverley Bryant	Chief Digital Information Officer	240 - 245	-	240-245	230 - 235	-	230 - 235
(GSTT salary includes the recharge cost to the Trust)							
***** Salary paid by Kings College Hospital NHS Foundation Trust**							
Charles Alexander		30 - 35	-	30 - 35	-	-	-
(KCH recharges 50% of salary cost to GSTT)							

None of the Executive Director received a taxable benefit in kind in 2022/23.
None of the Directors claimed non-taxable expenses in 2022/23.
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.
The following senior managers chose not to be covered by the pension arrangements during the reporting year:

- Prof Clive Kay
- Dr Leonie Penna
- Beverley Bryant

Salary and pension entitlements of senior managers

Sir Hugh Taylor	Chair	1 April 2022 – 03 November 2022
Charles Alexander CBE	Chair	1 December 2022 – 31 March 2023
Sue Slipman	Non-Executive Director	1 April 2022 - 21 July 2022
Professor Jon Cohen	Non-Executive Director	1 April 2022 - 31 March 2023
Professor Richard Trembath	Non-Executive Director	1 April 2022 - 31 March 2023
Nicholas Campbell-Watts	Non-Executive Director	1 April 2022 - 31 March 2023
Akhter Mateen	Non-Executive Director	1 April 2022 - 31 March 2023
Professor Yvonne Doyle	Non-Executive Director	1 April 2022 - 31 March 2023
Steve Weiner	Non-Executive Director	1 April 2022 - 31 March 2023
Dame Christine Beasley	Non-Executive Director	1 April 2022 - 31 March 2023
Professor Clive Kay	Chief Executive	1 April 2022 - 31 March 2023
Lorcan Woods	Chief Financial Officer	1 April 2022 - 31 March 2023
Dr Leonie Penna	Chief Medical Officer	1 April 2022 - 31 March 2023
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	1 April 2022 – 03 November 2022
Clare Williams	Acting Chief Nurse and Executive Director of Midwifery	1 December 2022 – 31 March 2023
Beverley Bryant	Chief Digital Information Officer	1 April 2022 - 31 March 2023
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	1 April 2022 - 31 March 2023
Julie Lowe	Site Chief Executive, DH	1 April 2022 - 31 March 2023
Mark Preston	Chief People Officer	1 April 2022 - 31 March 2023

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 2023 (bands of £5,000)	Lump sum at pension age at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2022	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2023
		£000			£000	£000	£000	£000
Executive Directors								
Lorcan Woods	Chief Financial Officer	2.5 - 5.0	-	15 - 20	-	182	28	237
Professor Nicola Ranger	Chief Nurse and Executive Director of Midwifery	-	-	0 - 5	-	1,399	-	31
Clare Williams	Chief Nurse and Executive Director of Midwifery	0.0 - 2.5	-	10 - 15	-	141	-	177
Jonathan Lofthouse	Site Chief Executive (Princess Royal University Hospital and South Sites)	10.0 - 12.5	22.5 - 25.0	50 - 55	115 - 120	677	177	879
Julie Lowe	Site Chief Executive (Denmark Hill)	2.5 - 5.0	2.5 - 5.0	75 - 80	150 - 155	1,315	73	1,414
Mark Preston	Chief People Officer	5.0 - 7.5	7.5 - 10.0	55 - 60	110 - 115	993	110	1,125

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

“Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

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.

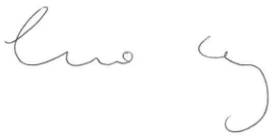
The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less, the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights. This value does 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.

Remuneration report

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

Signed:



Date: 30 June 2023

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 2022/23. 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

Average number of employees (WTE basis)

Group	Total 2022-23 No.	Permanent 2022-23 No.	Other 2022-23 No.	Total 2021-22 No.	Permanent 2021-22 No.	Other 2021-22 No.
Medical and dental	**2,444**	**982**	**1,462**	2,356	951	1,405
Ambulance staff	**-**	**-**	**-**	-	-	-
Administration and estates	**3,128**	**2,804**	**324**	2,962	2,669	294
Healthcare assistants and other support staff	**1,466**	**1,414**	**52**	1,485	1,429	55
Nursing, midwifery and health visiting staff	**4,780**	**4,486**	**294**	4,610	4,337	273
Nursing, midwifery and health visiting learners	**-**	**-**	**-**	1	-	1
Scientific, therapeutic and technical staff	**1,756**	**1,472**	**284**	1,602	1,389	213
Healthcare science staff	**305**	**251**	**54**	333	283	50
Social care staff	**19**	**16**	**3**	18	14	4
Other	**-**	**-**	**-**	-	-	-
Total average numbers	**13,898**	**11,425**	**2,473**	13,367	11,072	2,295

Staff Costs

Employee benefits	**Group**					
	2022-23			2021-22		
	Total £000	**Permanent £000**	**Other £000**	Total £000	Permanent £000	Other £000
Salaries and wages	**698,440**	**684,496**	**13,944**	639,015	629,160	9,855
Social security costs	**77,093**	**77,093**	**-**	65,104	65,104	-
Apprenticeship levy	**3,427**	**3,427**	**-**	2,818	2,818	-
Employer contributions to NHS Pensions	**78,454**	**78,454**	**-**	71,942	71,942	-
Employer contributions to NHS Pensions paid by NHS England on behalf of the Trust	**33,859**	**33,859**	**-**	31,211	31,211	-
Temporary staff (including bank and agency)	**96,512**	**-**	**96,512**	82,578	-	82,578
Total gross employee benefits	**987,785**	**877,329**	**110,456**	892,668	800,235	92,433

Recoveries from other bodies in respect of staff cost netted off expenditure	-	-	-	-	-	-
Total employee benefits	**987,785**	**877,329**	**110,456**	892,668	800,235	92,433
Of which						
Costs capitalised as part of assets	**(1,349)**	**(1,349)**	**-**	(1,124)	(1,124)	-
Total employee benefits excluding capitalised costs	**986,436**	**875,980**	**110,456**	891,544	799,111	92,433

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

Sickness Absence data

Figures Converted by DH to Best Estimates of Required Data Items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2022	**Adjusted FTE days lost to Cabinet Office definitions**	**FTE-Days Available**	**FTE-Days Lost to Sickness Absence**	**Average Sick Days per FTE**
12,923	142,468	4,717,004	231,115	11

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

Period covered: January to December 2022

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

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

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

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

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

	2021/22		2022/23	
	Headcount	%	Headcount	%
Age				
(0-16)	0	0%	0	0%
(17-21)	88	1%	129	1%
22+	13662	99%	14293	99%
Ethnicity				
White	5730	42%	5624	39%
BAME	6929	50%	7312	51%
Not declared	440	3%	699	5%
Unknown	651	5%	787	5%
Gender (All staff)				
Male	3476	25%	3596	25%
Female	10274	75%	10826	75%
Gender (Senior Managers)				
Male	33	52%	41	56%
Female	31	48%	32	44%
Gender (Board)				
Male	10	59%	10	63%
Female	7	41%	6	38%
Recorded Disability				
Yes	366	3%	421	3%
No	11268	82%	11665	81%
Not declared	1413	10%	1281	9%
Unknown	703	5%	1055	7%
Sexual Orientation				
Bisexual	173	1%	218	2%
Gay or Lesbian	383	3%	441	3%
Heterosexual	10330	75%	10739	74%
Other	6	0%	6	0.04%
I do not wish to disclose	2068	15%	2050	14%
Unknown	790	6%	968	7%
Religion				
Atheism	1511	11%	1632	11%
Buddhism	352	3%	390	3%
Christianity	6731	49%	6950	48%
Hinduism	582	4%	646	4%
Islam	863	6%	947	7%
Jainism	17	0%	21	0.1%
Judaism	40	0%	37	0.3%
Sikhism	182	1%	189	1%
Other	646	5%	621	4%
I do not wish to disclose	2034	15%	2025	14%
Unknown	792	6%	964	7%
Total Staff Numbers	**13750**		**14422**	

The information in this section is subject to audit

Exit Packages agreed in 2022-23

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000	Number of other departures agreed Number	Cost of other departures agreed £000	Total number of exit packages Number	Total cost of exit packages £000	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages £000
Less than £10,000	-	-	7	28	7	28	-	-
£10,000 - £25,000	-	-	3	40	3	40	-	-
£25,001 - £50,000	-	-	3	95	3	95	-	-
£50,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
Greater than £200,000	-	-	-	-	-	-	-	-
Total	**-**	**-**	**13**	**163**	**13**	**163**	**-**	**-**

Exit Packages agreed in 2021-22

Exit package cost band (including any special payment element)	Number of compulsory redundancies Number	Cost of compulsory redundancies £000	Number of other departures agreed Number	Cost of other departures agreed £000	Total number of exit packages Number	Total cost of exit packages £000	Number of departures where special payments have been made Number	Cost of special payment element included in exit packages £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**	**-**	**-**

Non-compulsory Departures

	Agreements Number 2022/23 No.	**Total value of agreements 2022/23 £000**	Agreements Number 2021/22 No.	Total value of agreements 2021/22 £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	**13**	**163**	26	298
Exit payments following employment tribunals or court orders	-	-	-	-
Non-contractual payments requiring HMT approval (special severance payments)*	-	-	-	-
Total	**13**	**163**	26	298
of which:				
non-contractual payments requiring HMT approval made to individuals where the payment value was more than 12 months' of their annual salary	**-**	**-**	-	-

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

Off Payroll Arrangements

Off Payroll Engagement 2022/23

For all off-payroll engagements as of 31 March 2023, for more than £245 per day and that last for longer than six months	
Number of existing engagements as of 31 March 2023	3
Of which:	
number that have existed for less than one year at time of reporting	0
number that have existed for between one and two years at time of reporting	0
number that have existed for between two and three years at time of reporting	2
number that have existed for between three and four years at time of reporting	1
number that have existed for four or more years at time of reporting	0

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023 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 2022 and 31 March 2023	3
Of which:	
number assessed as within the scope of IR35	0
number assessed as not within the scope of IR35	3
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 2022 and 31 March 2023	
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 NHSE policy on off-payroll arrangements and any highly paid appointment is subject to NHSI approval and, where necessary, Trust Board approval.

During 2022/23, 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 2022 to 31 March 2023

Relevant union officials

Number of employees who were relevant union officials during the relevant period (full time equivalent)	*Full-time equivalent employee number*
36	33.68

Percentage of time spent on facility time

Percentage of time	*Number of employees*
0%	0
1-50%	31
51%-99%	0
100%	5

Percentage of pay bill spent on facility time

	Figures
Provide the total cost of facility time	£86,035
Provide the total pay bill	£987,785,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.087

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*	66%

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 2022/23, King's spent £5.96m on external consultancy. This was to provide specific targeted support in areas such as financial recovery and emergency care.

	Group	
	2022/23	**2021/22**
	£000	**£000**
Consultancy costs	5,960	4,755

Supporting our Staff

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. We are committed to improving disabled staff experience across the organisation and as part of this we are proud to have launched King's Reasonable Adjustment Plan (RAP).

A RAP is a framework for staff with a disability or long term health condition and their line managers to discuss what support and changes (known as adjustments) can be put in place to enable them to thrive at work. The document can be reviewed at regular intervals and means disabled people don't have to explain their requirements every time their line manager changes, or they change roles within their organisation and adjustments may still be needed. 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, 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 well established across the organisation and provide significant levels of support for staff and their line managers. They continue to develop 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. Our Early Resolution Policy provides guidance to managers and staff on this approach, and our Disciplinary Policy places an emphasis on 'just culture' principles and restorative justice.

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 our Partnership Committee.

Supporting employee experience at King's

Our King's People and Culture Plan was launched in June 2022. The Plan 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. Delivery of the People and Culture Plan is supported by the People Experience Delivery Group,

Staff Wellbeing

Our Well-being hubs have remained a very popular resource and we have permanent locations for the hubs at our Denmark Hill and Orpington sites, with the PRUH site due to be completed in 2023. As well as a place to take a break, the hub provide an opportunity for staff to seek additional support and advice, and we also run our in-reach service for those staff not able to regularly attend the hubs. We have continued to review our staff offer to ensure these are relevant and add value to our King's people.

Learning & Organisational Development

In June 2022 the Learning and Organisational Development team launched King's Kaleidoscope, which for the first time, sets out the holistic personal and professional development offer for all staff at King's. This includes:

- The creation of a new suite of online learning catalogues and resources
- A personal and professional work-based learning offer comprising short courses and masterclasses.
- A suite of 5 King's Leaders programmes, two of which are delivered internally and three which utilise our apprenticeship levy.
- An internal coaching skills programme and coaching network.
- A number of professional forums including a King's Admin Professionals Network and an Operational Manager's forum.
- Serval profiling tools to support 360 feedback and leadership development interventions.
- An OD business partnering service to support care groups with team and cultural activities.

Since its launch, more than 2000 staff have engaged with Kaleidoscope whether that be accessing online content, undertaking a short course or as a participant in one of our leadership development programmes.

In February 2023 the Trust launched its Apprenticeship500 plan which sets out our ambitions to have 500 apprenticeships in the Trust by the end of 2024.

The Trust achieved its target for appraisal compliance reporting 92% at the end of the 2022 appraisal season against a target of 90%.

Following a successful launch in 2021, our King's Interns Scheme (Project Search), we are hosting our second cohort of interns, and are now recruiting for our third cohort to commence in September 2023.

Staff Feedback

We use the data and commentary from leavers' surveys, the national quarterly pulse survey and the annual National Staff Survey to inform us on how staff feel about working at King's. We also get regular feedback via the People Experience Delivery Group, 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.

2022 National Staff Survey

The 2022 Staff Survey took place between October – November 2022. 6183 staff (46%) completed the 2022 staff survey. This was the Trust's highest ever response rate and an 8% increase on last year (38%, 5023 responses). In addition, our 2022 response rate was higher than the NHS Acute Trust average of 44%.

Staff Survey People Promise Scores 2022

	King's 2021 score	**King's 2022 score**	**King's 2022 compared to 2021 score**	**2022 Acute Trust average**	**King's 2022 compared to 2022 Acute average**
We are compassionate & inclusive	7	**7**	No change	7.2	-0.2
We are recognised & rewarded	5.7	**5.5**	-0.2*****	5.7	-0.2
We each have a voice that counts	6.5	**6.5**	No change	6.6	-0.1
We are safe & healthy	5.7	**5.7**	No change	5.9	-0.2
We are always learning	5.5	**5.6**	+0.1*****	5.4	+ 0.2
We work flexibly	5.7	**5.6**	-0.1	6.0	-0.4
We are a team	6.5	**6.6**	+0.1	6.6	No difference
Theme - Staff engagement	6.7	**6.7**	No change	6.8	-0.1
Theme - Morale	5.5	**5.5**	No change	5.7	-0.2

*****The increase in 'we are always leaning' and the decrease in 'we are recognised and rewarded' compared to 2021 are statistically significant when compared to national trends.

Compared to last year we have improved in two promises; ‘we are always learning’ and ‘we are a team’. We have worsened in two promises; ‘we are recognised and rewarded’ and ‘we work flexibly’. We remained the same in the other five domains.

Compared to the Acute Trust average we score better in ‘we are always learning’ the same in ‘we are a team’ and worse in the other 7 promises/ themes.

People Priorities for 2022/2023

The national staff survey scores provide the Trust with opportunities to focus on a number of key areas. For a second year 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. This process is currently underway for 2023.

From a Trust-wide perspective the three priorities for 2023 will be focussed on ‘we are recognised and rewarded’. ‘we are safe and healthy’ and ‘we work flexibly’.

Trust recruitment

It has been another exceptionally busy year with Trust recruitment. We received just over 77,000 applications for roles and conducted nearly 10,000 interviews. Including Junior Doctors on rotation programmes, 3458 new starters joined the Trust in 2022/23. This included 311 Internationally Educated Nurses. The Trust headcount increased from 13,702 to 14,421 – an increase of 719 people over the 12-month period. The Trust continues to recruit extensively locally, nationally and internationally. Through work with local Job Centres and educational establishments we continue our recruitment initiatives as an anchor organisation. The overall Trust vacancy rate reduced from 14.47% on 31st March 2022 to 12.48% on 31st March 2023.

Temporary Staffing

The temporary staffing provision provided the Trust with much needed support in 2022/23, where we saw an increase of 8% on the overall demand compared to the previous year. Supporting with both winter pressures and periods of strike action whilst transitioning to an in house service in September 22. Some of our highlights were:

- There was an overall fill of 241,873 Bank shifts.
- There was a fill of 44,066 shifts by agency.
- There was an overall average fill of 74% 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.

Equality Diversity and Inclusion
The King's workforce is very diverse and the Trust serves some an equally diverse community. A key part of the Trust's EDI programme is to ensure staff feel welcome. This has included:

- A mile in my shoes – an immersive experience developed by the Empathy Museum, covering stories of different aspects of the lives of NHS staff. The exhibit was visited by over 700 staff members, including the Board of Directors.
- Improving training for staff including Active Bystander training and inclusive Recruitment training. We have also implemented a reciprocal mentoring scheme which enables staff to learn about the lived experience of colleagues with different protected characteristics.
- Developing skills boosters training modules covering topics such as unconscious bias, communication and inclusive language.
- Promoting career development for BAME staff, with support sessions covering personal development, job applications and presentation and interview skills.
- Implementing new policies aimed at supporting staff including guidance on trans and non-binary patients and staff.
- Developing an EDI business partnering model to support care groups across the organisation. This provides specialist support to work on special projects, support conflict resolution and improve performance.
- Strengthen and grow the staff diversity networks. These create close communities of likeminded individuals who support each other and share experience. They also spread awareness of the lived experience of their members and deliver events and projects that educate the wider staff community. They also support the development of policy and practice across the Trust.

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 2022/23, KPMG has provided the Trust with counter-fraud services, following a competitive tender process.

Health and Safety
This report outlines key developments and the work that has been taken during this reporting period. It is an opportunity to consider work planned and the objectives for the year ahead.

It also reflects the trust's compliance with the Chief Executives approved 'Statement of Intent' and Health & Safety Policy Statement, which requires those responsible for health and safety within KCH premises and during trust activities to:

- Comply with health and safety legislation.
- Implement health and safety arrangements.
- Comply with monitoring and reporting mechanisms appropriate to internal and external key stakeholders and statutory bodies.
- Develop partnership working and to ensure health and safety arrangements are maintained for all staff, contractors and visitors.
- To ensure that the health and safety agenda is not only embedded, but

embraced throughout the trust, using a variety of monitoring methods, including:

1. Health and Safety Committee (bi-monthly)
2. Risk based monitoring groups, such as Asbestos, Medical Gases, Ventilation Safety, Water Safety and Radiation Safety.

Overview of Legal Compliance

The table below outlines the main health & safety legislation and identifies the proactive work that the trust has carried out in order to ensure compliance.

Legislation	**Description of Actions/Compliance**	
Health & Safety at Work Act 1974	KCH Health & Safety Management Policy published and reviewed. Competent persons are in place to provide compliance advice. Health and Safety Committee held bi-monthly.	
Management of Health & Safety at Work Regulations 1999	Annual H&S Audit programme in place. Annual H&S Work plan Training available for Risk Assessments (Workplace, COSHH and Anti-Ligatures for all Divisions).	
Display Screen Equipment Regulations 1992	DSE Self- assessment tool has been updated and includes an action plan for users in trust premises, as well as for staff working from home.	
Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR)	Investigations have been conducted for all RIDDOR incidents and the findings are shared with the H&S Committee and QPPB.	
Health & Safety Information for Employees Regulations (Amendment) 2009. Health & Safety Consultation with Employees Regulations 1996 Safety Representatives and Safety Committees Regulations 1977.	Terms of Reference have been reviewed for the H&S Committee. KCH H&S Policy has been updated for 2023. Health and Safety Committee is attended by Managers, Trust Competent Persons and TU Safety Reps. Reports on Audits, Action Plan progress, and Risk Register Acts as consultative committee for H&S policies.	

Control of Substances Hazardous to Health (COSHH) Regulations 2002 Electricity at Work Regulations 1989 Workplace (Health Safety & Welfare) Regulations 1992 Provision and Use of Work Equipment Regulations (PUWER) 1998 The Control of Noise at Work Regulations 2005 Control of Asbestos Regulations 2012 Personal Protective Equipment at Work Regulations 2022	Regulations are monitored by the KCH Health and Safety Committee and managed through meetings of the specialist groups. Authorising Engineers, where appropriate, are in place to advise on subject matters. Annual Health & Safety Internal reviews of compliance. Health and Safety advisors attend the subject matter groups to monitor compliance	

Reported Health and Safety Incidents.

There were a total of 40,731 reported incidents of personal accident / ill-health / assaults during 2022/23. Of these, 800 were accepted as valid H&S incidents with 34874 reports being rejected. 5057 reports were attributed to Violence & Aggression, representing an increase of 0.4% incidents compared to 2020-21. The figure for V&A was anticipated to be higher, based on a projected linear increase but unexpectedly, the actual amount of reports remained lower between Q2 to Q4. It is assessed that these lower figures are due to fewer visitors to the trust over the course of the year.

The health & safety incidents received amounted to 800 valid occurrences. This is a decrease of 52 reports, representing a drop of -5.7% from the previous annual sum total. This total includes incidents reported by staff, visitors and others and is broken down into specific incident categories.

BBV category remains the highest level of reported incidents over the reporting period.

The highest sub-category of occupational accidents lies with Sharps and Needle-stick injuries. A total of 311 incidents were recorded with 177 occurrences in Denmark Hill alone. The second highest category identified were BBV Splashes, totalling 40, also reported in Denmark Hill.

The busiest recorded month for BBV injuries fell in May 2022, resulting with 06 x BBV splashes and 29 x Clinical Sharps Injuries. As expected, DH retains the highest level of recorded BBV incidents, followed by PRUH. There is a requirement to reduce exposure to the risk of injuries as laid out in the ‘Code of Practice on the Prevention & Control of Infections’ and ‘Sharps Instruments in Healthcare Regulations - 2013’.

In an effort to meet some of these requirements, the Health and Safety Team conducted a road show in all KCH sites, advising on the types of sharps used and the circumstances of injury, as there is no longer the opportunity of face-to-face ‘Safety Inductions’ for all staff.

In June and August 2022, the H&S Team embarked on two separate ‘Safer Sharps Road Shows’ to promote measures to avoid occupational exposure to blood borne viruses (BBV). These themes included the prevention of sharps injuries and the safe handling and disposal of sharps, including the provision of medical devices that incorporate sharps protection.

Further advice, such as a dedicated ‘Safer Sharps Web-page’ is being constructed in 2023, where there will be clear information to provide safer systems of working for staff. Future road shows in collaboration with Occupational Health in an effort to reduce the levels of staff injuries are currently planned to take place later in 2023.

The Department also completed a Muscular-Skeletal Awareness Road Show across the trust between 03 to 07 Oct 22, promoting MSK safety to all staff.

Between 01 April 2022 and 31 March 2023, a total of 28 incidents were reported to the Health and Safety Executive (HSE) as required under RIDDOR regulations. This is a decrease of 9.6% incidents compared to the previous year. There were no RIDDOR reportable incidents relating to asbestos and all were reports were despatched within the timeframe required by the HSE.

The leading category for submitted RIDDORs remains the BBV and splash injuries and this is consistent with previous reports. The majority of BBV cases are attributed to the staff member’s failure to observe safe systems of work and casual carelessness. There are reports of patients being uncooperative but these are very few in comparison. A total of 695+ days absence from place of work were taken by staff as a consequence of these incidents, affecting a total of 33 KCH staff. The average days lost for each member is 21 days absence. Submitted RIDDOR reports accounted for 21% of the 800 H&S incidents reported.

Statutory / Mandatory Training Compliance

Most Statutory/Mandatory training surpassed the 80% level over the course of the reporting period. However, few consistently exceeded the 90% threshold as set out by the Learning and Development Department. These included Equality & Diversity, Health & Safety and Non-Clinical Infection Control (2 Yearly).

Conclusion

Improvements in health and safety are on-going across the trust. The Health & Safety Team are working with the trust’s clinical divisions to increase compliance of audit actions. Improvements in this area will show a greater level of safety awareness generally across the trust. Both the audit programmes and incident reporting are fundamental to the trust being able to identify, analyse and address its high-risk areas. This relies on the involvement of all staff and managers and the H&S Team are working trust-wide to deliver on this. Datix on-line and its successor, ‘Inphase’, continues to improve the efficiency of reporting for staff and should also advance the follow up and investigation procedures of incidents by safety officers. The 2023/2024 objectives document the key pieces of work required to improve upon the identified issues and forms the work plans for various departments within the trust. Progress against these objectives will be reviewed at trust Health and Safety Committee and the findings forwarded to the Quality Committee for information and review.

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. 2022-23TES – 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

Code of Governance reference	Relating to	Annual report reference
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 2022/23
C.3.9	Audi Committee	Accountability Report – Audit Committee
D.1.3	Board/Remuneration Committee	Not applicable for 2022/23
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 moved from segment 4 to segment 3 during 2022, having demonstrated that it had met the agreed criteria for exiting segment 4 with the regulator.

This segmentation information is the Trust's position as at 30th May 2023. 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: 30 June 2023

Professor Clive Kay, Chief Executive and Accounting Officer

2.7 Annual Governance Statement 2022/23

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 2023, 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 and Executive Director of Midwifery 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.

The Trust's Risk Management Strategy has resulted in:

- 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, which included a focused review on risk management in the organisation.
- strengthening of the central risk team resource through intervention with an enlarged quality governance team ensures regular presence in care group risk register review through the local governance meetings
- The development of the Trust's intranet 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 the Local Risk Management System including transitioning to a new provider which supports the introduction of Learning from Patient Safety Events (LfPSE) - which is a requirement for effective transition under the national patient safety strategy. The new system also supports more effective operational risk management and more effective reporting pathways, allowing focus on risk metrics and the effectiveness of mitigating actions.

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 have reviewed the design of the revised risk management framework (April 2021), assessed the operating effectiveness of the arrangements (March 2022) and reviewed the Corporate Risk Register (March 2023). All the reviews have 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, with 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.

During 2021/22, a series of strategic risk sessions were 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. The revised BAF was published in March 2022 and arrangements are in place to ensure that it is reviewed on a regular basis.

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 2022/23 we have embedded the implementation of our site care group model, which underpins our clinical leadership model.

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 and Integrated Quality Report at each meeting. These reports 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 2022/23 the Trust reported 3 never events.

The Integrated Care System is 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 2023.

A new model for Quality Assurance had been developed in response to the CQC inspections in 2022. There are three main components of the Quality Assurance Framework:

- quality visits,
- quality review
- quality audits and quality dashboards.

The Framework is being fully rolled out during 2023/24.

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 2022-23 the Trust had a number of unannounced inspections across three sites (Denmark Hill, PRUH and Orpington). A CQC Well-Led inspection was also conducted.

The CQC carried out an unannounced focused responsive inspection visit to two Older Adult Medicine wards at Orpington Hospital on 11 July 2022. This was following the CQC receiving information of concern about standards of care at Orpington Hospital.

Following the inspection on 11 July 2022, the Trust received a Section 31 letter of possible urgent enforcement action in relation to the inspection of the Older Adult Medicine wards at Orpington Hospital. Eleven serious concerns were identified. The Trust developed a comprehensive action plan following receipt of the possible enforcement action

On 9 September 2022 the CQC published the inspection report for Orpington. The overall rating was 'Requires Improvement', with the Safe domain rated 'Requires Improvement' and the Caring domain rated 'Inadequate'. No other domains were rated in the report.

Two requirement notices were issued within this report:

- Regulation 12 HSCA (RA) Regulations 2014 Safe care and treatment
- Regulation 13 HSCA (RA) Regulations 2014 Safeguarding service users from abuse and improper treatment

The Trust has subsequently responded to the CQC's publication of the Orpington inspection and has provided them with its action plan.

Following the inspection of three medical wards at PRUH on 1 August 2022, the CQC published the final inspection report on 9 November 2022. The CQC did not rate the service as it was a focused inspection. However the previous rating of Good for PRUH Medical care (including older people's care) remains.

Maternity services were inspected at both sites in July and August 2022. The reports were published in December 2022. At Denmark Hill, the overall rating has deteriorated to 'Requires Improvement'. The report notes that the Trust took immediate action following the inspection, and as a result, they were satisfied that sufficient mitigations were put in place. The overall rating of the PRUH has remained the same ('Requires Improvement').

Following a Well-led inspection on 15 and 16 November, the overall Well-led domain has improved from 'Requires Improvement' to 'Good'. The report noted that the Trust's leadership team had improved, that there was a strong overall strategy, and that leaders ran services well. Additionally, the CQC noted a significant improvement in risk management and in the corporate risk register.

As part of the Well-led inspection, the CQC also carried out two unannounced inspections – one of Medicine (including Older People's Care) at Denmark Hill, and the other of Services for Children and Young People, also at Denmark Hill. The CQC have decreased their rating of Medicine to 'Requires Improvement'; the rating for Child Health remains unchanged ('Good'). Most of the concerns relate to nursing staffing levels within both services.

The Quality, People and Performance Committee received a report detailing updates on recent inspections and other CQC related matters. The Trust's executive-led Quality Assurance Group monitors the delivery of the CQC action plans.

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 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.

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

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 Net Zero Health Service' report under the Greener NHS Programme. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

NHS Improvement Well-Led framework

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. The Trust successfully exited SOF4 in November 2022.

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 (carried out in 2021) and closed down in October 2022;
- the Head of Internal Audit opinion and annual report;
- external auditor reports; and
- other external assurance reports e.g. the CQC Well-Led Inspection.

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 and have been fully embedded during 2022/23. 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, and the Trust's Standing Financial Instructions were subject to a full review during 2022. The final document was agreed by the Trust's Board of Directors in December 2022. During 2022/23 the Trust's internal auditors reviewed the Trust's assessment of its financial sustainability. Although the report was not rated, the findings were positive. 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 2022/23 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 is required to process information (personal and corporate) in line with current standards set out in statute; Data Protection Legislation (including the Data Protection Act 2018 and the UK General Data Protection Regulations 2021) as well as other government guidance (for example, the NHS IG Assurance Framework).

Information Governance (IG) at the Trust comprises identified responsibilities and strategy, together with policy and procedures that enable staff to handle personal information in line with these requirements. This is overseen by the Trust Information Governance Steering Group (IGSG) which reports to the Risk and Governance Committee. The Chair of the IGSG is the Chief Digital Information Officer in their role as the Senior Information Risk Owner (SIRO) with membership including key roles such as the Caldicott Guardian, Data Protection Officer, IG Manager, Information Security, Freedom of Information Lead, Head of Patient Records, and representatives across the Trust.

The Trust measures its compliance with the IG Assurance Framework via the NHS England Data Security and Protection Toolkit (DSPT). Assurance of compliance with DSPT standards is demonstrated by achievement of requirements set out in ISB 1512 Information Governance Standards Framework. This assurance is audited by King's internal auditors each year to support the Trust's position.

The annual submission date for the DSPT is 30 June, the DSPT result for the period 1 July 2021 to 30 June 2022 was reported in the last Annual Report, the result is repeated in this report because the submission date falls in the 2022/23 reporting period.

The Trust achieved a Standards not met (Improvement plan approved) rating for the 2021/22 DSPT. Following a review of the Trust's Improvement plan by NHS England, the Trust's DSPT status was updated to "Approaching Standards" (plan agreed) work continues to

deliver a standards met DSPT 2021/22. Work to deliver a standards met DSPT 2022/23 is ongoing, the results of which will be reported in the 2023/24 Annual Report.

IG Incidents
During the financial year 2022/23, there were no serious IG incidents that required to be externally reported to the Information Commissioner's Office (ICO).

ICO Complaints
There were 7 complaints made to the ICO, 6 were regarding Data Protection and 1 regarding Freedom of Information (FOI). Five of the data protection related complaints have been closed, one is currently open and the FOI complaint has been closed.

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.

Data quality arrangements are also assessed as part of the Trust's annual internal audit plan supported by KPMG. In 2022/23, the review focused on three KPIs:

- **RTT 78+ week waits** – for which KPMG provided an assessment of 'significant assurance' (green) noting that the Trust has a team dedicated to validating RTT pathways on a rolling basis, which ensures the accuracy of the underlying data.
- **Core skills training: Resuscitation** - based on the work completed over this KPI, KPMG provided an assessment of 'partial assurance with improvements required' (amber-red) citing weaknesses in the design of the resuscitation training processes detract from the quality of the data underpinning compliance reporting.
- **Hand hygiene audits** - based on the work completed over this KPI, KPMG provided an assessment of 'partial assurance with improvements required' (amber-red) reflecting that the Trust was transitioning from an internal application to capture hand hygiene audits to using a new 'MEG' application.

A number of actions were implemented in order to address the weaknesses identified by the internal audit review.

The Trust is also planning to implement the EPIC electronic patient record system along with GSST in October 2023 which will replace the majority of existing clinical information systems. The Trust has embarked on a comprehensive data quality programme of work focussed on patient demographic data cleansing as well as the review of open patient referrals to ensure that the Trust meets data quality standards required for migration to the EPIC system.

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.

The Trust's work in this area is led by an executive-level post, Director of Equality, Diversity and Inclusion, was created to accelerate the Trust's ambitious EDI agenda. The Trust has delivered the first year of the '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 Board and its Committees continued to meet throughout the year to review and oversee the system of internal control and emerging risks. The Board oversight of strategic risk. The

Board and the Board's Committees continue to use the assurance framework to oversee the management and mitigation of strategic risks.

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**.**

The Board has reviewed its effectiveness during the year, with the support of an external provider. The review highlighted a number of issues with the committee structure that impacted on the effectiveness of the Board and its committees. As a result a number of changes have been made and are being implemented during 2023/24. The development of the Quality Assurance Framework, to be applied in full in 2023/24, will further enhance Trust's internal control framework.

2022/23 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 2022/23 plan was presented to the Audit Committee in March 2022. The reports, detailing the key findings and recommendations are reviewed by the Trust's Audit Committee.
Two 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 2022/23 reviews are noted in the table below:

2022/23 Internal Audit Review		Conclusion
1	Green Plan	Partial assurance with improvements required
2	Data Quality	Partial assurance with improvements required
3	DSP Toolkit	Significant assurance with minor improvement opportunities
4	Procurement	Significant assurance with minor improvement opportunities
5	Child Safeguarding	Significant assurance with minor improvement opportunities
6	Implementation of Strategy	Significant assurance with minor improvement opportunities
7	Patient Experience	Partial assurance with improvements required
8	Risk Management	Significant assurance
9	Financial Sustainability	n/a

Head of Internal Audit Opinion

The overall Head of Internal Audit Opinion for the period 1 April 2022 to 31 March 2023 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 investment in governance and assurance, and improved consistency in governance and risk management arrangements across the Trust.

Conclusion

During the year the Trust has made embedded 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 **30 June 2023**
Chief Executive and Accounting Officer

ANNUAL ACCOUNTS 2022/23

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 2023, 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 2022-23.

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 2023 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 2022-23; 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 2022-23 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 2022) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the group and Trust and the group and Trust's disclosures over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

Other information

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Under the Code of Audit Practice published by the National Audit Office in April 2020 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2022/23 or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion:

The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with NHS foundation trust annual reporting manual 2022/23; and

- based on the work undertaken in the course of the audit of the financial 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

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 2022/23, 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.

Auditor's responsibilities for the audit of the financial statements

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the 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 2022-23).
- We enquired of management and the Audit and Risk 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 and Risk Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the 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 fraud in income and expenditure recognition. We determined that the principal risks were in relation to:
  - journal entries that improved the Trust's or group's financial performance for the year
  - The occurrence and accuracy of income relating to the Trust, excluding block contract income
  - The completeness of non-pay expenditure for the Trust
- Potential management bias in determining accounting estimates and judgements, in particular those relating to the valuation of the Trust's land and buildingsOur 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 significant journals at the end of the financial year which improved the Trust's or group's financial performance;

- testing a sample of non-block income for the Trust
- testing a sample of non-pay cash payments made and invoices received after the year end
- 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 toland and buildings valuations for the Trust.
- 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in respect of the above matter except that on 15 June 2023 we identified a significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services.

The Trust has agreed with its ICS a £49m deficit plan for 2023/24. We note that it is predicated on a number of assumptions and carries a significant level of risk, including delivery of a £72m CIP programme – a number in excess of what the Trust had been able to achieve in the past. As of May 2023, the Trust has only identified circa 24% of schemes against the programme.

We consider this to represent a risk to the Trust's longer-term financial sustainability – particularly in the context of increasing financial pressures across the NHS. We recommend that as the Trust is going through the development its CIP programme, it should continue to reassess the level of risk contained in it, how this risk can be mitigated, and communicate with the ICS if there is going to be a likely impact on its ability to deliver the overall financial plan for 2023/24.

The programme, once fully developed should be underpinned by robust assumptions, validated by staff delivering the CIPs and triangulated with other supporting plans, for example workforce and activity plans, as well as with system plans. Progress against delivery should be reported to the FCSC and the Board, and support provided to services to deliver remedial action as soon as possible, if delivery is off track.

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 January 2023. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Certificate

We cannot formally conclude the audit and issue an audit certificate for King's College Hospital NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of the National Health Service Act 2006 and the Code of Audit Practice until we have completed the work necessary to

issue our Whole of Government Accounts Component Assurance statement for the Trust for the year ended 31 March 2023. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2023.

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

30th June 2023

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

In our auditor's report issued on 30 June 2023, we explained that we could not formally conclude the audit and issue an audit certificate for the Trust for the year ended 31 March 2023, in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice, until we had completed the work necessary to issue our Whole of Government Accounts Component Assurance statement for the Trust for the year ended 31 March 2023. We have now completed this work.

Opinion on the financial statements

In our auditor's report for the year ended 31 March 2023 issued on 30 June 2023 we reported that, 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 2023 and of the group's expenditure and income and the Trust's expenditure and income for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

No matters have come to our attention since 30 June 2023that would have a material impact on the financial statements on which we gave this opinion.

Report on other legal and regulatory requirements - the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

In our auditor's report for the year ended 31 March 2023 issued on 30 June 2023 we reported that we have nothing to report in respect of the above matter except that on 15 June 2023 we identified a significant weakness in how the Trust plans and manages its resources to ensure it can continue to deliver its services.

The Trust has agreed with its ICS a £49m deficit plan for 2023/24. We note that it is predicated on a number of assumptions and carries a significant level of risk, including delivery of a £72m CIP programme – a number in excess of what the Trust had been able to achieve in the past. As of May 2023, the Trust has only identified circa 24% of schemes against the programme.

We consider this to represent a risk to the Trust's longer-term financial sustainability – particularly in the context of increasing financial pressures across the NHS. We recommend that as the Trust is going through the development its CIP programme, it should continue to reassess the level of risk contained in it, how this risk can be mitigated, and communicate with the ICS if there is going to be a likely impact on its ability to deliver the overall financial plan for 2023/24.

The programme, once fully developed should be underpinned by robust assumptions, validated by staff delivering the CIPs and triangulated with other supporting plans, for example workforce and activity plans, as well as with system plans. Progress against delivery should be reported to the FCSC and the Board, and support provided to services to deliver remedial action as soon as possible, if delivery is off track.

Report on other legal and regulatory requirements – Audit certificate

We certify that we have completed the audit of King's College Hospital NHS Foundation Trust for the year ended 31 March 2023 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

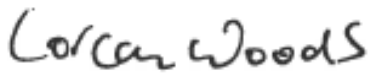
7 July 2023

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 2022/23 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 30 June 2023

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: 30 June 2023

King's College Hospital
NHS Foundation Trust

Final Annual Accounts
for the year ended 31 March 2023

FOREWORD TO THE ACCOUNTS

King's College Hospital NHS Foundation Trust

These accounts, for the year ending 31 March 2023, 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: 30th June 2023**

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: **Date: 30th June 2023**

Prof Clive Kay
Chief Executive

Consolidated Statement of Comprehensive Income for year ended 31 March 2023

		Group	
		2022-23	2021-22
	Note	**£000**	£000
Operating income from patient care activities	2.1, 2.2	**1,586,925**	1,453,442
Other operating income	2.1	**135,940**	137,710
Total operating income from continuing operations		**1,722,865**	1,591,152
Operating expenses	3.1	**(1,742,220)**	(1,548,879)
Operating surplus / (deficit) from continuing operations		**(19,355)**	42,273
Finance income and costs			
Finance income		**1,528**	61
Finance expenses	5	**(30,151)**	(27,857)
Public Dividend Capital dividends payable		**(15,723)**	(14,198)
Net finance costs		**(44,346)**	(41,994)
Other (losses) / gains	7	255	(332)
Share of profit of associates and joint ventures	7.1	(393)	78
Corporation tax expense		(752)	(425)
Deficit from continuing operations		**(64,591)**	(400)
Deficit for the year		**(64,591)**	(400)
Other comprehensive income/(expense), that will not be reclassified subsequently to income and expenditure			
Impairments	6	**(73,860)**	(2,352)
Revaluations	21	**26,663**	55,809
Fair value gains/(losses) on equity instruments designated at FV through OCI		**125**	(279)
Other recognised gains and losses		**-**	-
Other reserve movements		**(94)**	(75)
Total other comprehensive income		**(47,166)**	53,103
Total comprehensive income / (expense) for the year		**(111,757)**	52,703
Allocation of losses for the year			
Deficit for the year attributable to:			
(i) non-controlling interest; and		-	-
(ii) Trust		**(64,591)**	(400)
Total		**(64,591)**	(400)
Total comprehensive expense for the year attributable to:			
(i) non-controlling interest; and		**-**	-
(ii) Trust		**(111,757)**	52,703
Total		**(111,757)**	52,703

Consolidated Statement of Comprehensive Income for year ended 31 March 2023 (continued)

		Group	
	Note	**2022-23**	2021-22
Note to Statement of Comprehensive Income		**£000**	£000
Total comprehensive income / (expense) for the year		**(111,757)**	52,703
Add back other comprehensive expenses		**47,166**	(53,103)
Deficit for the year		**(64,591)**	(400)
Add back impairments and reversal of impairments *	3.1	**45,149**	6,040
Remove capital donations / grants I&E impact		**(521)**	(5,417)
Adjusted financial performance		**(19,963)**	223

** 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 £64.6m and this figure includes asset impairments of £45.1m. This charge relates to impairments that arise from changes in market value of Land and Buildings assets. The NHSE 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 2023 is £74.1m (2022: £10.5m) and total operating income for the year is £1,724m (2022: £1,590.3m).

Statements of Financial Position as at 31 March 2023

		Group		Trust	
		31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	Note	**£000**	£000	**£000**	£000
Non-current assets					
Intangible assets	8	**36,084**	31,181	**35,276**	30,820
Property, plant and equipment	9	**674,077**	738,658	**610,521**	738,658
Right of Use Assets	10	**110,057**	-	**170,576**	-
Investment in associates, joint ventures and subsidiaries	11.1,11.2	**5,620**	5,113	**250**	250
Other investments	11.4	**2,460**	2,335	**2,460**	335
Receivables	13	**24,690**	22,336	**76,746**	87,502
Total non-current assets		**852,988**	799,623	**895,829**	857,565
Current assets					
Inventories	12	**22,208**	21,735	**7,922**	7,928
Receivables	13	**102,166**	75,599	**98,695**	74,504
Cash and cash equivalents	14	**57,605**	92,991	**36,775**	69,893
Total current assets		**181,979**	190,325	**143,392**	152,325
Total assets		**1,034,967**	989,948	**1,039,221**	1,009,890
Current liabilities					
Trade and other payables	15	**(205,283)**	(189,168)	**(184,859)**	(175,613)
Borrowings	17	**(22,833)**	(10,343)	**(31,910)**	(18,039)
Provisions	18	**(2,416)**	(1,813)	**(2,416)**	(1,738)
Other liabilities	16	**(15,793)**	(15,641)	**(15,776)**	(15,508)
Total current liabilities		**(246,325)**	(216,965)	**(234,961)**	(210,898)
Net current (liabilities) / assets		**(64,346)**	(26,640)	**(91,569)**	(58,573)
Total assets less current liabilities		**788,642**	772,983	**804,260**	798,992
Non-current liabilities					
Borrowings	17	**(267,917)**	(179,445)	**(318,134)**	(230,530)
Provisions	18	**(4,431)**	(5,246)	**(4,431)**	(5,246)
Total non-current liabilities		**(272,348)**	(184,691)	**(322,565)**	(235,776)
Total assets employed		**516,294**	588,292	**481,695**	563,216
Financed by:					
Taxpayers' equity					
Public Dividend Capital		**1,103,498**	1,063,739	**1,103,498**	1,063,739
Revaluation reserve	21	**164,016**	211,213	**164,017**	211,213
Financial assets at FV through Other Comprehensive Income reserve		**1,778**	1,579	**-**	-
Income and expenditure reserve		**(752,998)**	(688,239)	**(785,820)**	(711,736)
Total taxpayers' equity		**516,294**	588,292	**481,695**	563,216

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 on 27th June 2023 and signed on its behalf by

Signed: **Date:** **30th June 2023**

Prof Clive Kay
Chief Executive

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

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 2022 - brought forward		1,063,739	211,213	1,579	(688,239)	**588,292**
Deficit for the year		-	-	-	(64,591)	**(64,591)**
Impairments	21	-	(73,860)	-	-	**(73,860)**
Revaluations - property, plant and equipment	21	-	26,663	-	-	**26,663**
Fair value gains on equity instruments designated at FV through OCI		-	-	125	-	**125**
Share of comprehensive income from associates and joint ventures		-	-	-	-	**-**
Public Dividend Capital received		39,759	-	-	-	**39,759**
Other reserve movements		-	-	74	(168)	**(94)**
Taxpayers' and others' equity at 31 March 2023		**1,103,498**	**164,016**	**1,778**	**(752,998)**	**516,294**
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		-	-	-	-	-
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

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 2022 - brought forward		**1,063,739**	**211,213**	**-**	**(711,736)**	**563,216**
Deficit for the year		-	-	-	**(74,084)**	**(74,084)**
Impairments	21	-	**(73,860)**	-	-	**(73,860)**
Revaluations - property, plant and equipment	21	-	**26,664**	-	-	**26,664**
Public Dividend Capital received		**39,759**	-	-	-	**39,759**
Taxpayers' and others' equity at 31 March 2023		**1,103,498**	**164,017**	**-**	**(785,820)**	**481,695**
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
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

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

		Group		Trust	
		2022-23	2021-22	**2022-23**	2021-22
	Note	**£000**	£000	**£000**	£000
Cash flows from operating activities					
Operating surplus / (deficit) from continuing operations		**(19,355)**	42,273	**(31,321)**	30,055
Non-cash income and expense					
Depreciation and amortisation	3	**52,145**	37,781	**50,163**	35,033
Net Impairments	3	**45,149**	6,040	**45,149**	6,040
Income recognised in respect of capital donations		**(2,048)**	(6,686)	**(2,048)**	(6,686)
(Increase)/Decrease in trade and other receivables		**(27,172)**	581	**(11,988)**	(6,091)
(Increase)/Decrease in inventories		**(473)**	640	**6**	56
Increase/(Decrease) in trade and other payables		**9,100**	(24,663)	**2,232**	(8,916)
Increase/(Decrease) in other liabilities		**152**	2,324	**268**	2,455
Increase/(Decrease) in provisions		**(172)**	1,152	**(137)**	1,077
Corporation Tax Paid		**(519)**	-	**-**	-
Other movements in operating cash flows		**279**	(330)	**756**	133
Net cash used in operations		**57,086**	59,112	**53,080**	53,156
Cash flows used in investing activities					
Interest received		**1,528**	61	**3,692**	1,857
Purchase of financial assets		**(675)**	(900)	**(2,125)**	-
Purchase of intangible assets	8	**(7,330)**	(24,407)	**(6,793)**	(24,353)
Purchase of property, plant and equipment	9	**(61,586)**	(74,942)	**(46,279)**	(67,883)
Sales of property, plant and equipment		**4,006**	678	**462**	-
Receipt of cash donation to purchase asset		**2,048**	6,686	**2,048**	6,686
Net cash used in investing activities		**(62,009)**	(92,824)	**(48,995)**	(83,693)
Cash flows from financing activities					
Public Dividend Capital received		**39,759**	29,712	**39,759**	29,712
Movement in loans from the Department of Health and Social Care		**(3,418)**	(3,418)	**(3,418)**	(3,418)
Movement in other loans		**(875)**	(845)	**(640)**	(640)
Capital element of lease liability repayments		**(11,698)**	-	**(18,382)**	(4,713)
Capital element of PFI and other service concession	22	**(6,135)**	(5,302)	**(6,135)**	(5,302)
Interest on DHSC loans		**(1,116)**	(1,224)	**(1,116)**	(1,224)
Interest on other loans		**(11)**	(86)	**-**	(73)
Other Interest		**(31)**	-	-	-
Interest paid on lease liability repayments		**(848)**	-	**(1,181)**	(130)
Interest element of PFI and other service concession obligations		**(28,208)**	(25,796)	**(28,208)**	(25,796)
Public Dividend Capital dividend paid		**(17,882)**	(10,205)	**(17,882)**	(10,205)
Net cash from financing activities		**(30,463)**	(17,164)	**(37,203)**	(21,789)
Increase / (decrease) in cash and cash equivalents		**(35,386)**	(50,876)	**(33,118)**	(52,326)
Cash and cash equivalents at 1 April		**92,991**	143,867	**69,893**	122,219
Cash and cash equivalents at 31 March		**57,605**	92,991	**36,775**	69,893

Notes to the accounts

1. Accounting policies

NHS England, has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 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 (£74.1m) (2021/22: (£10.5m)).

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. The Trust has also used an external advisor to assess the assumptions regarding modern equivalent assets used, with new assumptions adopted in the current year, particularly reflecting MEA land requirements.

Consequences of Change in Estimate

The net book value at 31 March 2023 of the Trust's Property, Plant & Equipment valued by professional valuers and reflected in these financial statements is £553m.

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 change by 5% this would result in a movement of around £27.7m.

Changes in modern equivalent asset assumptions would be expected to lead to significant changes in the estimated values of land and buildings. The changes in assumptions adopted in the current year have led to a reduction in land and building values of around £52.7m.

It is also noted that land valuations, which are based on a notional appraisal are very sensitive to input parameters, with small variations in input leading to potentially large movements in value.

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

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 2022-23 are broadly consistent with those in place during 2021-22, and are described below:

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity.

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.

Elective recovery funding (ERF) provides additional funding for the delivery of elective services. In 2022/23 elective recovery funding was included within the aligned payment and incentive contracts. In 2021/22 income earned by the system based on achievement of elective recovery targets was distributed between individual entities by local agreement and income earned from the fund was 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 2022/23 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. The Trust uses an external advisor to inform MEA assumptions.

1. Accounting policies (continued)

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.

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 2023 by a RICS Registered Valuer from Avison Young (Kerry Maguire) 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. Accounting policies (continued)

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.

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.

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.
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.

1. Accounting policies (continued)

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

Impairments
In accordance with the 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

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 Leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

1. Accounting policies (continued)

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard have been employed. These are as follows;

King's College Hospital NHS Foundation Trust has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.
On initial application King's College Hospital NHS Foundation Trust has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.
No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application has been employed per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2023 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by King's College Hospital NHS Foundation Trust in applying IFRS 16. These include;
The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.
The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.
King's College Hospital NHS Foundation Trust will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.12 instead.
HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.
King's College Hospital NHS Foundation Trust is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16 King's College Hospital NHS Foundation Trust has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

King's College Hospital NHS Foundation Trust is required to apply IFRS 16 to lease like arrangements entered into in which consideration exchanged is nil or nominal, therefore significantly below market value. These arrangements are described as peppercorn leases. Such arrangements are again required to meet the definition of a lease in every other respect prior to inclusion in the scope of IFRS 16. The accounting for peppercorn arrangements aligns to that identified for donated assets. Peppercorn leases are different in substance to arrangements in which consideration is below market value but not significantly below market value.
The nature of the accounting policy change for the lessee is more significant than for the lessor under IFRS 16. IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.
For the lessor leases remain classified as finance leases when substantially all the risks and rewards incidental to ownership of an underlying asset are transferred to the lessee. When this transfer does not occur, leases are classified as operating leases.

1.15.1 The Foundation Trust as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. King's College Hospital NHS Foundation Trust employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Income.
Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.
The incremental borrowing rate of 0.95% has been applied to the lease liabilities recognised at the date of initial application of IFRS 16.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset King's College Hospital NHS Foundation Trust applies a revised rate to the remaining lease liability.
Where existing leases are modified King's College Hospital NHS Foundation Trust must determine whether the arrangement constitutes a separate lease and apply the Standard accordingly.
Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by King's College Hospital NHS Foundation Trust.

1.15.2 The Foundation Trust as lessor

A lessor shall classify each of its leases as an operating or finance lease. A lease is classified as finance lease when the lease substantially transfers all the risks and rewards incidental to ownership of an underlying asset. Where substantially all the risks and rewards are not transferred, a lease is classified as an operating lease.

Amounts due from lessees under finance leases are recorded as receivables at the amount of King's College Hospital NHS Foundation Trust’s net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on King's College Hospital NHS Foundation Trust’s net investment outstanding in respect of the leases.
Income from operating leases is recognised on a straight-line or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Where King's College Hospital NHS Foundation Trust is an intermediate lessor, being a lessor and a lessee regarding the same underlying asset, classification of the sublease is required to be made by the intermediate lessor considering the term of the arrangement and the nature of the right of use asset arising from the head lease.

On transition King's College Hospital NHS Foundation Trust has reassessed the classification of all of its continuing subleasing arrangements.

1. Accounting policies (continued)

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 cost.

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.

1.16.3 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. Accounting policies (continued)

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 2023.

Early retirement provisions are discounted using HM Treasury's pension discount rate of 1.70% (2021-22: negative 1.30%) 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 3.27% (2021-212 0.47%) for inflation adjusted expected cash flows up to and including 5 years from Statement of Financial Position date.

A nominal medium-term rate of 3.20% (2021-22: 0.70%) 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 3.51% (2021-22: 0.95%) 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 3.00% (2021-22: 0.66%) 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.

1.19.2 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. Accounting policies (continued)

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.

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. Accounting policies (continued)

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 2022-23.

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

IFRS 14 Regulatory Deferral Accounts

Not UK-endorsed. Applies to first time adopters of IFRS after 1 January 2016. Therefore, not applicable to DHSC group bodies

IFRS 16 Leases - application of liability measurement principles to PFI and other service concession arrangements

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to RPI. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

IFRS 17 Insurance Contracts

Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2025

1.28 Prior Period Adjustment Policy

The Trust applies IAS 8 when considering if prior period adjustments are required.

2. Operating income

2.1 Income from activities by classification

	Group 2022-23 £000	2021-22 £000
Income from patient care activities		
Income from commissioners under API contracts*	**1,433,223**	1,337,312
High cost drugs income from commissioners	**41,981**	38,226
Other NHS clinical income**	**6,989**	7,788
Additional income for delivery of healthcare services		
Private Patient income	**9,351**	5,451
Elective Recovery Fund	**21,592**	19,607
Additional pension contribution central funding**	**33,859**	31,211
Agenda for change pay award central funding ******	**24,662**	-
Other clinical income***	**15,268**	13,847
Total income from activities****	**1,586,925**	1,453,442
Other operating income recognised in accordance with IFRS 15		
Research and development	**7,397**	5,731
Education and training	**46,518**	44,100
Non-patient care services to other bodies	**10,550**	12,182
Reimbursement and top-up funding	**11,795**	18,798
Income in respect of employee benefits accounted on a gross basis	**10,163**	7,700
Other*****	**29,142**	23,069
Total other operating income (IFRS 15)	**115,565**	111,580
Other operating income recognised in accordance with other standards		
Research and development	**13,038**	12,892
Education and training - notional income from apprenticeship fund	**937**	662
Receipt of capital grants and donations	**2,048**	6,686
Charitable and other contributions to expenditure	**7**	8
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	**3,105**	4,527
Rental revenue from operating leases	**1,240**	1,355
Total other operating income (Non-IFRS 15)	**20,375**	26,130
Total operating Income	**1,722,865**	1,591,152

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation.

** 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.

****** In March 2023 the government announced an additional pay offer for 2022/23, in addition to the pay award earlier in the year. Additional funding was made available by NHS England for implementing this pay offer for 2022/23 and the income and expenditure has been included in these accounts as guided by the Department of Health and Social Care and NHS England. In May 2023 the government confirmed this offer will be implemented as a further pay award in respect of 2022/23 based on individuals in employment at 31 March 2023.

2.2 Income from activities by type

	Group 2022-23 £000	2021-22 £000
NHS Foundation Trusts	**59**	-
NHS Trusts	**1,789**	479
Clinical Commissioning Groups, Integrated Care Boards and NHS England *	**1,554,890**	1,432,502
NHS Other (including Public Health England and Prop Co)	**-**	2,645
Non-NHS		
Local Authorities	**4,373**	3,050
Private patients	**9,351**	5,451
Overseas patients (non-reciprocal)	**4,103**	3,736
Injury costs recovery	**4,301**	3,448
Other **	**8,059**	2,131
Total income from activities	**1,586,925**	1,453,442

* Includes £33.859m (2021-22: £31.211m) 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 2022-23 £000	2021-22 £000
Income recognised this year	**4,103**	3,736
Cash payments received in-year	**903**	597
Additions to provision for impairment of receivables	**2,577**	3,225
Amounts written off in-year	**2,613**	3,921

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

	2022-23 £000	2021-22 £000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	**13,133**	10,809
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 2023 £000	31 March 2022 £000
within one year	**15,793**	15,641
after one year, not later than five years	0	0
after five years	0	0
Total revenue allocated to remaining performance obligations	**15,793**	15,641

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 2022-23 £000	2021-22 £000
Commissioner requested services	**1,536,761**	1,425,496
Non-commissioner requested services	**186,104**	165,656
Total	**1,722,865**	1,591,152

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

	Group 2022-23 £000	2021-22 £000
Income	**9,351**	5,451
Full cost	**(6,763)**	(4,782)
Surplus	**2,588**	669

2.8 Operating lease income

	Group	
	2022-23	2021-22
	£000	£000
Rental revenue from operating leases	**1,240**	1,355

	31 March	31 March
	2023	2022
	£000	£000
Future minimum lease receipts due on leases of buildings expiring		
- not later than one year	**1,215**	1,301
- between one and five years	**4,860**	5,204
- later than five years	**10,485**	
Total	**16,560**	6,505

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	
	2022-23	2021-22
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	11,113	9,959
Purchase of healthcare from non-NHS and non-DHSC bodies	62,182	63,428
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	206,573	190,142
Supplies and services - clinical (excluding drugs costs)	129,660	124,660
Supplies and services - general	3,714	7,088
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	3,105	4,527
Inventories written down (net including drugs)	1,021	243
Staff and executive directors costs	986,436	891,544
Remuneration of non-executive directors	177	168
Establishment	15,028	13,085
Transport (including patient travel)	12,831	11,095
Premises	53,870	38,978
Rentals under operating leases - minimum lease payments	76	11,709
PFI service costs	70,902	68,261
Clinical negligence	44,236	45,935
Depreciation on property, plant and equipment and right of use assets	49,718	35,548
Amortisation on intangible assets	2,427	2,233
Net impairments	45,149	6,040
Movement in credit loss allowance: contract receivables / contract assets	2,844	2,304
Consultancy costs	5,960	4,755
Education and Training Costs**	9,479	4,464
Audit fees payable to the external auditor		
Statutory audit	341	312
Internal audit costs	285	287
Other *	25,093	12,114
Total operating expenses	**1,742,220**	1,548,879

* 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 £341k, including £57k of irrecoverable VAT . No other remuneration was paid to the Trust's external auditors in 2022-23 (2021-22 : 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.

**Prior year figures restated to show Education and Training Costs separately from Other Expenditure

3.2 Late Payment of Commercial Debts (Interest) Act 1998	2022-23 £000	2021-22 £000
Compensation paid to cover debt recovery costs under this legislation	**31**	-

3.3 Limitation on Auditor's Liability

The limitation on auditor's liability in 2022/23 was £5m (2021/22: £5m).

4 Employee benefits

4.1 Employee benefits

	Group	
	2022-23 Total	2021-22 Total
	£000	£000
Salaries and wages	**698,440**	639,015
Social security costs	**77,093**	65,104
Apprenticeship levy	**3,427**	2,818
Employer contributions to NHS Pensions	**78,454**	71,942
Employer contributions to NHS Pensions paid by NHS England on behalf of the Trust	**33,859**	31,211
Temporary staff (including bank and agency)	**96,512**	82,578
Total gross employee benefits	**987,785**	892,668
Recoveries from other bodies in respect of staff cost netted off expenditure	**-**	-
Total employee benefits	**987,785**	892,668
Of which		
Costs capitalised as part of assets	**(1,349)**	(1,124)
Total employee benefits excluding capitalised costs	**986,436**	891,544

4.2 Early retirements due to ill health

During 2022/23 there were 3 early retirements from the trust agreed on the grounds of ill-health (6 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £574k (£227k in 2021/22).

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 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 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 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 actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

5 Finance expenses

	Group 2022-23 £000	2021-22 £000
Loans from the Department of Health and Social Care		
Capital loans	**1,093**	1,189
Finance leases	**848**	-
Other Loans	**11**	100
Finance costs on PFI and other service concession arrangements		
Main finance cost	**15,248**	15,716
Contingent finance cost	**12,960**	10,080
Interest on late payment	**31**	-
Total interest expense	**30,191**	27,085
Unwinding of discount on provisions	**(40)**	(30)
Other finance costs	**-**	802
Total finance costs	**30,151**	27,857

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

6 Impairments

	Group 2022-23 £000	2021-22 £000
Changes in market price - charged to operating expenses	**45,149**	6,040
Changes in market price - charged to the revaluation reserve	**73,860**	2,352
Total	**119,009**	8,392

Asset valuations were undertaken in 2023 as at the prospective valuation date of 31 March 2023. 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 decrease of £123.3m in the value of land and buildings owned by the Trust offset by revaluation increases to land and building values of £26.7m. This was due to significant decreases in land values, and reassessment of modern equivalent asset requirements.

As a result of the revaluation, an impairment amount of £45.149m has been taken to the Statement of Comprehensive Income and a revaluation gain of £26.663m transferred to revaluation reserve. An impairment of £73.860m has been charged to the revaluation reserve.

7 Other gains / (losses)

	Group 2022-23 £000	2021-22 £000
Gains on disposal of property, plant and equipment	**393**	49
Losses on disposal of assets	**(138)**	(381)
Total (losses) / gains on disposal of assets	**255**	(332)

7.1 Share of operating profit in associates and joint ventures

	Group 2022-23 £000	2021-22 £000
Synnovis Group LLP*	**131**	78
MedTech Innovations	**(524)**	-
	(393)	78

*Formerly known as Viapath Group LLP

8 Intangible non-current assets

8.1 Intangible non-current assets - current year

Group	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2022	**16,184**	**23,216**	**39,400**
Additions purchased	**1,690**	**5,571**	**7,261**
Additions donated	**69**	**-**	**69**
At 31 March 2023	**17,943**	**28,787**	**46,730**
Amortisation			
At 1 April 2022	**8,219**	**-**	**8,219**
Charged during the year	**2,427**	**-**	**2,427**
At 31 March 2023	**10,646**	**-**	**10,646**
Net book value			
Purchased	**7,297**	**28,787**	**36,084**
Leased	**-**	**-**	**-**
Total at 31 March 2023	**7,297**	**28,787**	**36,084**

8.2 Intangible non-current assets - current year

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2022	**15,188**	**23,216**	**38,404**
Reclassifications of existing finance lease assets to right of use assets on 1 April 2022	**(109)**	**-**	**(109)**
Additions purchased	**1,153**	**5,571**	**6,724**
Additions donated	**69**	**-**	**69**
At 31 March 2023	**16,301**	**28,787**	**45,088**
Amortisation			
At 1 April 2022	**7,586**	**-**	**7,586**
Reclassifications of existing finance lease assets to right of use assets on 1 April 2022	**(55)**	**-**	**(55)**
Charged during the year	**2,281**	**-**	**2,281**
Disposals		**-**	**-**
At 31 March 2023	**9,812**	**-**	**9,812**
Net book value			
Purchased	**6,489**	**28,787**	**35,276**
Leased	**-**	**-**	**-**
Total at 31 March 2023	**6,489**	**28,787**	**35,276**

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	Intangible assets under construction	Total
	£000	£000	£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**

8.4 Intangible non-current assets - prior year

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2021	**21,196**	**-**	**21,196**
Additions purchased	**1,137**	**23,216**	**24,353**
Disposals/derecognition	**(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/derecognition	**(7,145)**	**-**	**(7,145)**
	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.

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 2022	**129,720**	**458,697**	**1,832**	**52,520**	**120,673**	**48,344**	**1,697**	**813,484**
Additions purchased	-	12,582	-	30,181	15,323	9,291	17	**67,394**
Additions - IFRIC 12 scheme assets (excluding lifecycle)	-	-	-	-	-	-	-	**-**
Additions - assets purchased from cash donations/grants	-	-	-	979	1,000	-	-	**1,979**
Impairments charged to operating expenses	(4,965)	(46,933)	-	-		-	-	**(51,898)**
Impairments charged to the revaluation reserve	(63,667)	(17,177)	-	-	-	-	-	**(80,844)**
Reversal of impairments credited to operating expenses	-	2,634	-	-	-	-	-	**2,634**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	3,209	16,358	50	-	-	-	-	**19,617**
Reclassifications	-	61,094	-	(61,094)	-	-	-	**-**
Disposals*	-	-	-	-	(6,148)	(350)	-	**(6,498)**
At 31 March 2023	**64,297**	**487,255**	**1,882**	**22,586**	**130,848**	**57,285**	**1,714**	**765,868**
Depreciation								
At 1 April 2022	**-**	**133**	**-**	**-**	**51,085**	**22,663**	**946**	**74,827**
Charged during the year	-	18,390	90	-	11,645	7,528	205	**37,858**
Impairments charged to operating expenses	-	(2,454)	-	-	-	-	-	**(2,454)**
Impairments charged to the revaluation reserve	-	(6,984)	-	-	-	-	-	**(6,984)**
Reversal of impairments credited to operating expenses	-	(1,661)	-	-	-	-	-	**(1,661)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(6,956)	(90)	-	-	-	-	**(7,046)**
Reclassifications	-	-	-	-	-	-	-	**-**
Disposals*	-	-	-	-	(2,398)	(350)	-	**(2,748)**
At 31 March 2023	**-**	**468**	**-**	**-**	**60,332**	**29,841**	**1,151**	**91,792**
Net book value								
Owned - purchased	**42,244**	**273,573**	**1,676**	**13,630**	**61,305**	**27,174**	**467**	**420,070**
Owned - donated	**1,997**	**12,648**	**206**	**7,093**	**2,560**	**269**	**97**	**24,870**
On balance sheet PFI	**20,056**	**200,567**	**-**	**1,863**	**5,881**	**-**	**-**	**228,367**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**770**	**-**	**-**	**770**
Total at 31 March 2023	**64,297**	**486,788**	**1,882**	**22,586**	**70,516**	**27,443**	**564**	**674,077**
Revaluation reserve balance								
At 1 April 2022	**92,490**	**117,148**	**1,575**	**-**	**-**	**-**	**-**	**211,213**
Revaluation and indexation in year	**(60,458)**	**13,121**	**140**	**-**	**-**	**-**	**-**	**(47,197)**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**-**		**-**	**-**
At 31 March 2023	**32,032**	**130,269**	**1,715**	**-**	**-**	**-**	**-**	**164,016**

The effective date of land and building revaluation was 31 March 2023 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.

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
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2022	**129,720**	**458,697**	**1,832**	**52,520**	**104,576**	**48,344**	**1,697**	**797,387**
Reclassifications of existing finance lease assets to right of use assets on 1 April 2022	-	(5,006)	-	-	(69,882)	-	-	**(74,888)**
Additions purchased	-	11,034	-	30,183	2,561	9,291	17	**53,086**
Additions - leased / IFRIC 12 scheme assets (excluding lifecycle)	-	-	-	-	-	-	-	**-**
Additions - assets purchased from cash donations/grants	-	-	-	979	-	-	-	**979**
Impairments charged to operating expenses	(4,965)	(46,933)	-	-		-	-	**(51,898)**
Impairments charged to the revaluation reserve	(63,667)	(17,177)	-	-	-	-	-	**(80,844)**
Reversal of impairments credited to operating expenses	-	2,634	-	-	-	-	-	**2,634**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	3,209	15,779	50	-	-	-	-	**19,038**
Reclassifications	-	61,094	-	(61,094)	-	-	-	**-**
Disposals*	-	-	-	-	(783)	(350)	-	**(1,133)**
At 31 March 2023	**64,297**	**480,122**	**1,882**	**22,588**	**36,472**	**57,285**	**1,714**	**664,361**
Depreciation								
At 1 April 2022	**-**	**133**	**-**	**-**	**34,987**	**22,663**	**946**	**58,729**
Reclassifications of existing finance lease assets to right of use assets on 1 April 2022	-	-	-	-	(15,415)	-	-	**(15,415)**
Charged during the year	-	18,186	90	-	3,424	7,528	205	**29,433**
Impairments charged to operating expenses	-	(2,454)	-	-	-	-	-	**(2,454)**
Impairments charged to the revaluation reserve	-	(6,984)	-	-	-	-	-	**(6,984)**
Reversal of impairments credited to operating expenses	-	(1,661)	-	-	-	-	-	**(1,661)**
Reversal of impairments credited to the revaluation reserve	-	-	-	-	-	-	-	**-**
Revaluations	-	(6,752)	(90)	-	-	-	-	**(6,842)**
Reclassifications	-	-		-	-			**-**
Disposals*	-	-	-	-	(616)	(350)	-	**(966)**
At 31 March 2023	**-**	**467**	**-**	**-**	**22,380**	**29,841**	**1,151**	**53,840**
Net book value								
Owned - purchased	**42,244**	**266,440**	**1,676**	**13,632**	**5,880**	**27,174**	**467**	**357,514**
Owned - donated	**1,997**	**12,648**	**206**	**7,093**	**1,560**	**269**	**97**	**23,870**
On balance sheet PFI	**20,056**	**200,567**	**-**	**1,863**	**5,881**	**-**	**-**	**228,367**
Owned - equipment donated from DHSC and NHSE for COVID response	**-**	**-**	**-**	**-**	**770**	**-**	**-**	**770**
Total at 31 March 2023	**64,297**	**479,655**	**1,882**	**22,588**	**14,091**	**27,443**	**564**	**610,521**
Revaluation reserve balance								
At 1 April 2022	**92,490**	**117,148**	**1,575**	**-**	**-**	**-**	**-**	**211,213**
Revaluation and indexation in year	**(60,458)**	**13,121**	**140**	**-**	**-**	**-**	**-**	**(47,197)**
Transfer to I&E Reserve	**-**	**-**	**-**	**-**	**-**		**-**	**-**
At 31 March 2023	**32,032**	**130,269**	**1,715**	**-**	**-**	**-**	**-**	**164,016**

The effective date of land and building revaluation was 31 March 2023 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.

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 2021	**90,307**	**446,866**	**1,775**	**24,703**	**135,550**	**53,385**	**2,505**	**755,091**
Additions purchased	-	5,434	-	38,159	8,454	6,255	246	**58,548**
Additions - 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**	**813,483**
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**	**476,774**
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**	**738,657**
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 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.

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

9 Property, plant and equipment - continued

9.4 Property, plant and equipment - prior year

Trust	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**	**119,453**	**53,385**	**2,505**	**738,994**
Additions purchased	-	5,434	-	38,159	1,395	6,255	246	**51,489**
Additions - IFRIC 12 scheme assets (excluding lifecycle)		-			7,961			**7,961**
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**	**797,386**
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)**
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	**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 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.

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

10 Leases and Right of Use Assets

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

10.1 Right of Use Assets 2022/23

Group	Property (land and buildings)	Plant & machinery	Total	Of which: leased from DHSC group bodies
Cost or Valuation	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2022 - brought forward	-	-	-	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	77,399	7,131	84,530	55,675
Additions	37,387	-	37,387	-
Remeasurements of the lease liability	-	-	-	-
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Disposals / derecognition	-	-	-	-
Valuation/gross cost at 31 March 2023	**114,786**	**7,131**	**121,917**	**55,675**
Depreciation				
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	-
Provided during the year	9,288	2,572	11,860	6,448
Impairments	-	-	-	-
Reversal of impairments	-	-	-	-
Revaluations	-	-	-	-
Reclassifications	-	-	-	-
Disposals / derecognition	-	-	-	-
Accumulated depreciation at 31 March 2023	**9,288**	**2,572**	**11,860**	**6,448**
Net book value at 31 March 2023	**105,498**	**4,559**	**110,057**	**49,227**
Net book value of right of use assets leased from other NHS providers				**14,152**
Net book value of right of use assets leased from other DHSC group bodies				**35,075**

10 Leases and Right of Use Assets - Continued

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis.

10.2 Right of Use Assets 2022/23

Trust	Property (land and buildings)	Plant & machinery	Intangibles	Total	Of which: leased from DHSC group bodies
Cost or Valuation	**£000**	**£000**	**£000**	**£000**	**£000**
Valuation / gross cost at 1 April 2022 - brought forward	-	-	-	**-**	-
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	5,006	69,882	109	**74,997**	-
IFRS 16 implementation - adjustments for existing operating leases / subleases	77,399	2,368	-	**79,767**	55,675
Additions	38,935	13,596	-	**52,531**	-
Remeasurements of the lease liability	-	-	-	**-**	-
Impairments	-	-	-	**-**	-
Reversal of impairments	-	-	-	**-**	-
Revaluations	579	-	-	**579**	-
Reclassifications	-	-	-	**-**	-
Disposals / derecognition	-	(5,365)	-	**(5,365)**	-
Valuation/gross cost at 31 March 2023	**121,919**	**80,481**	**109**	**202,509**	**55,675**
Depreciation					
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	**-**	-
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	-	15,415	55	**15,470**	-
IFRS 16 implementation - adjustments for existing subleases	-	-	-	**-**	-
Provided during the year	9,492	8,935	22	**18,449**	6,448
Impairments	-	-	-	**-**	-
Reversal of impairments	-	-	-	**-**	-
Revaluations	(204)	-	-	**(204)**	-
Reclassifications	-	-	-	**-**	-
Disposals / derecognition	-	(1,782)	-	**(1,782)**	-
Accumulated depreciation at 31 March 2023	9,288	22,568	77	31,933	6,448
Net book value at 31 March 2023	112,631	57,913	32	170,576	49,227
Net book value of right of use assets leased from other NHS providers					14,152
Net book value of right of use assets leased from other DHSC group bodies					35,075

10.3 Reconciliation of the carrying value of lease liabilities

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in note 17.

	Group 2022/23 £000	Trust 2022/23 £000
Carrying value at 31 March 2022	**-**	**59,120**
IFRS 16 implementation - adjustments for existing operating leases	**84,530**	**79,767**
Lease additions	**37,387**	**52,591**
Interest charge arising in year	**848**	**1,181**
Early terminations/disposals	**-**	**(3,583)**
Lease payments (cash outflows)	**(12,546)**	**(19,563)**
Carrying value at 31 March 2023	**110,219**	**169,513**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

10.4 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	13,103	6,861	22,724	6,861
- later than one year and not later than five years;	43,646	23,819	78,491	23,819
- later than five years.	60,037	20,874	78,245	20,874
Total gross future lease payments	**116,786**	**51,554**	**179,460**	**51,554**
Finance charges allocated to future periods	(6,567)	(2,238)	(9,948)	(2,238)
Net lease liabilities at 31 March 2023	**110,219**	**49,316**	**169,512**	**49,316**
Of which:				
- Current	12,105	6,420	21,182	6,420
- Non-Current	98,114	42,896	148,329	42,896

The Foundation Trust is not exposed to significant liquidity risks in relation to lease liabilities as the Foundation Trust is able to access funding through the Department of Health and Social Care in order to manage continuing operations.

The trust leases various buildings and medical equipment used in the provision of healthcare.

Buildings leases include renewal clauses and rental cost review dates and medical equipment leases include extension clauses or purchase options. Due to the uncertainty of these, potential future cash flows related to these are not included in the measurement of the lease liabilities.

At 31 March 2023, the Trust has not committed to any leases which had not commenced at that date.
There are no restrictions or covenants imposed by the Trust's lease arrangements.

10.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group 31 March 2022 £000	Trust 31 March 2022 £000
Undiscounted future lease payments payable in:		
- not later than one year;	-	8,926
- later than one year and not later than five years;	-	31,960
- later than five years.	-	19,861
Total gross future lease payments	**-**	**60,747**
Finance charges allocated to future periods	-	(1,626)
Net finance lease liabilities at 31 March 2022	**-**	**59,121**
of which payable:		
- not later than one year;	-	8,687
- later than one year and not later than five years;	-	31,105
- later than five years.	-	19,329

10.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group 2021/22 £000
Operating lease expense	
Minimum lease payments	11,709
Total	**11,709**

	31 March 2022 £000
Future minimum lease payments due:	
- not later than one year;	12,514
- later than one year and not later than five years;	39,911
- later than five years.	44,198
Total	**96,623**

10.7 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 15.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group 1 April 2022 £000
Operating lease commitments under IAS 17 at 31 March 2022	**96,623**
Impact of discounting at the incremental borrowing rate	(3,928)
IAS 17 operating lease commitment discounted at incremental borrowing rate	**92,695**
Less:	
Short-term leases	(617)
Irrecoverable VAT previously included in IAS 17 commitment	(6,552)
Other adjustments:	
Differences in the assessment of the lease term	(712)
Rent decreases reflected in the lease liability, not previously reflected in the IAS 17 commitment	(284)
Total lease liabilities under IFRS 16 as at 1 April 2022	**84,530**

11 Investments

11.1 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 2023, and for the associate (Synnovis), 31 December 2022.

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			
Synnovis Group LLP (Synnovis)***	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.

***Synnovis Group LLP was formerly known as Viapath Group LLP

11.2 Carrying value of associates

	2022-23	2021-22
Group		
	£000	£000
Balance at 1 April	**5,113**	4,135
Acquisitions in year	**900**	900
Share of profit	**(393)**	78
Disposals	**-**	-
Balance at 31 March	**5,620**	5,113

The balance includes investment of £1,500k in MedTech Innovations Ltd. The remainder of the balance relates to Synnovis, which provides critical pathology services to the Trust.

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

11.3 Value of associates

	2022-23	2021-22
	£000	£000
Total gross assets of the entity as at 31 March	**163,409**	149,900
Total gross liabilities of the entity as at 31 March	**(138,756)**	(129,300)
Total revenues for the year ending 31 March	**191,541**	171,700
Profit for the year ending 31 March	**4,507**	12,000

The above figures are estimates based on the Synnovis draft annual accounts for the year ended 31 December 2022.
Figures from the Synnovis year end are used as there is not expected to be a material difference in position between the two year end dates.

11.4 Carrying value of other investments

	Group		**Trust**	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
	£000	£000	**£000**	£000
King's Fertility Limited	**335**	335	**335**	335
Other financial assets*	**2,125**	2,000	**2,125**	-
	2,460	2,335	**2,460**	335

*Other financial assets relates to a PIK note which was held by KCH Management Ltd in 2021-22, but transferred to Trust ownership during 2022-23.

12 Inventories

12.1 Inventories - current year

	Group			
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Total £000
At 1 April 2022	**8,529**	**13,206**	**-**	**21,735**
Additions	**208,065**	**123,113**	**-**	**331,178**
Additions donated	**-**	**-**	**3,105**	**3,105**
Inventories consumed and expensed	**(206,573)**	**(123,111)**	**(3,105)**	**(332,789)**
Write down of inventories	**(871)**	**(150)**	**-**	**(1,021)**
At 31 March 2023	**9,150**	**13,058**	**-**	**22,208**

Inventories - current year

	Trust			
	Drugs £000	Consumables £000	Consumables donated from DHSC bodies £000	Total £000
At 1 April 2022	**7,526**	**402**	**-**	**7,928**
Additions	**186,431**	**22,022**	**3,105**	**211,558**
Inventories consumed and expensed	**(186,035)**	**(22,424)**	**(3,105)**	**(211,564)**
At 31 March 2023	**7,922**	**-**	**-**	**7,922**

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 2022/23 the Trust received £3.1m 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.

12.2 Inventories - prior 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 - prior 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

13 Trade and other receivables

13.1 Trade and other receivables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Current				
Contract receivables	**90,356**	65,317	**84,249**	60,980
Allowance for impaired contract receivables / assets	**(10,892)**	(10,888)	**(10,680)**	(10,675)
Deposits and advances	**366**	503	**366**	503
Prepayments (non-PFI)	**7,178**	7,908	**7,161**	5,842
PDC dividend receivable	**1,334**	-	**1,334**	-
VAT receivable	**13,658**	12,299	**13,434**	14,540
Other receivables due from subsidiaries	**-**	-	**2,367**	2,854
Clinician pension tax provision reimbursement funding from NHSE	**117**	118	**117**	118
Other receivables	**49**	342	**347**	343
Total current receivables	**102,166**	75,599	**98,695**	74,504
Non-current				
Contract receivables *	**14,111**	12,352	**5,314**	3,737
Other receivables due from subsidiaries	**-**	-	**60,853**	73,781
Clinician pension tax provision reimbursement funding from NHSE	**2,684**	2,201	**2,684**	2,201
Other Receivables *	**7,895**	7,783	**7,895**	7,783
Total non-current receivables	**24,690**	22,336	**76,746**	87,502
Total	**126,856**	97,935	**175,441**	162,006
Of which are receivable from NHS and DHSC group bodies:				
Current	**50,643**	21,049	**50,643**	21,049
Non-current	**2,684**	2,201	**2,684**	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 2023 was NHS England totalling £24.662m (2022: Solutions Asset Finance - £14.460m).

* Realignment of prior year Trust-only figures between contract receivables and other receivables.

13.2 Allowances for credit losses - 2022/2023

	Group		Trust	
	Contract receivables £000	**All other receivables £000**	**Contract receivables £000**	**All other receivables £000**
Allowances as at 1 Apr 2022 - brought forward	**10,888**	**-**	**10,676**	**-**
New allowances arising	3,135	-	3,135	-
Reversals of allowances	(291)	-	(291)	-
Utilisation of allowances (write offs)	(2,840)	-	(2,840)	-
Allowances as at 31 Mar 2023	**10,892**	**-**	**10,680**	**-**

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	**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**	**-**

14 Cash and cash equivalents

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Opening balance	**92,991**	143,867	**69,893**	122,219
Net change in year	**(35,386)**	(50,876)	**(33,118)**	(52,326)
Closing balance	**57,605**	92,991	**36,775**	69,893
Made up of				
Cash with Government Banking Service	**52,312**	77,295	**34,991**	59,637
Commercial banks and cash in hand	**5,293**	15,696	**1,784**	10,256
Cash and cash equivalents as in statement of financial position	**57,605**	92,991	**36,775**	69,893
Patients' money held by the Foundation Trust	**14**	13	**14**	13

15 Trade and other payables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Current				
Trade payables	**50,970**	55,933	**35,948**	44,089
Capital payables	**13,448**	5,608	**13,448**	5,610
Accruals	**102,521**	93,571	**98,000**	93,431
Receipts in advance	**1,079**	1,022	**1,079**	1,022
Social security costs	**11,641**	9,887	**11,626**	9,872
Other taxes payable	**12,189**	9,805	**11,783**	9,284
PDC Dividend Payable	**-**	825	**-**	825
Other payables	**13,435**	12,518	**12,975**	11,480
Total	**205,283**	189,168	**184,859**	175,613
Of which are payable to NHS and DHSC group bodies:				
Current	**15,543**	24,032	**15,543**	24,032

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

16 Other liabilities - Deferred income

	Group and Trust	
	31 March 2023 £000	31 March 2022 £000
Current		
Deferred income	**15,793**	15,641
Total	**15,793**	15,641

All deferred income is current; there are no non-current balances.
£17k of the deferred income is held by the subsidiary, KCH Management Ltd (£133k in 2021-22)

17 Borrowings

	Group		Trust	
	31 March 2023	31 March 2022	**31 March 2023**	31 March 2022
Current	**£000**	£000	**£000**	£000
Loans from DHSC				
Capital loans	**3,710**	3,734	**3,710**	3,734
Other loans	**640**	844	**640**	640
Lease liabilities*	**12,105**	-	**21,182**	7,900
Obligations under PFI contracts	**6,378**	5,765	**6,378**	5,765
Total current borrowings	**22,833**	10,343	**31,910**	18,039
Non-current				
Loans from DHSC				
Capital loans	**36,834**	40,251	**36,834**	40,251
Other loans	**1,922**	2,697	**1,922**	2,562
Lease liabilities*	**98,114**	-	**148,331**	51,220
Obligations under PFI contracts	**131,047**	136,497	**131,047**	136,497
Total non-current borrowings	**267,917**	179,445	**318,134**	230,530
Total	**290,750**	189,788	**350,044**	248,569

* The Trust has applied IFRS 16 to lease arrangements within these accounts from 1 April 2022 without restatement of comparatives. More information about leases and the impact of this change in accounting policy can be found in note 10.

17.1 Reconciliation of liabilities arising from financing activities

Group	**Loans from DHSC**	**Other loans**	**PFI and LIFT schemes**	**Lease Liabilities**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Carrying value at 1 April 2022	**43,985**	**3,541**	**142,262**	-	**189,788**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,418)	(875)	(6,135)	(11,698)	**(22,126)**
Financing cash flows - payments of interest	(1,116)	(11)	(15,248)	(848)	**(17,223)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases	-	-	-	84,530	**84,530**
Additions	-	-	1,250	37,387	**38,637**
Interest charge arising in year	1,093	11	15,248	848	**17,200**
Other Changes	-	(104)	48	-	**(56)**
Carrying value at 31 March 2023	**40,544**	**2,562**	**137,425**	**110,219**	**290,750**

Group	**Loans from DHSC**	**Other loans**	**PFI and LIFT schemes**	**Lease Liabilities**	**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**

17 Borrowings - Continued

17.3 Reconciliation of liabilities arising from financing activities

Trust	Loans from DHSC	Other loans	PFI and LIFT schemes	Lease Liabilities	Total
	£000	£000	£000	£000	£000
Carrying value at 1 April 2022	**43,985**	**3,202**	**142,262**	**59,120**	**248,569**
Cash movements:					
Financing cash flows - payments and receipts of principal	(3,418)	(640)	(6,135)	(18,382)	**(28,575)**
Financing cash flows - payments of interest	(1,116)	-	(15,248)	(1,181)	**(17,545)**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases				79,767	**79,767**
Additions	-	-	1,250	52,591	**53,841**
Interest charge arising in year	1,093	-	15,248	1,181	**17,522**
Disposals				(3,583)	**(3,583)**
Other Changes	-	-	48	-	**48**
Carrying value at 31 March 2023	**40,544**	**2,562**	**137,425**	**169,513**	**350,044**

Trust	Loans from DHSC	Other loans	PFI and LIFT schemes	Lease Liabilities	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)**
Interest charge arising in year			-		**-**
Non-cash movements:					
IFRS 16 implementation - adjustments for existing operating leases / subleases					
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**

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 2022	3,602	165	155	818	2,319	**7,059**
Arising during the year	370	-	166	698	2,908	**4,142**
Utilised during the year - cash	(633)	(61)	-	(103)	(18)	**(815)**
Reversed unused	(271)	(7)	(60)	(74)	-	**(412)**
Change in discount rate	(672)	(7)	-	-	(2,464)	**(3,143)**
Unwinding of discount	(40)	-	-	-	56	**16**
At 31 March 2023	**2,356**	**90**	**261**	**1,339**	**2,801**	**6,847**
Expected timing of cash flows:						
No later than one year	638	61	261	1,339	117	**2,416**
Later than one year and not later than five years	1,718	29	-	-	211	**1,958**
Later than five years	-	-	-	-	2,473	**2,473**
Total	**2,356**	**90**	**261**	**1,339**	**2,801**	**6,847**

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.
"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 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)
Utilised during the year - accruals	-	-	-	-	-	-
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 were held by 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.

18.3 Provisions - further information

Clinical negligence

£660.933m (31 March 2022: £928.729m) 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 (3.51%) (2021-22: (0.95%)) (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 £0.364m (31 March 2022: £0.466m) 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 2023	31 March 2022
	£000	£000
Contingent liabilities		
Non-clinical legal claims	**(90)**	(86)

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 2023	31 March 2022
	£000	£000
Property, plant and equipment	**24,006**	13,375

Capital commitments at 31st March 2023 include works on the Patient Records system, remaining works on the Critical Care Unit, and a number of smaller works.

21 Revaluation reserve

Group and Trust		**31 March 2023**	31 March 2022
	Property, plant and equipment £000	**Total £000**	Total £000
At 1 April 2022	**211,213**	**211,213**	157,756
Net impairments	**(73,860)**	**(73,860)**	(2,352)
Revaluations	**26,663**	**26,663**	55,809
At 31 March 2023	**164,016**	**164,016**	211,213

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 2023 £000	31 March 2022 £000
Gross PFI liabilities	**280,854**	301,664
Of which liabilities are due:		
- not later than one year	**21,087**	21,018
- later than one year and not later than five years	**79,478**	80,384
- later than five years	**180,289**	200,262
Total	**280,854**	301,664
Finance charges allocated to future periods	**(143,429)**	(159,402)
Net PFI liabilities	**137,425**	142,262
Of which liabilities are due:		
- not later than one year	**6,378**	5,765
- later than one year and not later than five years	**23,849**	23,179
- later than five years	**107,198**	113,318
Total	**137,425**	142,262

22.2 Total on-SoFP PFI commitments

Total future obligations under these on-SoFP schemes are as follows:

	Group and Trust 31 March 2023 £000	31 March 2022 £000
Total future payments committed of which will fall due:		
- not later than one year	**108,519**	95,642
- later than one year and not later than five years	**511,520**	405,879
- later than five years	**2,017,930**	1,297,744
Total	**2,637,969**	1,799,265

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 2023 £000	31 March 2022 £000
Unitary payment payable to service concession operator (total of all schemes)	**97,977**	92,679
Consisting of:		
- Interest charge	**15,248**	15,716
- Repayment of finance lease liability	**6,135**	5,302
- Service element	**60,633**	58,317
- Revenue lifecycle maintenance	**3,001**	3,264
- Contingent rent	**12,960**	10,080
	97,977	92,679
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	**7,268**	6,680
Total	**105,245**	99,359

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 4.2% (2021/22: 3.3%).

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 integrated care boards, 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
63% 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 0.21%, 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 2023 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. Debts past their due date are covered by credit provisions or relate to intercompany loans where no requirement to impair has been identified.

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 2023	**156,490**	**57,605**	**-**	**98,885**
at 31 March 2022	164,768	92,991	-	71,777
Trust				
Gross financial assets				
at 31 March 2023	**184,487**	**36,775**	**-**	**147,712**
at 31 March 2022	203,817	69,893	-	133,924

The weighted average interest rate for total financial assets was 0.21% (2021/22: 0.03%).
The weighted average period for which fixed years was unlimited (2021-22: unlimited).
The non-interest bearing weighted average term years was nil (2021-22: nil).

23.3 Financial liabilities

Group	Total £000	Floating rate £000	Fixed rate £000	Non-interest bearing £000
Gross financial liabilities				
at 31 March 2023	**465,328**	**2,562**	**294,059**	**168,707**
at 31 March 2022	364,200	3,541	193,029	167,630
Trust				
Gross financial liabilities				
at 31 March 2023	**504,621**	**2,562**	**353,353**	**148,706**
at 31 March 2022 *	409,887	3,202	245,368	161,317

The weighted average interest rate for total financial liabilities was 5.72% (2021/22: 8.37%).
The weighted average period for which fixed years was unlimited (2021-22: unlimited).
The non-interest bearing weighted average term years was nil (2021-22: nil).

* Non-interest bearing financial liabilities figure for prior year amended to correct figure as shown in note 23.4.

23.4 Carrying values of financial assets

	Group			
Carrying values of financial assets as at 31 March 2023	**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	96,425	-	-	**96,425**
Other investments / financial assets	335	-	2,125	**2,460**
Cash and cash equivalents	57,605	-	-	**57,605**
Total at 31 March 2023	**154,365**	**-**	**2,125**	**156,490**

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**

	Trust			
Carrying values of financial assets as at 31 March 2023	**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	145,252	-	-	**145,252**
Other investments / financial assets	335	-	2,125	**2,460**
Cash and cash equivalents	36,775	-	-	**36,775**
Total at 31 March 2023	**182,362**	**-**	**2,125**	**184,487**

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**

23.5 Carrying values of financial liabilities

Group

Carrying values of financial liabilities as at 31 March 2023	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	40,544	-	**40,544**
Obligations under PFI, LIFT and other service concessions	137,425	-	**137,425**
Obligations under leases	110,219		**110,219**
Other borrowings	2,562	-	**2,562**
Trade and other payables excluding non financial liabilities	168,707	-	**168,707**
Provisions under contract	5,871	-	**5,871**
Total at 31 March 2023	**465,328**	**-**	**465,328**

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**
Provisions under contract	6,782	-	**6,782**
Total at 31 March 2022	**364,200**	**-**	**364,200**

Trust

Carrying values of financial liabilities as at 31 March 2023	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	40,544	-	**40,544**
Obligations under PFI, LIFT and other service concessions	137,425	-	**137,425**
Obligations under finance leases	169,513	-	**169,513**
Other borrowings	2,562	-	**2,562**
Trade and other payables excluding non financial liabilities	148,706	-	**148,706**
Provisions under contract	5,871	-	**5,871**
Total at 31 March 2023	**504,621**	**-**	**504,621**

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**

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 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
In one year or less	**209,463**	195,599	**199,081**	213,952
In more than one year but not more than five years	**143,863**	104,817	**178,708**	136,642
In more than five years	**268,275**	230,301	**286,483**	250,162
Total	**621,601**	530,717	**664,272**	600,756

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 2023, the Foundation Trust held £14,423 (31 March 2022: £13,348) 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 2023.

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 ICBs (and CGGs prior to June 2022), 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 South East London Integrated Care Board
London Commissioning Region
NHS South East London CCG
Health Education England
NHS England Central Commissioning Hub
NHS Kent and Medway Integrated Care Board
NHS South West London Integrated Care Board
NHS England
Guy's And St Thomas' NHS Foundation Trust
NHS Kent and Medway CCG
NHS Resolution
NHS South West London CCG
NHS Sussex Integrated Care Board
NHS North West London Integrated Care Board
NHS North East London Integrated Care Board
NHS Surrey Heartlands Integrated Care Board
Health And Social Care Board
NHS North Central London Integrated Care Board
Oxleas NHS Foundation Trust
NHS Blood And Transplant
Community Health Partnerships Ltd
NHS Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board

Current year	Income £000	Expenditure £000	Receivables £000	Payables £000
Synnovis Group LLP	11,590	70,980	2,901	5,069
Medtech				225

Prior year	Income £000	Expenditure £000	Receivables £000	Payables £000
Synnovis Group LLP	11,906	88,033	2,050	7,174
Medtech *	-	-	-	-

* The Medtech expenditure figure of £900k included in the previous year's accounts has been removed from this disclosure as this related to the investment in Medtech and not expenditure. The Trust has invested £900k in Medtech in 2022-23 (£900k in 2021-22)

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 £000	Expenditure £000	Receivables £000	Payables £000
King's Interventional Facilities Management	13,281	180,491	50,032	77,277
King's Commercial Services Ltd	463	-	12,250	-
KCH Management Ltd	1,703	1,832	1,188	99

Prior year	Income £000	Expenditure £000	Receivables £000	Payables £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

During the year the Trust purchased a financial asset (PIK note) from its subsidiary, KCH Management Ltd, for £2,124k.

27 Losses and special payments

Group and Trust	2022-23 Number	2022-23 Value £000	2021-22 Number	2021-22 Value £000
Losses of cash due to:				
- overpayment of salaries	**124**	**167**	56	68
Bad debts and claims abandoned in relation to:				
- private patients	**1**	**24**	31	317
- overseas visitors	**391**	**2,613**	638	3,921
- other	**28**	**36**	27	0
Stores Losses	**31**	**1,021**	7	243
Damage to buildings, property etc. due to:				
- theft, fraud etc.	**3**	**1**	9	7
Total losses	**578**	**3,862**	768	4,556
Special payments due to:				
Ex-gratia payments due to:				
- loss of personal effects	**11**	**12**	14	10
- overtime corrective payments *	**-**	**-**	1	5
Total special payments	**11**	**12**	15	15
Total losses and special payments	**589**	**3,874**	783	4,571

In 2022-23 there were nil cases where the loss or special payment exceeded £300,000 (2021-22: 0 cases).

Losses and special payments are disclosed on an accruals, rather than a cash basis, but exclude provision for future losses.